

CIRCULAR DATED 18 NOVEMBER 2004

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Approval in-principle has been obtained from Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the New Units (as defined herein) and the Consideration Units (as defined herein) on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the Equity Fund Raising (as defined below), the New Units, the Consideration Units, Ascendas Real Estate Investment Trust ("A-REIT") and the waivers granted by the SGX-ST as described in the section of this Circular headed "Terms of the Equity Fund Raising".

The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular.



(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))

**MANAGED BY
ASCENDAS-MGM FUNDS MANAGEMENT LIMITED**



Macquarie Goodman

OFFER AND PLACEMENT OF 179,292,903 NEW UNITS IN A-REIT (THE "NEW UNITS") AT AN ISSUE PRICE OF S\$1.55 FOR EACH NEW UNIT (THE "ISSUE PRICE") BY WAY OF:

- (A) A PREFERENTIAL OFFERING OF 83,554,220 NEW UNITS TO SINGAPORE REGISTERED UNITHOLDERS (AS DEFINED HEREIN) ON A NON-RENOUNCEABLE BASIS OF 1 NEW UNIT FOR EVERY 10 OF THE EXISTING UNITS (AS DEFINED HEREIN) HELD AS AT 5.00 P.M. ON 16 NOVEMBER 2004 (THE "BOOKS CLOSURE DATE"), FRACTIONS OF A NEW UNIT TO BE DISREGARDED (THE "PREFERENTIAL OFFERING") AND SUBJECT TO THE ROUNDING MECHANISM (AS DEFINED HEREIN);
- (B) AN OFFERING OF 37,500,000 NEW UNITS TO THE PUBLIC IN SINGAPORE THROUGH THE AUTOMATED TELLER MACHINES ("ATMS") OF DBS BANK LTD (INCLUDING POSB ATMS) ON A "FIRST-COME, FIRST-SERVED" BASIS (THE "ATM OFFERING"); AND
- (C) A PLACEMENT OF 58,238,683 NEW UNITS TO RETAIL AND INSTITUTIONAL INVESTORS (THE "PRIVATE PLACEMENT"; AND TOGETHER WITH THE PREFERENTIAL OFFERING AND THE ATM OFFERING, THE "EQUITY FUND RAISING").

**FINANCIAL ADVISER FOR THE EQUITY FUND RAISING
JOINT LEAD MANAGER AND UNDERWRITER
FOR THE PREFERENTIAL OFFERING AND THE PRIVATE PLACEMENT
LEAD MANAGER AND UNDERWRITER FOR THE ATM OFFERING**



**JOINT LEAD MANAGER AND UNDERWRITER
FOR THE PREFERENTIAL OFFERING AND THE PRIVATE PLACEMENT**



IMPORTANT DATES AND TIMES

Opening date and time for the Preferential Offering : Acceptance Form (as defined herein) and ATM
– **19 November 2004 at 9.00 a.m.**

Closing date and time for the Preferential Offering : Acceptance Form – **25 November 2004 at 4.45 p.m.**
ATM – **25 November 2004 at 9.30 p.m.**

Opening date and time for the ATM Offering : **19 November 2004 at 12.00 noon**

Closing date and time for the ATM Offering : **25 November 2004 at 12.00 noon** (subject to an earlier closure at the discretion of DBS Bank Ltd, in consultation with the Manager (as defined herein), in the event that the New Units under the ATM Offering are fully taken up)

The following is a summary of the principal terms and conditions of the Equity Fund Raising and is derived from, and should be read in conjunction with, the full text of this Circular, and is qualified in its entirety by reference to information appearing elsewhere in this Circular. Meanings of defined terms may be found in the Glossary on pages 20 to 23 of this Circular.

OVERVIEW

At the EGM of Unitholders held on 2 November 2004, resolutions relating to, among other things, the Equity Fund Raising to partly fund the proposed acquisitions of 13 properties, as set out in the Notice of EGM dated 14 October 2004, were duly passed.

PARTICIPATION IN THE EQUITY FUND RAISING

The Manager is issuing 179,292,903 New Units at the Issue Price of S\$1.55 for each New Unit for placement by way of:

(A) THE PREFERENTIAL OFFERING OF 1 NEW UNIT FOR EVERY 10 EXISTING UNITS

Singapore Registered Unitholders have the opportunity to participate in the Preferential Offering of 83,554,220 New Units on a non-renounceable basis of 1 New Unit for every 10 Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded), subject to the Rounding Mechanism.

Singapore Registered Unitholders may accept their provisional allocations of New Units through:

- the ATMs of DBS Bank (including POSB ATMs) and of the other Participating Banks, using cash; or
- by completing and submitting the Acceptance Form to CDP, accompanied by cashier's orders or banker's drafts.

Singapore Registered Unitholders who have used CPF funds to purchase their Existing Units and/or purchased their Existing Units under the Supplementary Retirement Scheme can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold their CPF Investment Scheme accounts and/or SRS accounts to subscribe for the New Units on their behalf.

(B) THE ATM OFFERING ON A "FIRST-COME, FIRST-SERVED" BASIS

The Singapore public can subscribe for 37,500,000 New Units offered through the ATMs of DBS Bank (including POSB ATMs) on a "first-come, first-served" basis. The minimum application for each applicant under the ATM Offering is for 1,000 New Units and the maximum application is for 500,000 New Units. Only one application for the New Units under the ATM Offering may be made for the benefit of one person and multiple applications will not be accepted.

(C) THE PRIVATE PLACEMENT

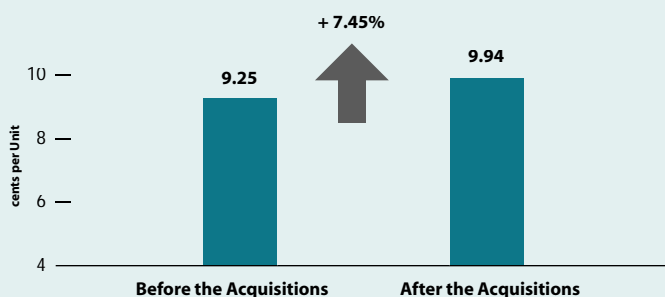
Retail and institutional investors can also subscribe for the 58,238,683 New Units offered under the Private Placement.

STATUS OF THE NEW UNITS

The New Units and the Consideration Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT's distributable income in respect of the entire Third Quarter Distribution Period. From the next distribution period (1 January 2005 to 31 March 2005), the New Units and the Consideration Units will rank equally in all respects with the Existing Units, including the right to any distributions which may be paid for that distribution period as well as all distributions thereafter.

PROJECTED DPU

FY 2006 PROJECTED DPU ⁽¹⁾



Note:

- ⁽¹⁾ The projected DPU for the financial year ending 31 March 2006, assuming the successful completion of the Acquisitions in December 2004 and that A-REIT's Gearing is reduced to approximately 26% following the completion of the Acquisitions, and based on the other assumptions set out in this Circular.

NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Circular in connection with the Equity Fund Raising and, if given or made, such information or representations must not be relied upon as having been authorised by A-REIT, Ascendas-MGM Funds Management Limited (as manager of A-REIT) (the “**Manager**”), HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited) (as trustee of A-REIT) (the “**Trustee**”), DBS Bank Ltd (“**DBS Bank**”) or Macquarie Securities (Singapore) Pte. Ltd. (“**Macquarie**”, and together with DBS Bank, the “**Joint Lead Managers and Underwriters**”). Save as expressly stated in this Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of A-REIT or the Manager. Neither the delivery of this Circular nor the issue of the New Units shall, in any circumstances, constitute a representation or give rise to any implication that there has been no material change in the affairs of A-REIT or in any of the information contained herein since the date of this Circular. Where such changes occur after the date of this Circular and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes to the SGX-ST. All unitholders of A-REIT (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement, shall be deemed to have notice of such changes.

This Circular may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction that would permit a public offering of the New Units or the possession, circulation or distribution of this Circular or any other material relating to A-REIT or the New Units in any jurisdiction where action for that purpose is required. The New Units may not be offered or sold, directly or indirectly, and neither this Circular nor any other offering material or advertisements in connection with the New Units may be distributed or published in or from any country or jurisdiction except, in each case, in circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

No information in this Circular should be considered to be business, legal or tax advice regarding an investment in the New Units and/or the units in A-REIT (“**Units**”).

The Joint Lead Managers and Underwriters make no representation, warranty or recommendation whatsoever as to the merits of the Equity Fund Raising, the New Units, the Acquisitions (as defined herein), A-REIT or any other matter related thereto or in connection therewith. Nothing in this Circular or the accompanying documents shall be construed as a recommendation to accept or purchase the New Units. Prospective purchasers or subscribers of the New Units should rely on their own investigation, appraisal and determination of the merits of investing in A-REIT and shall be deemed to have done so.

This Circular and the accompanying documents have been prepared solely for the purposes of the Equity Fund Raising and may not be relied upon for any other purposes.

The New Units have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).

The distribution of this Circular and the placement of the New Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Circular and/or its accompanying documents are required by the Manager and the Joint Lead Managers and Underwriters to inform themselves of, and observe, any such prohibitions and restrictions.

The audited financial statements of A-REIT for the financial year ended 31 March 2004 and the unaudited interim financial statements of A-REIT for the period from 1 April 2004 to 30 September 2004 (as announced by A-REIT on 14 October 2004) (collectively, the “**Financial Statements**”), which were prepared in accordance with Recommended Accounting Practice 7 “*Reporting Framework for Unit Trusts*” and in the English language, shall be deemed to be incorporated in, and to form part of, this Circular.

The Financial Statements incorporated in this Circular by reference are current only as at the date of such Financial Statements and the incorporation by reference of the Financial Statements shall not create any implication that there has been no change in the affairs of A-REIT since the dates thereof or that the information contained therein is current as at any time subsequent to their dates.

Any statement contained in this Circular shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a subsequent statement contained in this Circular modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular. In addition, any statement contained in such Financial Statements shall be deemed to be superseded for the purpose of this Circular to the extent that a discussion contained in this Circular relating to the same subject matter omits such statement. Any such statement omitted shall not be deemed to constitute a part of this Circular.

A copy of the Financial Statements is available for inspection upon appointment during normal business hours at the registered office of the Manager at 75 Science Park Drive, #01-03 CINTech II Singapore Science Park I, Singapore 118255, from the date of this Circular up to and including the date falling three months after the date of this Circular.

Prospective investors are advised to obtain and read the documents incorporated by reference in this Circular before making their investment decision in relation to the New Units.

Any discrepancies in the tables, charts and graphs included in this Circular between the listed amounts and totals thereof are due to rounding.

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 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 Circular contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these 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 costs), property expenses and governmental and public policy changes. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under paragraph k(ii) of the Offer Information Statement in **Annexure A** of this Circular.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. All forecasts and projections are based on the Issue Price and on the Manager's assumptions as explained in **Appendix 3** of the Offer Information Statement in **Annexure A** of this Circular. Actual yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the Issue Price. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of this Circular. The forecast and projected financial performance of A-REIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Circular for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of A-REIT before deciding whether to subscribe for or purchase the New Units.

CORPORATE INFORMATION

Directors of Ascendas-MGM Funds Management Limited (the manager of Ascendas Real Estate Investment Trust)	:	Mr Lew Syn Pau (Chairman) Mr David Clarke (Deputy Chairman) Ms Chong Siak Ching Mr Gregory Goodman Mr Swee Kee Siong Mr David Wong Cheong Fook (Independent Director) Mr Benedict Kwek Gim Song (Independent Director) Mr Thai Chee Ken (Independent Director) Mr James Hodgkinson (Alternate to Mr David Clarke)
Registered Office of Ascendas-MGM Funds Management Limited	:	75 Science Park Drive #01-03 CINTECH II Singapore Science Park I Singapore 118255
Trustee of Ascendas Real Estate Investment Trust	:	HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited) 21 Collyer Quay #10-01 HSBC Building Singapore 049320
Financial Adviser for the Equity Fund Raising	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
Joint Lead Managers and Underwriters for the Preferential Offering and the Private Placement	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809 Macquarie Securities (Singapore) Pte. Ltd. 23 Church Street #11-11 Capital Square Singapore 049481
Lead Manager and Underwriter for the ATM Offering	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
Legal Adviser for the Acquisitions and the Equity Fund Raising, and to the Manager and the Trustee	:	Allen & Gledhill One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Lead Managers and Underwriters for the Equity Fund Raising	:	Linklaters Allen and Gledhill One Marina Boulevard #28-00 Singapore 018989

Unit Registrar and Unit Transfer Office : Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

Independent Accountants : KPMG
Certified Public Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

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SUMMARY OF THE EQUITY FUND RAISING

The following is a summary of the principal terms and conditions of the Equity Fund Raising and is derived from, and should be read in conjunction with, the full text of this Circular, and is qualified in its entirety by reference to information appearing elsewhere in this Circular. Meanings of defined terms may be found in the Glossary on pages 20 to 23 of this Circular.

- Equity Fund Raising : The offer and issue of 179,292,903 New Units by A-REIT to existing Unitholders and new investors by way of the Preferential Offering, the ATM Offering and the Private Placement.
- Issue Price : S\$1.55 for each New Unit, payable in full on acceptance and/or application.
- Preferential Offering : 83,554,220 New Units offered to Singapore Registered Unitholders on a non-renounceable basis of 1 New Unit for every 10 of the Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded), for subscription at the Issue Price.

Where a Singapore Registered Unitholder's provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, it will be increased to such number which, when added to the Unitholder's unitholdings as at the Books Closure Date, results in an integral multiple of 1,000 Units (the "**Rounding Mechanism**"). For example, a Singapore Registered Unitholder with 1,500 Existing Units as at the Books Closure Date will be provisionally allocated with 500 New Units under the Preferential Offering (increased from the 150 New Units allocated based on the ratio of 1 New Unit for every 10 Existing Units under the Preferential Offering) so that, should the Unitholder decide to accept the whole of his provisional allocation of New Units, he will own a total of 2,000 Units. The Rounding Mechanism will be extended to investors who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme ("**SRS**"), and to Units held by nominee companies. However, in the case of nominee companies, as the Rounding Mechanism will be applied at the level of the aggregate Units held in the securities accounts of such nominee companies with The Central Depository (Pte) Limited ("**CDP**"), investors whose Units are held through such nominee companies may not enjoy the benefit of the Rounding Mechanism on an individual level.

Singapore Registered Unitholders who have used funds in their Central Provident Fund ("**CPF**") accounts to purchase their Existing Units and/or purchased their Existing Units under the SRS can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold their CPF Investment Scheme accounts and/or SRS accounts to subscribe for New Units on their behalf.

THE PROVISIONAL ALLOCATIONS OF NEW UNITS CANNOT BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST.

Acceptance of and payment for New Units under the Preferential Offering may be effected, in whole or in part, via Acceptance Forms or through the ATMs of DBS Bank (including POSB ATMs) and the other Participating Banks, and must be made in accordance with the “Procedures for Acceptance of and Payment for New Units under the Preferential Offering by Singapore Registered Unitholders” set out in **Annexure B** of this Circular.

Eligibility of Unitholders to participate in the Preferential Offering : Only Singapore Registered Unitholders have been provisionally allocated New Units under the Preferential Offering.

ATM Offering : 37,500,000 New Units offered at the Issue Price to the public in Singapore through the ATMs of DBS Bank (including POSB ATMs) on a “first-come, first-served” basis.

All applications under the ATM Offering must be made in accordance with the “Terms, Conditions and Procedures for Application of New Units under the ATM Offering” set out in **Annexure C** of this Circular. The minimum application under the ATM Offering is for 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000, subject to a maximum of 500,000 New Units per applicant. Multiple applications for New Units under the ATM Offering will not be accepted.

Private Placement : The placement of 58,238,683 New Units to retail and institutional investors at the Issue Price.

Temporary counter for the trading of the New Units and the Consideration Units : As the New Units and the new Units to be issued as partial consideration for the acquisitions of Infineon Building and Techpoint (the “**Consideration Units**”) will not be entitled to participate in A-REIT’s distributable income for the period from 1 October 2004 to the day immediately prior to the date such Units are issued, it is necessary for such Units to trade under a separate stock counter for the period commencing from the date of their issue to the last day of “cum-distribution” trading for them as well as the Existing Units in respect of the period from 1 October 2004 to 31 December 2004 (the “**Third Quarter Distribution Period**”), which is expected to be in January 2005. After the last day of “cum-distribution” trading, the Units trading on the temporary stock counter as well as the Existing Units will be aggregated and traded under the same stock counter on the next Market Day, *i.e.* the first day of “ex-distribution” trading for the New Units, the Consideration Units and the Existing Units.

Re-allocations : New Units under the Preferential Offering which are not taken up by Singapore Registered Unitholders will be aggregated and sold, at the discretion of the Joint Lead Managers and Underwriters, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

New Units under the ATM Offering which are not taken up will be aggregated and sold by DBS Bank at its discretion. There will be no re-allocation of such New Units from the ATM Offering to the Private Placement.

Status of the New Units

: The New Units and the Consideration Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT's distributable income in respect of the entire Third Quarter Distribution Period. From the next distribution period (1 January 2005 to 31 March 2005), the New Units and the Consideration Units will rank *pari passu* in all respects with the then existing Units, including the right to any distributions which may be paid for that distribution period as well as all distributions thereafter.

For the avoidance of doubt, the New Units and the Consideration Units will not be entitled to participate in the distribution of any distributable income accrued by A-REIT prior to the date of issue of such Units. Such Units, upon issue and allotment, will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT's distributable income in respect of the entire Third Quarter Distribution Period.

Underwriting

: Save in respect of the New Units undertaken to be subscribed for by Ascendas Land (Singapore) Pte Ltd ("**Ascendas**"), MGM Singapore Pte. Ltd. ("**MGM Singapore**") and the Manager under the Preferential Offering and any New Units offered to MGM Singapore under the Private Placement, the Preferential Offering and the Private Placement are underwritten by the Joint Lead Managers and Underwriters at the Issue Price. The ATM Offering is underwritten by DBS Bank at the Issue Price.

INDICATIVE TIMETABLE

<u>Event</u>	<u>Date and Time</u>
Opening date and time for the Preferential Offering	: Acceptance Form and ATM — 19 November 2004 at 9.00 a.m.
Closing date and time for the Preferential Offering	: Acceptance Form — 25 November 2004 at 4.45 p.m. ATM — 25 November 2004 at 9.30 p.m.
Opening date and time for the ATM Offering	: 19 November 2004 at 12.00 noon
Closing date and time for the ATM Offering	: 25 November 2004 at 12.00 noon (subject to an earlier closure at the discretion of DBS Bank, in consultation with the Manager, in the event that the New Units under the ATM Offering are fully taken up)
Commencement of trading of the New Units and the Consideration Units on the SGX-ST	: 1 December 2004 at 2.00 p.m.
Date of payment of the distribution in respect of A-REIT's distributable income for the period from 1 October 2004 to 31 December 2004 (in respect of the Existing Units) or, as the case may be, for the period from 1 December 2004 to 31 December 2004 (in respect of the New Units and the Consideration Units)	: By end-February 2005

INTRODUCTION

1. Unitholders' Approval

At the extraordinary general meeting of Unitholders held on 2 November 2004 (the "**EGM**"), the Unitholders passed, *inter alia*, an Extraordinary Resolution approving the issue of such number of New Units as to raise up to S\$400.0 million in gross proceeds under an equity fund raising exercise.

As described in the circular dated 14 October 2004 issued by A-REIT in connection with the EGM (the "**EGM Circular**"), the said sum of S\$400.0 million included such amounts as would have been required to fund the acquisitions of Infineon Building and Techpoint in cash. As Unitholders' approvals have been obtained at the EGM for the issue of the Consideration Units to partly finance the acquisitions of Infineon Building and Techpoint, the amount of gross proceeds to be raised under the Equity Fund Raising will not include the aggregate value of the Consideration Units (S\$122.1 million).

2. The Equity Fund Raising

Accordingly, the Manager is issuing 179,292,903 New Units at the Issue Price for the purpose of the Equity Fund Raising. The Equity Fund Raising consists of:

- (i) the Preferential Offering of 83,554,220 New Units to Singapore Registered Unitholders on a non-renounceable basis of 1 New Unit for every 10 of the Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded);
- (ii) the ATM Offering of 37,500,000 New Units to the public in Singapore through the ATMs of DBS Bank Ltd (including POSB ATMs) on a "first-come, first-served" basis; and
- (iii) the Private Placement of 58,238,683 New Units to retail and institutional investors.

3. Underwriting

The placement agreement dated 18 November 2004 (the "**Placement Agreement**") entered into between the Manager and the Joint Lead Managers and Underwriters provides that, save in respect of the provisional allocations of New Units under the Preferential Offering to Ascendas, MGM Singapore and the Manager, and any New Units offered to MGM Singapore under the Private Placement, the Preferential Offering and the Private Placement are underwritten at the Issue Price by the Joint Lead Managers and Underwriters and the ATM Offering is underwritten at the Issue Price by DBS Bank.

TERMS OF THE EQUITY FUND RAISING

1. The Preferential Offering

83,554,220 New Units under the Preferential Offering are being offered to Singapore Registered Unitholders at the Issue Price on a non-renounceable basis of 1 New Unit for every 10 of the Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded).

Acceptance of the provisional allocations of New Units may be effected via Acceptance Forms or through the ATMs of the Participating Banks.

As the Preferential Offering is made on a non-renounceable basis, the provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST.

Singapore Registered Unitholders, including the Restricted Placees (such as the directors of the Manager (the “**Directors**”), their immediate family¹ and Substantial Unitholders (being Unitholders with an interest in one or more Units constituting not less than 5.0% of all Units on issue)), can accept their provisional allocations of New Units under the Preferential Offering in full or in part but may not apply for excess Units thereunder. Restricted Placees who are Singapore Registered Unitholders are permitted to accept their provisional allocations of New Units under the Preferential Offering as the SGX-ST has granted a waiver from the requirements under Rule 812 of the SGX-ST’s Listing Manual (the “**Listing Manual**”).

The provisional allocations of Singapore Registered Unitholders will be subject to the Rounding Mechanism. For example, a Singapore Registered Unitholder with 1,500 Existing Units as at the Books Closure Date will be provisionally allocated with 500 New Units under the Preferential Offering (increased from the 150 New Units allocated based on the ratio of 1 New Unit for every 10 Existing Units under the Preferential Offering) so that, should the Unitholder decide to accept the whole of his provisional allocation of New Units, he will own a total of 2,000 Units. The Rounding Mechanism will be extended to investors who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme, and to Units held by nominee companies. However, in the case of nominee companies, as the Rounding Mechanism will be applied at the level of the aggregate Units held in the securities accounts of such nominee companies with CDP, investors whose Units are held through such nominee companies may not enjoy the benefit of the Rounding Mechanism on an individual level.

Singapore Registered Unitholders who have used their CPF funds to purchase their Existing Units and/or purchased their Existing Units under the SRS can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold their CPF Investment Scheme accounts and/or SRS accounts to subscribe for New Units on their behalf.

The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have their addresses as registered with CDP, the Preferential Offering is not extended to Unitholders whose registered addresses with CDP were outside Singapore, who did not have a “rights” mailing address with CDP and who had not, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notice and documents.

The offer, allocation and issue of the New Units pursuant to the Preferential Offering are governed by the terms and conditions of this Circular and the Acceptance Form. Acceptance of and payment for the New Units under the Preferential Offering must be made in accordance with the “Procedures for Acceptance of and Payment for New Units under the Preferential Offering by Singapore Registered Unitholders” set out in **Annexure B** of this Circular.

¹ The spouses, children, adopted children, step-children, siblings and parents of the Directors.

2. The ATM Offering

The 37,500,000 New Units under the ATM Offering will be offered at the Issue Price to the public in Singapore through the ATMs of DBS Bank (including POSB ATMs) on a “first-come, first-served” basis and all applications under the ATM Offering must be made in accordance with the “Terms, Conditions and Procedures for Application of New Units under the ATM Offering” set out in **Annexure C** of this Circular. The minimum application under the ATM Offering is for 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000, subject to a maximum of 500,000 New Units per applicant. Only one application for the New Units under the ATM Offering may be made for the benefit of one person. Multiple applications for the New Units under the ATM Offering will not be accepted.

In addition to accepting their provisional allocations of New Units under the Preferential Offering, Singapore Registered Unitholders (including the Directors and their immediate family, but not the Substantial Unitholders) may also apply for New Units under the ATM Offering. The Directors and their immediate family are permitted to apply for the New Units under the ATM Offering because the SGX-ST has waived Rule 812 of the Listing Manual to permit such applications by the aforementioned persons.

3. Private Placement

The 58,238,683 New Units under the Private Placement will be privately placed by the Joint Lead Managers and Underwriters at the Issue Price to retail and institutional investors.

The SGX-ST has waived the requirement under Rule 812 of the Listing Manual to seek Unitholders’ approval for a placement of Units to The Capital Group Companies, Inc., Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited (each of which is a Substantial Unitholder) where the number of Units proposed to be placed to each such Substantial Unitholder is no more than what would be required to maintain its proportionate unitholdings as its pre-placement level in percentage terms. Subject to this restriction and to the requirement that the Manager certifies it is independent of each such Substantial Unitholder, the Joint Lead Managers and Underwriters may place New Units to these Substantial Unitholders under the Private Placement.

The SGX-ST has also waived Rule 812 of the Listing Manual, and Unitholders’ approval was obtained at the EGM, for a placement of New Units to MGM Singapore (a Substantial Unitholder) where the number of New Units to be placed to MGM Singapore is no more than what would be required to maintain its proportionate unitholdings at its pre-placement level in percentage terms as at 1 October 2004 (being the latest practicable date prior to the printing of the EGM Circular). Subject to this restriction, the Joint Lead Managers and Underwriters may place New Units to MGM Singapore under the Private Placement.

The pre-placement unitholdings of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited are tabulated in paragraph 6 below.

A-REIT will make an announcement of any placement of New Units to The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited under the Private Placement.

Excess demand for the New Units under the Private Placement will be satisfied only to the extent that New Units offered under the Preferential Offering are not taken up and are reallocated to the Private Placement.

4. Re-allocations

New Units under the Preferential Offering which are not taken up by the Singapore Registered Unitholders for any reason will be aggregated and sold, at the discretion of the Joint Lead Managers and Underwriters, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

New Units under the ATM Offering which are not taken up will be aggregated and sold by DBS Bank at its discretion. There will be no re-allocation of such New Units from the ATM Offering to the Private Placement.

5. Undertakings by Ascendas, MGM Singapore and the Manager

Ascendas, MGM Singapore and the Manager, who own an aggregate of 200,420,140 Units as at the Latest Practicable Date (comprising approximately 25.3% of the Existing Units), have each given an undertaking to the Joint Lead Managers and Underwriters, the Trustee and (in the case of Ascendas and MGM Singapore) the Manager to take up their respective provisional allocations of New Units under the Preferential Offering.

MGM Singapore has also given an undertaking to the Joint Lead Managers and Underwriters, the Trustee and the Manager to take up 12,930,894 New Units under the Private Placement to maintain its proportionate unitholdings at its pre-placement level in percentage terms as at 1 October 2004.

6. Unitholdings

The following table sets out the unitholdings of Ascendas, The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited, UOB Asset Management Limited and the Manager in the scenarios described therein. The unitholdings set out in the table are based on the assumptions that (a) each of the identified Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering and (b) each of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited, and UOB Asset Management Limited subscribes for the maximum number of New Units it is permitted to subscribe for under the Private Placement.

	Pre-placement unitholdings		Unitholdings after the Consideration Units are issued		Unitholdings after the Consideration Units are issued and subscriptions under the Preferential Offering only ⁽¹⁾		Unitholdings after the Consideration Units are issued and subscriptions under both the Preferential Offering and Private Placement ⁽²⁾	
	(%)		(%) ⁽³⁾		(%) ⁽³⁾		(%) ⁽³⁾	
Ascendas	17.5 ⁽⁴⁾	138,897,702	20.7	217,669,315	22.1	231,559,613	22.1	231,559,613
The Capital Group Companies, Inc.	8.0 ⁽⁴⁾	63,584,000	6.1	63,584,000	6.7	69,942,400	8.0	84,310,825
MGM Singapore	7.2 ⁽⁵⁾	57,240,729	5.5	57,240,729	6.0	62,964,802	7.2	75,895,696
Prudential Asset Management (Singapore) Limited	5.3 ⁽⁴⁾	41,930,850	4.0	41,930,850	4.4	46,123,935	5.3	55,599,279
UOB Asset Management Limited	5.2 ⁽⁴⁾	41,172,450	3.9	41,172,450	4.3	45,289,695	5.2	54,593,659
The Manager	0.5 ⁽⁴⁾	4,281,709	0.4	4,281,709	0.4	4,710,000	0.4	4,710,000

Notes:

- (1) Assuming that each of the identified Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering.
- (2) Assuming that each of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited subscribes for its provisional allocation of New Units under the Preferential Offering and the maximum number of New Units it would be permitted to subscribe for under the Private Placement. Save for MGM Singapore, none of these Substantial Unitholders have given any undertaking to subscribe for New Units under the Private Placement. Neither Ascendas nor the Manager will be permitted to subscribe for New Units under the Private Placement.
- (3) Based on the total number of Units on issue upon completion of the Equity Fund Raising and the issue of the Consideration Units.
- (4) As at the Latest Practicable Date.
- (5) As at the Latest Practicable Date (unchanged since 1 October 2004).

7. Status of the New Units

The New Units as well as the Consideration Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT's distributable income in respect of the entire Third Quarter Distribution Period. From the next distribution period (1 January 2005 to 31 March 2005), the New Units and the Consideration Units will rank *pari passu* in all respects with the then existing Units, including the right to any distributions which may be paid for that distribution period as well as all distributions thereafter.

For the avoidance of doubt, the New Units and the Consideration Units will not be entitled to participate in the distribution of any distributable income accrued by A-REIT prior to the date of issue of such Units. Such Units, upon issue and allotment, will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT's distributable income in respect of the entire Third Quarter Distribution Period.

FOREIGN SELLING RESTRICTIONS

The following placement limitations apply in relation to the Equity Fund Raising:

General

This Circular may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction that would permit a public offering of the New Units or the possession, circulation or distribution of this Circular or any other material relating to A-REIT or the New Units in any jurisdiction where action for that purpose is required. The New Units may not be offered or sold, directly or indirectly, and neither this Circular nor any other offering material or advertisement in connection with the New Units may be distributed or published in or from any country or jurisdiction except, in each case, in circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Circular should be considered to be business, legal or tax advice regarding an investment in the New Units and/or the Units.

This Circular has been prepared without taking into account the objectives, financial situation or needs of any particular investor. It is important that each investor read the whole of this Circular and consider whether an investment in the New Units and/or the Units is appropriate in the light of his own objectives, financial situation and needs and he should seek professional advice before making a decision to invest in the New Units and/or the Units.

United States of America

The New Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The New Units are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after the commencement of the Equity Fund Raising, an offer or sale of New Units within the United States by any dealer (whether or not participating in the Equity Fund Raising) may violate the registration requirements of the Securities Act.

United Kingdom

The New Units and Units described in this Circular are interests in a collective investment scheme which has not been authorised or recognised by the Financial Services Authority of the United Kingdom. Accordingly, this Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

This Circular is being distributed by A-REIT only to (or if an unrestricted audience of recipients, directed only at): (a) overseas persons; (b) those persons falling within Articles 14, 21, 22 or 23 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**CIS Exemption Order**”) and Articles 19, 48, 49 or 50 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the “**Financial Promotion Order**”); or (c) any person to whom it may otherwise lawfully be made.

Investment Professionals and High Net Worth Entities

By way of explanation the following persons fall within Articles 14 or 22 of the CIS Exemption Order and Articles 19 or 49 of the Financial Promotion Order:

- persons having professional experience in participating in unregulated collective investment schemes;
- a body corporate which has more than 20 members or which is a subsidiary undertaking of a parent undertaking which has more than 20 members and which has a called up share capital or net assets of not less than £500,000;
- any other body corporate, unincorporated association or partnership which has a called up capital or net assets of not less than £5 million;
- the trustee of a high value trust (being a trust where the aggregate value of the cash and investments which form part of the trust's assets before deducting the amount of its liabilities is (a) £10 million or more, or (b) has been £10 million or more at any time during the year immediately preceding the date on which this Circular was first directed); or
- any person acting in the capacity as a director, officer or employee of one of the previous three categories of persons and whose responsibilities include him participating in unregulated collective investment schemes.

"Certified" High Net Worth Individuals

This Circular is exempt from the general restriction in Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") on the communication of invitations or inducements to engage in investment activity and the restriction on the promotion of unregulated schemes in Section 238 of the FSMA on the grounds that it is a communication made to a certified high net worth individual in accordance with Article 48 of the Financial Promotion Order and Article 21 of the CIS Exemption Order.

By way of explanation, the following persons fall within Article 21 of the CIS Exemption Order and Article 48 of the Financial Promotion Order: persons who have a current certificate of high net worth signed by his accountant or employer and dated within the period of 12 months ending with the date of this Circular complying with Article 21(3) of the CIS Exemption Order and Article 48(3) of the Financial Promotion Order; and who have signed, within the period of 12 months ending with the date of this Circular, the statement referred to in Article 21(2)(b) of the CIS Exemption Order and Article 48(2)(b) of the Financial Promotion Order.

"Certified" Sophisticated Investors

This Circular is exempt from the general restriction in Section 21 of the FSMA on the communication of invitations or inducements to engage in investment activity (within the meaning of Section 21 of the FSMA) and the restriction on the promotion of unregulated schemes in Section 238 of the FSMA on the grounds that it is a communication made to a sophisticated investor in accordance with Article 50 of the Financial Promotion Order and Article 23 of the CIS Exemption Order.

By way of explanation, the following persons fall within Article 23 of the CIS Exemption Order and Article 50 of the Financial Promotion Order: persons who have a current certificate in writing or other legible form signed by a person authorised to carry on regulated activities under the FSMA ("**Authorised Person**") to the effect that he is sufficiently knowledgeable to understand the risk associated with investing in the New Units and/or the Units and dated within the period of three years ending with the date of this Circular; and who have signed, within the period of 12 months ending with the date of this Circular, the statement referred to in Article 23(1)(b) of the CIS Exemption Order or Article 50(1)(b) as the case may be.

General

The content of this Circular has not been approved by an Authorised Person and, unless an exemption contained in the Financial Promotion Order applies, the content of this Circular would otherwise have required such approval.

Reliance on this Circular for the purpose of engaging in any investment activity may expose you to a significant risk of losing all of the property invested or of incurring additional liability. If you are in any doubt about the New Units and/or the Units, you should consult an authorised person specialising in advising on similar investments.

Any investment or investment activity to which this Circular relates is only made available by A-REIT to persons falling within categories (a) to (c) above or will be engaged in only with such persons and this financial promotion must not be relied or acted upon by persons who do not fall within categories (a) to (c) above. Expressions of interest resulting from this Circular will only be responded to if received from persons falling within categories (a) to (c) above.

Hong Kong

Unless permitted to do so by the securities laws of Hong Kong, no person may issue, or have in its possession for the purposes of issue, this Circular or any other information, advertisement or document relating to the Equity Fund Raising, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to the Equity Fund Raising which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and rules made thereunder.

Netherlands

The New Units may not be offered, sold, transferred or delivered in or from the Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than by professional market parties within the meaning of article 1 of the Exemption Regulation to the Dutch Act on the Supervision of Investment Institutions (*Vrijstellingsregeling bij de Wet toezicht beleggingsinstellingen*), which are individuals or legal entities, who or which trade or invest in investment objects in the conduct of a profession or trade. Such professional market parties include but are not limited to banks, brokers, dealers, institutional investors and undertakings with a treasury department. In addition, the offer of New Units is exempted from the prohibition to make a prospectus generally available pursuant to section 3 of the Act on the Supervision of Securities Trade 1995 (*Wet toezicht effectenverkeer 1995*), in view of the fact that section 8 of the Exemption Regulation to the Act on the Supervision of Securities Trade 1995 (*Vrijstellingsregeling Wet toezicht effectenverkeer 1995*) provides for an exemption if the New Units are offered by an investment fund which is exempted from the Act on the Supervision of Investment Institutions based on section 1 of the Exemption Regulation to the Act on the Supervision of Investment Institutions.

Australia

A-REIT is an unregistered managed investment scheme and is not regulated under Chapter 5C of the Australian Corporations Act 2001 (Cth).

The New Units may only be offered or sold to wholesale clients within the meaning of section 761G of the Corporations Act 2001 (Cth), being persons who qualify as wholesale clients under subsections 761G(7)(a), 761G(7)(b), 761G(7)(c) or 761G(7)(d) of the Corporations Act 2001 (Cth).

The New Units may not be offered or sold to persons who are retail clients within the meaning of section 761G of the Corporations Act 2001 (Cth).

France

This Circular does not constitute an offer of financial instruments (within the meaning of the French Monetary and Financial Code) nor a solicitation to enter into a transaction involving financial instruments. A-REIT may not be considered as a collective investment scheme under French law, and interests issued by A-REIT may not benefit from the private placement exemptions since they may not be viewed as financial instruments under French law. Neither this Circular, which has not been submitted to the Autorité des marchés financiers, nor any information contained therein nor any offering material relating to the New Units, may be distributed or caused to be distributed to the public in France.

Germany

The New Units have not been and will not be publicly offered in Germany and, accordingly, no securities sales prospectus (*Verkaufsprospekt*) for a public offering of the New Units in Germany in accordance with the Securities Sales Prospectus Act of 9 September 1998, as amended (*Wertpapier-Verkaufsprospektgesetz*, the “**Prospectus Act**”), has been or will be published or circulated in the Federal Republic of Germany.

The New Units will only be offered and sold in the Federal Republic of Germany in accordance with the provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of securities.

Any resale of the New Units in the Federal Republic of Germany (i) may only be made in accordance with the provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of securities and (ii) might result in the relevant offeror being obliged to file and publish a securities sales prospectus in compliance with the Prospectus Act.

Further, the New Units have not been registered for distribution under the German Investment Act (*Investmentgesetz*). Accordingly, the New Units will only be offered to clients with which the offeror has an already existing investment relationship.

Switzerland

The Offer Information Statement in **Annexure A** of this Circular does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and A-REIT has not and will not register with the Swiss Federal Banking Commission as a foreign investment fund. The New Units will not be listed on the SWX Swiss Exchange and, therefore, the Offer Information Statement may not comply with the disclosure standards of the listing rules of the SWX Swiss Exchange.

Accordingly, the New Units may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors. The investors will be individually approached from time to time.

The Offer Information Statement is personal to each recipient thereof and does not constitute an offer to any other person. It may only be used by those persons to whom it has been handed out in connection with the offer described therein and may neither be copied nor directly or indirectly be distributed or made available to other persons without express consent of A-REIT. A recipient of the Offer Information Statement may not on-sell or offer the New Units to any other person except that banks, securities dealers and asset managers may acquire the New Units for the account of their clients based on a written asset management agreement complying with the portfolio management guidelines of the Swiss Banking Association or equivalent standards.

PURPOSE OF THE EQUITY FUND RAISING AND USE OF THE NET PROCEEDS

The Manager intends to use the proceeds of the Equity Fund Raising to partly finance the acquisitions (the “**Acquisitions**”) of 13 properties: Infineon Building, Techpoint, Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Steel Industries Building and Volex Building (together, the “**Properties**”). However, the Manager may, at its absolute discretion, use the proceeds for acquiring any other suitable property or properties for A-REIT. The Equity Fund Raising is not subject to or conditional upon the completion of the Acquisitions. The Manager will make periodic announcements of the utilisation of the proceeds of the Equity Fund Raising as and when such funds are disbursed.

The total acquisition costs of the Properties amount to S\$441.2 million, comprising the aggregate purchase prices of the Properties (S\$421.4 million), applicable stamp duty (S\$12.6 million), the acquisition fee (S\$4.2 million) payable to the Manager pursuant to the trust deed constituting A-REIT (the “**Trust Deed**”) and the professional and other fees and expenses incurred or to be incurred by the Manager in connection with the Acquisitions (S\$3.0 million).

Part of the purchase prices of Infineon Building and Techpoint will be satisfied through the issue of 78,771,613 Consideration Units. The Manager intends to finance the balance of the acquisition costs of the Properties as well as certain other costs and expenses related thereto through additional borrowings of up to S\$8.4 million to be incurred by A-REIT.

Further details about the use of the net proceeds from the Equity Fund Raising and the additional borrowings to be incurred by A-REIT can be found in paragraph (f) of the Offer Information Statement in **Annexure A** of this Circular.

OFFER INFORMATION STATEMENT

The Manager has prepared the Offer Information Statement dated 18 November 2004 which is included in this Circular as **Annexure A**. The Offer Information Statement was lodged with the Monetary Authority of Singapore on 18 November 2004. The Monetary Authority of Singapore takes no responsibility for the contents of the Offer Information Statement or this Circular as a whole.

QUOTATION AND DEALINGS

Upon listing and quotation on the Main Board of the SGX-ST, the New Units will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the New Units effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP" (as the same may be amended from time to time), copies of which are available from CDP.

As the New Units and the Consideration Units will not be entitled to participate in A-REIT's distributable income for the period from 1 October 2004 to the day immediately prior to the date such Units are issued, it is necessary for such Units to trade under a separate stock counter for the period commencing from the date of their issue to the last day of "cum-distribution" trading for them as well as the Existing Units in respect of the Third Quarter Distribution Period, which is expected to be in January 2005. After the last day of "cum-distribution" trading, the Units trading on the temporary stock counter as well as the Existing Units will be aggregated and traded under the same stock counter on the next Market Day, *i.e.* the first day of "ex-distribution" trading for the New Units, the Consideration Units and the Existing Units.

CONSENTS

KPMG (the “**Independent Accountants**”), as the independent accountants of A-REIT, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Independent Accountants’ Report on the Profit Forecast and Profit Projection, and all references thereto, in the form and context in which they are included in this Circular.

RESPONSIBILITY STATEMENTS

1. Directors' Responsibility Statements

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The forecast and projected financial information set out in **Appendix 3** of the Offer Information Statement in **Annexure A** of this Circular have been stated by the Directors after due and careful enquiry.

2. Responsibility Statement of the Joint Lead Managers and Underwriters

Each of the Joint Lead Managers and Underwriters confirms that, having made all reasonable enquiries and to the best of its knowledge and belief, based on information made available by the Manager, the information about the Equity Fund Raising contained in this Circular constitutes true disclosure of all material facts about the Equity Fund Raising as at the date of this Circular and that there are no material facts the omission of which would make any statement about the Equity Fund Raising misleading in any material respect.

DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager² at 75 Science Park Drive, #01-03 CINTECH II, Singapore Science Park I, Singapore 118255, from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Financial Statements;
- (ii) the Placement Agreement;
- (iii) the letter of undertaking dated 13 October 2004 issued by Ascendas setting out the undertaking by Ascendas described in the section of this Circular entitled “Terms of the Equity Fund Raising — 5. Undertakings by Ascendas, MGM Singapore and the Manager”;
- (iv) the letters of undertaking dated 7 October 2004 and 17 November 2004 issued by MGM Singapore setting out the undertakings by MGM Singapore described in the section of this Circular entitled “Terms of the Equity Fund Raising — 5. Undertakings by Ascendas, MGM Singapore and the Manager”;
- (v) the letter of undertaking dated 13 October 2004 issued by the Manager setting out the undertaking by the Manager described in the section of this Circular entitled “Terms of the Equity Fund Raising — 5. Undertakings by Ascendas, MGM Singapore and the Manager”;
- (vi) the written consent of the Independent Accountants referred to in the section of this Circular entitled “Consents”;
- (vii) the Independent Accountants’ Report on the Profit Forecast and Profit Projection; and
- (viii) the full independent valuation reports on the Properties issued by their respective independent valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as A-REIT is in existence.

² Prior appointment will be appreciated.

GLOSSARY

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

A-REIT	:	Ascendas Real Estate Investment Trust
Acceptance Form	:	The official printed acceptance form to be used for the purpose of the Preferential Offering and which forms part of this Circular
Acquisitions	:	The proposed acquisitions of the Properties
Ascendas	:	Ascendas Land (Singapore) Pte Ltd
ATM	:	Automated teller machine
ATM Offering	:	The offering of 37,500,000 New Units to the public in Singapore through the ATMs of DBS Bank (including POSB ATMs) on a "first-come, first-served" basis at the Issue Price
Books Closure Date	:	16 November 2004 at 5.00 p.m., being the time and date on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering
CDP	:	The Central Depository (Pte) Limited
Consideration Units	:	The 78,771,613 new Units to be issued at an issue price of S\$1.55 per Unit to Ascendas as partial consideration for the proposed acquisitions of Infineon Building and Techpoint by A-REIT
CPF	:	Central Provident Fund
DBS Bank	:	DBS Bank Ltd
Directors	:	The directors of the Manager
EGM	:	The extraordinary general meeting of Unitholders held on 2 November 2004
EGM Circular	:	The circular dated 14 October 2004 issued by A-REIT in connection with the EGM
Equity Fund Raising	:	The placement of 179,292,903 New Units by way of the Preferential Offering, the ATM Offering and the Private Placement at the Issue Price
Existing Units	:	The 791,668,490 Units on issue as at the Latest Practicable Date
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Financial Statements	:	The audited financial statements of A-REIT for the financial year ended 31 March 2004 and the unaudited interim financial statements of A-REIT for the period from 1 April 2004 to 30 September 2004
Independent Accountants	:	KPMG

Issue Price	:	S\$1.55, being the issue price per New Unit under the Equity Fund Raising
Joint Lead Managers and Underwriters	:	DBS Bank and Macquarie
Latest Practicable Date	:	2 November 2004, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Macquarie	:	Macquarie Securities (Singapore) Pte. Ltd., an affiliate of the Manager and MGM Singapore
Manager	:	Ascendas-MGM Funds Management Limited, as manager of A-REIT
Market Day	:	A day on which the SGX-ST is open for trading in securities
MGM Singapore	:	MGM Singapore Pte. Ltd.
New Units	:	The new Units to be issued by A-REIT for placement under the Equity Fund Raising
Participating Banks	:	DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited as well as United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
Placement Agreement	:	The placement agreement dated 18 November 2004 entered into between the Manager and the Joint Lead Managers and Underwriters in relation to the Equity Fund Raising
Preferential Offering	:	The preferential offering by the Joint Lead Managers and Underwriters of 83,554,220 New Units to Singapore Registered Unitholders on a non-renounceable basis of 1 New Unit for every 10 Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded), for subscription at the Issue Price
Private Placement	:	The placement of 58,238,683 New Units by the Joint Lead Managers and Underwriters to retail and institutional investors at the Issue Price
Properties	:	Infineon Building, Techpoint, Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Steel Industries Building and Volex Building, and “ Property ” refers to any one of them

Restricted Places	:	<ul style="list-style-type: none"> (a) The Directors and Substantial Unitholders (b) The spouse, children, adopted children, step-children, siblings and parents of the Directors and Substantial Unitholders (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated companies and sister companies of the Substantial Unitholders (d) Corporations in which the Directors and the Substantial Unitholders have an aggregate interest of at least 10.0% (e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)
Rounding Mechanism	:	Where a Singapore Registered Unitholder's provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, the increase in the provisional allocation of New Units to the Unitholder by such number which, when added to the Unitholder's unitholdings as at the Books Closure Date, results in an integral multiple of 1,000 Units
Securities Account	:	Securities account maintained by a Depositor with CDP
SGX-ST	:	Singapore Exchange Securities Trading Limited
Singapore Registered Unitholders	:	Unitholders as at the Books Closure Date other than those whose registered addresses with CDP were outside Singapore, who did not have a "rights" mailing address and who had not, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
SRS	:	Supplementary Retirement Scheme
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units on issue
Third Quarter Distribution Period	:	The distribution period from 1 October 2004 to 31 December 2004
Trust Deed	:	The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited), as trustee of A-REIT
Unit	:	A unit representing an undivided interest in A-REIT
Unitholder	:	A Depositor whose securities account with CDP is credited with Units
S\$ and cents	:	Singapore dollars and cents
%	:	Per centum or percentage

The term "Depositor" shall have the meaning ascribed to it in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any discrepancies in the tables, charts and graphs included herein between the listed amounts and totals thereof are due to rounding.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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**PARTICULARS TO BE INCLUDED
IN AN OFFER INFORMATION STATEMENT**

OFFER INFORMATION STATEMENT

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

ASCENDAS REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

Date of lodgment: 18 November 2004

In this Offer Information Statement, capitalised terms not otherwise defined herein have the meaning given to them in the Glossary on pages A-21 to A-25 of this Offer Information Statement.

In the Offer Information Statement, provide the following information:

(a) the address of the registered office of the manager of the Fund (the “Manager”);

The registered office of the Manager, Ascendas-MGM Funds Management Limited, is at 75 Science Park Drive, #01-03, CINTECH II, Singapore Science Park I, Singapore 118255.

(b) the business carried on and to be carried on by the Fund and the general development of the business since inception of the Fund, indicating any material change in the affairs of the Fund since the last annual report;

Business carried on by the Fund and the general development of the business since inception of the Fund

Ascendas Real Estate Investment Trust (“**A-REIT**”) is a business space and industrial real estate investment trust listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It currently has a diversified portfolio of 19 properties in Singapore comprising business park (including science park) and light and high-tech industrial properties as well as distribution and logistics centres. These 19 properties are The Alpha, The Aries, The Capricorn, The Gemini, Techplace I, Techplace II, Techlink, Honeywell Building, OSIM HQ Building, Ghim Li Building, Ultro Building, Changi Logistics Centre, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building, TT International Tradepark, Nan Wah Building, Progen Building and C & P Logistics Hub (the “**Existing Properties**”).

The Manager aims to achieve income stability and long-term growth in A-REIT’s portfolio with the objective of delivering consistent and growing returns to unitholders of A-REIT (“**Unitholders**”). The Manager will pursue its objective through a combination of the following strategies:

- **Organic growth strategy.** Growth potential in A-REIT’s existing portfolio will be delivered through pro-active management of A-REIT’s properties in order to maintain or improve occupancy levels and net property income.
- **Acquisition growth strategy.** Quality properties that meet the Manager’s investment criteria such as properties with strategic locations and financially strong tenants will be acquired in order to grow and enhance A-REIT’s portfolio. In this regard, the Manager is continually identifying properties that meet its investment criteria and is currently evaluating a number of properties for acquisition in the near future. Future acquisitions may be financed by equity or debt or a combination of both.
- **Financing strategy.** Employing appropriate debt and equity financing policies to optimise its capital structure to maximise the value of Unitholders’ investments in A-REIT.

The Manager does not expect the business currently carried on by A-REIT to change in any material aspect for the foreseeable future.

The general development of the business of A-REIT since its inception is set out below:

Date	Significant developments
5 November 2002	: A-REIT launched initial public offering of units in A-REIT (“Units”).
19 November 2002	: A-REIT commenced trading on the SGX-ST.
19 February 2003	: The Manager announced A-REIT’s financial results for the period from 19 November 2002 to 31 December 2002. A-REIT’s actual distributable income had exceeded the forecast for the same period by 5.4%.
16 April 2003	: The Manager announced A-REIT’s financial results for the period from 19 November 2002 to 31 March 2003. A-REIT’s actual distributable income had exceeded the forecast for the same period by 7.8%. A distribution of 2.78 cents per Unit was made by A-REIT to Unitholders for the period from 19 November 2002 to 31 March 2003.
17 July 2003	: The Manager announced A-REIT’s financial results for the period from 1 April 2003 to 30 June 2003. A-REIT’s actual distributable income had exceeded the forecast for the same period by 13.6%.
22 September 2003	: A-REIT entered into a conditional put and call option agreement to acquire Infineon Building for S\$50.9 million.
16 October 2003	The Manager announced A-REIT’s half-year financial results for the period from 1 April 2003 to 30 September 2003. A-REIT’s actual distributable income had exceeded the forecast for the same period by 14.0%. A distribution of 4.05 cents per Unit was made by A-REIT to Unitholders for the period from 1 April 2003 to 30 September 2003.
15 January 2004	: The Manager announced A-REIT’s financial results for the period from 1 October 2003 to 31 December 2003. A-REIT’s actual distributable income had exceeded the forecast for the same period by 17.0%.
4 March 2004	: A-REIT issued 160,500,000 Units at an issue price of S\$1.16 per Unit to, <i>inter alia</i> , partly fund the acquisitions of Changi Logistics Centre, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building and TT International Tradepark.
15 April 2004	: The Manager announced A-REIT’s financial results for the financial year ended 31 March 2004. A-REIT’s actual distributable income had exceeded the forecast for the same period by 13.0%. An aggregate distribution of 8.16 cents per Unit was made by A-REIT to Unitholders for the financial year ended 31 March 2004.

- 23 June 2004 : The Manager issued 82,142,857 Units at an issue price of S\$1.40 per Unit to, *inter alia*, partly fund the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub.
- 15 July 2004 : The Manager announced A-REIT's financial results for the period from 1 April 2004 to 30 June 2004. A-REIT's actual distributable income had exceeded the forecast for the same period by 1.0%.
- Between 24 August 2004 and 14 October 2004 : A-REIT entered into separate conditional put and call option agreements to acquire Techpoint, Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Steel Industries Building and Volex Building (together with Infineon Building, the "**Properties**")
- 14 October 2004 : The Manager announced A-REIT's unaudited financial results for the six months ended 30 September 2004. A-REIT's actual distributable income had exceeded the forecast for the same period by 4.0%.
- A distribution of 4.46 cents per Unit was made by A-REIT to Unitholders for the period from 1 April 2004 to 30 September 2004.
- The Manager issued a circular to Unitholders in connection with the extraordinary general meeting of Unitholders ("**EGM**") convened to seek Unitholders' approvals for, *inter alia*, the issue of up to S\$400.0 million worth of new Units to partly finance the acquisitions of the Properties (the "**Acquisitions**").
- 2 November 2004 : All resolutions proposed at the EGM were passed by Unitholders.

A-REIT has an opportunity to enlarge its portfolio with the Acquisitions. The Manager is in favour of the Acquisitions, as it believes that the inclusion of the Properties in A-REIT's property portfolio will be beneficial to A-REIT and its Unitholders. Subject to securing the necessary financing, the Manager plans to complete the Acquisitions in December 2004.

The Manager's rationale for the Acquisitions is set out in **Appendix 1** of this Offer Information Statement. In addition, detailed information about the Properties and certain pro forma financial information relating to the Acquisitions can be found in **Appendix 2** of this Offer Information Statement.

Material changes in the affairs of the Fund since the last annual report

Save as disclosed herein, there have been no material changes in the affairs of A-REIT since its annual report for the financial year ended 31 March 2004.

(c) the description of, and number of units being offered by the Fund;

The Manager proposes to issue 179,292,903 new Units (the “**New Units**”) at the issue price of S\$1.55 per Unit (the “**Issue Price**”) for placement to existing Unitholders and new investors (the “**Equity Fund Raising**”) to partly finance the Acquisitions.

Separately, 78,771,613 new Units (the “**Consideration Units**”) will also be issued at an issue price of S\$1.55 per Unit by the Manager to Ascendas Land (Singapore) Pte Ltd (“**Ascendas**”), the vendor of Infineon Building and Techpoint, as partial consideration for the acquisitions of Infineon Building and Techpoint.

(The issue of 179,292,903 New Units under the Equity Fund Raising and 78,771,613 Consideration Units to Ascendas to partly fund the Acquisitions shall hereinafter be referred to as the “**Combined Financing Arrangements**”).

Information on the distribution periods and the status of the New Units and the Consideration Units are set out below:

Status of the New Units and the Consideration Units

The next distribution scheduled to take place would be in respect of A-REIT’s distributable income for the period from 1 October 2004 to 31 December 2004 (the “**Third Quarter Distribution Period**”). The New Units as well the Consideration Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the 791,668,490 Units that are on issue as at the Latest Practicable Date (the “**Existing Units**”) are entitled to participate in A-REIT’s distributable income for the entire Third Quarter Distribution Period. From the next distribution period (1 January 2005 to 31 March 2005), the New Units and the Consideration Units will rank *pari passu* in all respects with the then existing Units, including the right to any distributions which may be paid for that distribution period as well as all distributions thereafter.

For the avoidance of doubt, the New Units and the Consideration Units will not be entitled to participate in the distribution of any distributable income accrued by A-REIT prior to the date of issue of such Units. Such Units, upon issue and allotment, will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue to 31 December 2004 whereas the Existing Units are entitled to participate in A-REIT’s distributable income in respect of the entire Third Quarter Distribution Period.

Temporary trading counter for the New Units and the Consideration Units

As the New Units and the Consideration Units will not be entitled to participate in A-REIT’s distributable income for the period from 1 October 2004 to the day immediately prior to the date such Units are issued, it is necessary for such Units to trade under a separate stock counter for the period commencing from the date of their issue to the last day of “cum-distribution” trading for them as well as the Existing Units in respect of the Third Quarter Distribution Period, which is expected to be in January 2005. After the last day of “cum-distribution” trading, the Units trading on the proposed temporary stock counter as well as the then existing Units will be aggregated and traded under the same stock counter on the next Market Day, *i.e.* the first day of “ex-distribution” trading for the New Units, the Consideration Units and the Existing Units.

-
- (d) **the offer price, any discount or commission given to the underwriter (if any), and the estimated net proceeds on an aggregate basis to be derived by the Fund from the sale of the units being offered; if it is not possible to state the offer price or the discount or commission, the method by which it is to be determined must be explained;**
-

Offer price	:	S\$1.55 per New Unit
Underwriting and selling commissions	:	Up to S\$4.3 million ¹
Professional and other fees and expenses	:	Up to S\$1.6 million ²
Estimated net proceeds	:	Approximately S\$272.0 million

- (e) **the range of the closing market price during the 90 days preceding the latest practicable date prior to the lodgment of the Offer Information Statement (“Latest Practicable Date”);**
-

Range of closing market price during the 90-day period preceding the Latest Practicable Date (4 August 2004 to 1 November 2004)	:	Between S\$1.42 per Unit and S\$1.62 per Unit
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- (f) **the principal purposes for which the estimated net proceeds to be derived by the Fund from the sale of the units being offered are intended to be used and the approximate amount intended to be used for each such purpose; if any material amounts of other funds are to be used in conjunction with the proceeds for such purposes, the amounts and sources of such other funds;**
-

The principal purposes for which the estimated net proceeds to be derived by the Fund from the sale of the units being offered are intended to be used and the approximate amount intended to be used for each such purpose

The Manager intends to use the net proceeds of the Equity Fund Raising to partly finance the Acquisitions. However, the Manager may, at its absolute discretion, use the proceeds for acquiring any other suitable property or properties for A-REIT. The Equity Fund Raising is not subject to or conditional upon the completion of the Acquisitions. The Manager will make periodic announcements of the utilisation of the proceeds of the Equity Fund Raising as and when such funds are disbursed.

¹ This figure comprises the financial advisory fees payable to DBS Bank Ltd as well as the underwriting and selling commissions payable to DBS Bank Ltd and Macquarie Securities (Singapore) Pte. Ltd. in relation to the Equity Fund Raising. No underwriting and selling commissions will be payable to DBS Bank Ltd and Macquarie Securities (Singapore) Pte. Ltd. in respect of New Units taken up by Ascendas, MGM Singapore Pte. Ltd. (“**MGM Singapore**”) and the Manager under their respective provisional allocations of New Units under the preferential offering tranche of the Equity Fund Raising and by MGM Singapore under the private placement tranche of the Equity Fund Raising.

² This figure includes legal fees and fees payable to KPMG, as the independent accountants of A-REIT and PricewaterhouseCoopers Corporate Finance Pte Ltd, as independent financial advisers to the independent directors of the Manager for the proposed acquisitions of Infineon Building and Techpoint.

The total acquisition costs of the Properties amount to S\$441.2 million, comprising the aggregate purchase prices of the Properties (S\$421.4 million), applicable stamp duty (S\$12.6 million), the Manager's acquisition fee in respect of the Properties (S\$4.2 million) and the professional and other fees and expenses incurred or to be incurred by the Manager in connection with the Acquisitions (S\$3.0 million).

The amount and sources of such other funds to be used in conjunction with the proceeds derived by the Fund from the sale of the units

The Acquisitions will also be partly financed by the issue of the Consideration Units to Ascendas.

The remaining costs of the Acquisitions as well as certain other related costs and expenses are intended to be financed through additional borrowings of up to S\$8.4 million. A-REIT has standby bank debt facilities in place for such borrowings (see paragraph (i) below). The actual amount to be borrowed will represent the difference between the total acquisition costs of the Properties and the net proceeds of the Combined Financing Arrangements.

(g) the place where the Fund was constituted and the date of constitution;

A-REIT was constituted in Singapore pursuant to a trust deed dated 9 October 2002 (the "**Trust Deed**").

(h) the names and addresses of the directors of the Manager as at the Latest Practicable Date;

The names and addresses of the directors of the Manager (the "**Directors**") are set out in **Appendix 5** of this Offer Information Statement.

(i) the unitholders' fund and borrowings of the Fund, as of the Latest Practicable Date showing:

- (i) in the case of the unitholders' fund, the number of units issued and outstanding; or**
- (ii) in the case of borrowings, the total amount of the borrowings outstanding, together with the rate of interest (whether fixed or floating) payable thereon;**

(i) Unitholders' Fund

As at the Latest Practicable Date, there were 791,668,490 Units issued and outstanding.

(ii) Borrowings

As at the Latest Practicable Date, A-REIT had the following loan facilities:

- (a)** a S\$300.0 million term loan granted by a special purpose company, Emerald Assets Limited, which was fully drawn down as at 30 September 2004;
- (b)** a S\$150.0 million uncommitted revolving credit facility granted by Oversea-Chinese Banking Corporation Limited, of which S\$59.0 million was drawn down as at 30 September 2004; and
- (c)** a S\$150.0 million uncommitted revolving credit facility granted by BNP Paribas. This facility has not been drawn down.

The Manager has fixed the interest rate in respect of an aggregate amount of S\$260.0 million of A-REIT's borrowings through interest rate swaps with a remaining weighted average term of 3.70 years at an average fixed interest rate of 2.42% per annum (exclusive of all margins) resulting in an average interest rate of 2.56% (including floating interest rates, margins and amortised/annual costs of A-REIT's commercial mortgage backed securities medium term note programme).

-
- (j) **the manner in which the units being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, including the name and address of each underwriter;**
-

The Equity Fund Raising

The Equity Fund Raising consists of:

- (i) a preferential offering of 83,554,220 New Units to Singapore Registered Unitholders on a non-renounceable basis of 1 New Unit for every 10 of the Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded), for subscription at the Issue Price (the "**Preferential Offering**");
- (ii) an offering of 37,500,000 New Units to the public in Singapore through the ATMs of DBS Bank Ltd ("**DBS Bank**") (including POSB ATMs) on a "first-come, first-served" basis at the Issue Price (the "**ATM Offering**"); and
- (iii) a placement of 58,238,683 New Units to retail and institutional investors at the Issue Price (the "**Private Placement**").

DBS Bank and Macquarie Securities (Singapore) Pte. Ltd. (the "**Joint Lead Managers and Underwriters**") have been appointed as joint lead managers and underwriters for the Preferential Offering and the Private Placement, and DBS Bank has been appointed as the lead manager and underwriter for the ATM Offering.

The addresses of the Joint Lead Managers and Underwriters are as follows:

- (i) DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
- (ii) Macquarie Securities (Singapore) Pte. Ltd.
23 Church Street
#11-11 Capital Square
Singapore 049481

Underwriting by the Joint Lead Managers and Underwriters

In accordance with the terms and conditions of the placement agreement dated 18 November 2004 (the "**Placement Agreement**") entered into between the Manager and the Joint Lead Managers and Underwriters, save in respect of the New Units offered to Ascendas, MGM Singapore and the Manager under the Preferential Offering and to MGM Singapore under the Private Placement, the Preferential Offering and the Private Placement are underwritten by the Joint Lead Managers and Underwriters at the Issue Price. The ATM Offering is underwritten by DBS Bank at the Issue Price.

Additional information on the Preferential Offering

Acceptance of the provisional allocations of New Units may be effected in whole or in part via Acceptance Forms or through the ATMs of the Participating Banks.

As the Preferential Offering is made on a non-renounceable basis, the provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST.

The Preferential Offering will be open to Singapore Registered Unitholders from 9.00 a.m. on 19 November 2004 and will close at (i) 4.45 p.m. on 25 November 2004 for acceptances of provisional allocations of New Units effected via Acceptance Forms and (ii) 9.30 p.m. on 25 November 2004 for acceptances of provisional allocations of New Units effected through the ATMs of the Participating Banks.

Singapore Registered Unitholders, including the Restricted Placees (such as the Directors, their immediate family³ and Substantial Unitholders (being Unitholders with an interest in one or more Units constituting not less than 5.0% of all Units on issue)), can accept their provisional allocations of New Units under the Preferential Offering in full or in part but may not apply for excess Units thereunder. Restricted Placees who are Singapore Registered Unitholders are permitted to accept their provisional allocations of New Units under the Preferential Offering as the SGX-ST has granted a waiver from the requirements under Rule 812 of the SGX-ST's Listing Manual (the "**Listing Manual**").

Where a Singapore Registered Unitholder's provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, it will be increased to such number which, when added to the Unitholder's unitholdings as at the Books Closure Date, results in an integral multiple of 1,000 Units (the "**Rounding Mechanism**"). For example, a Singapore Registered Unitholder with 1,500 Existing Units as at the Books Closure Date will be provisionally allocated with 500 New Units under the Preferential Offering (increased from the 150 New Units allocated based on the ratio of 1 New Unit for every 10 Existing Units under the Preferential Offering) so that, should the Unitholder decide to accept the whole of his provisional allocation of New Units, he will own a total of 2,000 Units. The Rounding Mechanism will be extended to investors who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme ("**SRS**"), and to Units held by nominee companies. However, in the case of nominee companies, as the Rounding Mechanism will be applied at the level of the aggregate Units held in the securities accounts of such nominee companies with The Central Depository (Pte) Limited ("**CDP**"), investors whose Units are held through such nominee companies may not enjoy the benefit of the Rounding Mechanism on an individual level.

Singapore Registered Unitholders who have used funds in their Central Provident Fund ("**CPF**") accounts to purchase their Existing Units and/or purchased their Existing Units under the SRS can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold their CPF Investment Scheme accounts and/or SRS accounts to subscribe for New Units on their behalf.

The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have their addresses as registered with CDP, the Preferential Offering is not extended to Unitholders whose registered addresses with CDP were outside Singapore, who did not have a "rights" mailing address with CDP and who had not, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

New Units under the Preferential Offering which are not taken up by the Singapore Registered Unitholders for any reason will be aggregated and sold, at the discretion of the Joint Lead Managers and Underwriters, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

³ The spouse, children, adopted children, step-children, siblings and parents of the Directors.

Additional information on the ATM Offering

The ATM Offering will be open to the public from 12.00 noon on 19 November 2004 and will close at 12.00 noon on 25 November 2004, subject to an earlier closure at the discretion of DBS Bank (in consultation with the Manager) in the event that the New Units offered under the ATM Offering are fully taken up.

The 37,500,000 New Units under the ATM Offering will be offered at the Issue Price to the public in Singapore through the ATMs of DBS Bank (including POSB ATMs) on a “first-come, first-served” basis. The minimum application under the ATM Offering is for 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000, subject to a maximum of 500,000 New Units per applicant. Only one application for the New Units under the ATM Offering may be made for the benefit of one person. Multiple applications for the New Units under the ATM Offering will not be accepted.

In addition to accepting their provisional allocations of New Units under the Preferential Offering, Singapore Registered Unitholders (including the Directors and their immediate family, but not the Substantial Unitholders) may also apply for New Units under the ATM Offering. The Directors and their immediate family are permitted to apply for the New Units under the ATM Offering because the SGX-ST has waived Rule 812 of the Listing Manual to permit such applications by the aforementioned persons.

In the event that the New Units offered under the ATM Offering are not fully taken up, the number of New Units that are not taken up will be aggregated and sold at the discretion of DBS Bank. There will be no re-allocation of such New Units from the ATM Offering to the Private Placement.

Additional information on the Private Placement

The SGX-ST has waived the requirement under Rule 812 of the Listing Manual to seek Unitholders' approval for a placement of Units to The Capital Group Companies, Inc., Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited (each of which is a Substantial Unitholder) where the number of Units proposed to be placed to each such Substantial Unitholder is no more than what would be required to maintain its proportionate unitholdings as its pre-placement level in percentage terms. Subject to this restriction and to the requirement that the Manager certifies it is independent of each such Substantial Unitholder, the Joint Lead Managers and Underwriters may place New Units to these Substantial Unitholders under the Private Placement.

The SGX-ST has also waived Rule 812 of the Listing Manual, and Unitholders' approval was obtained at the EGM, for a placement of New Units to MGM Singapore (a Substantial Unitholder) where the number of New Units to be placed to MGM Singapore is no more than what would be required to maintain its proportionate unitholdings at its pre-placement level in percentage terms. Subject to this restriction, the Joint Lead Managers and Underwriters may place New Units to MGM Singapore under the Private Placement.

The following table sets out the unitholdings of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited in the scenarios described therein. The unitholdings set out in the table are based on the assumptions that (a) each of the identified Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering and (b) each of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited subscribes for the maximum number of New Units it would be permitted to subscribe for under the Private Placement.

	Pre-placement unitholdings		Unitholdings after the Consideration Units are issued		Unitholdings after the Consideration Units are issued and subscriptions under the Preferential Offering only ⁽¹⁾		Unitholdings after the Consideration Units are issued and subscriptions under both the Preferential Offering and Private Placement ⁽²⁾	
	(%)		(%) ⁽³⁾		(%) ⁽³⁾		(%) ⁽³⁾	
The Capital Group Companies, Inc.	8.0 ⁽⁴⁾	63,584,000	6.1	63,584,000	6.7	69,942,400	8.0	84,310,825
MGM Singapore	7.2 ⁽⁵⁾	57,240,729	5.5	57,240,729	6.0	62,964,802	7.2	75,895,696
Prudential Asset Management (Singapore) Limited	5.3 ⁽⁴⁾	41,930,850	4.0	41,930,850	4.4	46,123,935	5.3	55,599,279
UOB Asset Management Limited	5.2 ⁽⁴⁾	41,172,450	3.9	41,172,450	4.3	45,289,695	5.2	54,593,659

Notes:

- (1) Assuming that each of the identified Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering.
- (2) Assuming that each of The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited subscribes for its provisional allocation of New Units under the Preferential Offering and the maximum number of New Units it would be permitted to subscribe for under the Private Placement. Save for MGM Singapore, none of these Substantial Unitholders have given any undertaking to subscribe for New Units under the Private Placement. Neither Ascendas nor the Manager will be permitted to subscribe for New Units under the Private Placement.
- (3) Based on the total number of Units on issue upon completion of the Combined Financing Arrangements.
- (4) As at the Latest Practicable Date.
- (5) As at the Latest Practicable Date (unchanged since 1 October 2004).

A-REIT will make an announcement of any placement of New Units to The Capital Group Companies, Inc., MGM Singapore, Prudential Asset Management (Singapore) Limited and UOB Asset Management Limited under the Private Placement.

Excess demand for the New Units under the Private Placement will be satisfied only to the extent that New Units under the Preferential Offering are not taken up and are reallocated to the Private Placement.

(k) the income, prospects and distributions of the Fund, together with:

(i) the following information in respect of the Fund for the financial period commencing from 19 November 2002 (being the date on which units in the Fund were issued in connection with the initial public offering of units in the Fund) to 31 March 2004 (being the date on which the last audited balance sheet of the Fund was made up) in the following format:

Period	Net investment income before tax (S\$'000)	Taxable income available for distribution to Unitholders ⁽¹⁾ (S\$'000)	Extraordinary items (S\$'000)	Distribution per Unit (cents)
19 November 2002 to 31 March 2003	14,290	15,182	Nil	2.78
1 April 2003 to 31 March 2004	40,591	45,536	Nil	8.16

Note:

(1) The taxable income available for distribution to Unitholders is derived by adjusting for the net effect of non-tax deductible/(chargeable) items from the net investment income before tax of A-REIT.

The following table sets out the same information for the period from 1 April 2004 to 30 September 2004 based on the unaudited financial statements of A-REIT for the said period:

Period	Net investment income before tax (S\$'000)	Taxable income available for distribution to Unitholders ⁽¹⁾ (S\$'000)	Extraordinary items (S\$'000)	Distribution per Unit (cents)
1 April 2004 to 30 September 2004	31,851	33,718	Nil	4.46

Note:

(1) The taxable income available for distribution to Unitholders is derived by adjusting for the net effect of non-tax deductible/(chargeable) items from the net investment income before tax of A-REIT.

(ii) a statement as to the financial and business prospects of the Fund, together with any material information which will be relevant thereto, including all special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits; and

Financial and business prospects

Since the listing of A-REIT on the SGX-ST, the Manager has consistently sought to maximise income yield and capital growth through a three-point strategy of organic growth, yield accretive acquisitions and optimising its capital structure. A-REIT has acquired properties which are yield-accretive and which have diversified its portfolio in various respects — asset class, industry sector, location, tenancy-mix and lease expiry profile.

Significant Trends and Competitive Conditions of the Industrial Real Estate Market

According to Ministry of Trade and Industry (“MTI”), Singapore’s gross domestic product (“GDP”) grew by 7.7% in the third quarter of 2004 compared to the same period in 2003⁴. The continued strength in the manufacturing sector as well as the general improved outlook for the overall economy has provided the necessary support for a stable industrial property market. This is reflected in renewals and new take-ups of 52,071 sqm in A-REIT’s portfolio for the six months ended 30 September 2004.

Island-wide occupancy rate for factory space remained at a level of 87.0%, which was the same as that of the last quarter of 2004. With positive sentiment and strong growth in the high-end manufacturing sector, investment acquisitions of top grade properties led by property funds continued, with four significant transactions taking place in second quarter of 2004, three of which were undertaken by A-REIT. The average occupancy rate of A-REIT’s portfolio increased from 82.0% as at September 2003 to 92.7% as at 30 September 2004 as a result of the improved economy and additional acquisitions of fully occupied properties.

Outlook for the Financial Year Ending 31 March 2005

Prospects for global economic growth remain positive for the rest of 2004 and into 2005. The performance of the Singapore economy during the first half of 2004 has been stronger than expected. MTI expects this growth to continue into 2005 at more sustainable rates, as the local economy recovers to levels closer to its potential output. Barring unforeseen circumstances, MTI has revised the GDP growth forecast range for 2004 from 5.5% - 7.5% to 8.0% - 9.0%, which is higher than the preliminary forecast for economic growth in 2004 of between 3.0% and 5.0%.

Subject to the local economy maintaining its recovery and the assumptions set out in this Offer Information Statement, the Manager expects to deliver a distribution per Unit (“DPU”) of 9.30 cents for the financial year ending 31 March 2005.

(See **Appendix 3** of this Offer Information Statement for further details about the forecast and projected DPU for the financial years ending 31 March 2005 and 31 March 2006.)

Profit Forecast and Profit Projection

The table on page A-40 of **Appendix 3** of this Offer Information Statement summarises A-REIT’s forecast and projected net investment income and distributable income for the financial years ending 31 March 2005 and 31 March 2006, respectively.

The forecast and projection should be read together with the accompanying assumptions and sensitivity analysis in **Appendix 3** of this Offer Information Statement and the report of KPMG (the “**Independent Accountants**”) in **Appendix 4** of this Offer Information Statement.

Other Material Information — special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits

The sale of Freight Links (Changi) Building and Freight Links (Toh Guan) Building is subject to the approval of the shareholders of Freight Links Express Holdings Limited

Under the option agreements relating to the sale and purchase of Freight Links (Changi) Building and Freight Links (Toh Guan) Building, a condition precedent to the sale of these two buildings by their vendors is the approval of the shareholders of Freight Links Express Holdings Limited, the holding company of the vendors, for such sale. Freight Links Express Holdings Limited will be convening an extraordinary general meeting of its shareholders to seek their approval for the sale of Freight Links (Changi) Building and Freight Links (Toh Guan) Building. If such approval is not obtained in December 2004 or at all, A-REIT’s financial performance for the financial years ending 31 March 2005 and 31 March 2006 could differ materially from that forecast and projected in this Offer Information Statement.

⁴ Source: MTI press release published in October 2004.

In connection with the above, Vibrant Capital Pte Ltd, a major shareholder of Freight Links Express Holdings Limited, as well as the major shareholder of Vibrant Capital Pte Ltd have both undertaken to the Manager and the Trustee to vote in favour of the resolutions relating to the sale of Freight Links (Changi) Building and Freight Links (Toh Guan) Building proposed to be passed at the said extraordinary general meeting of Freight Links Express Holdings Limited.

The Manager is an affiliate of Ascendas, which is a wholly-owned subsidiary of Ascendas Pte Ltd. There are potential conflicts of interest between A-REIT, Ascendas and the Manager

Ascendas, its subsidiaries and affiliates are engaged in the investment in, and the development and management of, industrial properties in Singapore. Three of the eight members of the Board of Directors of the Manager are representatives of Ascendas. In addition, the Manager has appointed a subsidiary of Ascendas, Ascendas Services Pte Ltd, as the property manager of A-REIT's properties. As a result, the strategy and activities of A-REIT may be influenced by the overall interests of Ascendas. There can be no assurance that conflicts of interest will not arise between A-REIT and Ascendas in the future, including in relation to the acquisition of properties and competition for tenants within the Singapore property market.

Related party transactions entered into by A-REIT, depending on the materiality of such transactions, may need to be publicly announced and/or approved by Unitholders as the case may be, and will be reviewed by the independent Directors, the Manager's audit committee and subsequently by HSBC Institutional Trust Services (Singapore) Limited (as trustee of A-REIT) (the "Trustee") (in accordance with, among other things, the Property Funds Guidelines in the Code on Collective Investment Schemes issued by the Authority (the "Property Funds Guidelines")).

Conflicts related to the acquisition of properties from Ascendas

The Manager may, on behalf of A-REIT, acquire assets from Ascendas or parties related to Ascendas in the future. In such cases, the Manager must obtain appraisals from independent parties and comply with all other requirements applicable to such transactions under the Property Funds Guidelines and the Listing Manual. However, there can be no assurance that, with respect to the properties acquired in the future from Ascendas or parties related to Ascendas, the negotiations with respect to the properties acquired, the purchase price of the properties and other terms and conditions relating to the purchase of the properties (in particular with respect to the representations, warranties and/or indemnities agreed to or not agreed to, as the case may be) will not be adverse to A-REIT or will reflect an arm's length acquisition of the properties by A-REIT.

The amount A-REIT may borrow is limited, which may affect the operations of A-REIT

Under the Code on Collective Investment Schemes issued by the Authority, A-REIT is generally only permitted to borrow up to 35% of its Deposited Property. In relation to A-REIT as a property fund, the Code on Collective Investment Schemes also provides that if (i) all the borrowings of the fund are rated at least A (including any sub-categories or gradations therein) by Fitch Inc., Moody's or Standard and Poor's or (ii) the credit rating of the fund is rated at least A (including any sub-categories or gradations therein) by Fitch Inc., Moody's or Standard and Poor's, the fund may borrow more than 35% of the fund's deposited property.

Adverse business consequences of this limitation on borrowings on A-REIT may include:

- an inability to fund capital expenditure requirements in relation to A-REIT's existing portfolio or in relation to the acquisition of future properties by A-REIT to expand its portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting A-REIT's ability to make further borrowings; and
- cash flow shortages (including with respect to required distributions) which A-REIT might otherwise be able to resolve by borrowing funds.

A-REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

A-REIT's success depends, in part, upon the continued service and performance of members of the Manager's senior management team and certain key senior personnel. These key personnel may leave the Manager in the future or compete with it and A-REIT. The loss of any of these key employees could have a material adverse effect on A-REIT's business, results of operations and financial condition.

32% of the leases for the Existing Properties (in terms of net lettable area) are for periods of up to three years, which exposes the properties owned by A-REIT to significant rates of lease expiries each year

32% of the leases for the Existing Properties (in terms of net lettable area) are for tenancy periods of up to three years, which reflects the general practice in the Singapore property market for tenancies to take the form of a rolling three-year agreement. As a result, A-REIT's portfolio experiences lease cycles in which a significant number of leases expire each year. This exposes A-REIT to risks of reduced occupancy levels resulting from vacancies following the expiry of leases, which will in turn reduce A-REIT's gross revenue. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases. If a large number of tenants do not renew their leases in a year with a high rate of lease expiries, or if new tenants do not enter into leases on terms that are as or more favourable than the terms of the expiring leases, it could have a material adverse effect on the relevant property and affect A-REIT's financial performance and distributable income.

The gross revenue earned from, and the value of, properties held by A-REIT may be adversely affected by a number of factors

The gross revenue earned from, and the value of, A-REIT's properties may be adversely affected by a number of factors, including:

- vacancies following expiry or termination of leases that lead to reduced occupancy levels — this reduces rental income and the ability to recover certain operating costs such as service charges;
- the Manager's ability to provide adequate management, maintenance or insurance;
- the Manager's ability to collect rent on a timely basis or at all;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rental payments, or which could hinder or delay the sale of a property, or inability to collect rental payments at all or the termination of a tenant's lease;
- tenants failing to comply with the terms of their leases or commitments to lease;
- the national and international economic climate and real estate market conditions (such as the oversupply of, or reduced demand for, space, the Singapore government's release of land, changes in market rental rates and operating expenses of A-REIT's properties);
- the amount and extent to which A-REIT is required to grant rebates on rental rates to tenants due to market pressure;
- competition for tenants from other similar properties which may affect rental levels or occupancy levels at A-REIT's properties; and
- changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant properties may also be restricted by legislative actions, such as revisions to building standards laws or city planning laws, or the enactment of new laws relating to condemnation and redevelopment.

A-REIT may be adversely affected by the illiquidity of real estate investments

Real estate investments, particularly investments in high value properties such as those in which A-REIT intends to invest, are relatively illiquid. Such illiquidity may affect A-REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. This could have an adverse effect on A-REIT's ability to make distributions to Unitholders.

The forecast and projected financial performance of A-REIT is based on the successful completion of the Acquisitions

While the Manager currently intends to use the proceeds of the Equity Fund Raising to partly finance the acquisition of all or some of the Properties, the Manager may at its absolute discretion use the proceeds for acquiring any other suitable property or properties for A-REIT. The Equity Fund Raising is not subject to or conditional upon the completion of the Acquisitions. The forecast and projected financial performance of A-REIT is based on the successful completion of the Acquisitions and may vary should the proceeds of the Equity Fund Raising be used to acquire other properties.

(iii) a statement by the Manager whether, in its reasonable opinion, the working capital available to the Fund as at the Latest Practicable Date is sufficient for present requirements and, if insufficient, how the additional working capital thought by the Manager to be necessary, is proposed to be provided;

The Manager confirms that in its reasonable opinion, after taking into account the loan facilities available to A-REIT and the estimated net proceeds from the Equity Fund Raising, the working capital available to A-REIT as at the Latest Practicable Date is sufficient for the present requirements of A-REIT.

(l) the number of units of the Fund owned by each person who has an interest of not less than 5.0% of all the units in the Fund ("Substantial Unitholder") (as recorded in the Register of Substantial Unitholders of the Fund) at the Latest Practicable Date;

The number of Units owned by each Unitholder who has an interest of not less than 5.0% of all the Units (as recorded in the Register of Substantial Unitholders of A-REIT) as at the Latest Practicable Date is set out in **Appendix 6** of this Offer Information Statement.

(m) information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the Latest Practicable Date, a material effect on the Fund's financial position or profitability;

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the Latest Practicable Date, a material effect on the financial position or profitability of A-REIT.

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- (n) the prices at which units of the Fund have been issued for cash, or traded, within the period commencing on the date after the listing date of the Fund to the Latest Practicable Date; for units which have been traded, give the price range and volume traded for each of those months; for units which have been issued during those months, state the number of units issued at each price; if any units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units;
-

Units issued for cash

- (i) On 4 March 2004, 160,500,000 Units were issued at an issue price of S\$1.16 per Unit to, *inter alia*, partly finance the acquisitions of Changi Logistics Centre, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building and TT International Tradepark.
- (ii) On 23 June 2004, 82,142,857 Units were issued at an issue price of S\$1.40 per Unit to, *inter alia*, partly finance the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub.

Other than as aforesaid, no Units have been issued by A-REIT for cash within the period commencing on 20 November 2002 (being the date immediately after A-REIT was listed on the SGX-ST) to the Latest Practicable Date.

Prices of Units traded

The closing price range for the Units and the volume of Units traded on the SGX-ST (on a monthly basis) within the period commencing on 20 November 2002 (being the date immediately after A-REIT was listed on the SGX-ST) to the Latest Practicable Date are set out in **Appendix 7** of this Offer Information Statement.

Units issued in payment of the Manager's management fees payable under the Trust Deed (the "Management Fee")

Within the period commencing on 20 November 2002 (being the date immediately after A-REIT was listed on the SGX-ST) to the Latest Practicable Date:

- (i) 899,640 Units were issued to the Manager at an issue price of S\$0.8674 per Unit on 20 June 2003 as payment of the base fee payable to the Manager under the Trust Deed (the "**Base Fee**") for the period from 19 November 2002 to 18 May 2003;
- (ii) 807,535 Units were issued to the Manager at an issue price of S\$1.0337 per Unit on 5 December 2003 as payment of the Base Fee for the period from 19 May 2003 to 18 November 2003;
- (iii) 1,572,381 Units were issued to the Manager at an issue price of S\$1.2983 per Unit on 19 April 2004 as payment of the performance fee payable to the Manager under the Trust Deed (the "**Performance Fee**") for the financial year ended 31 March 2004; and
- (iv) 746,077 Units were issued to the Manager at an issue price of S\$1.4347 per Unit on 8 June 2004 as payment of the Base Fee for the period from 19 November 2003 to 18 May 2004.

The aggregate value represented by the Units issued in payment of the Manager's Management Fee is S\$4.7 million.

The address of the Manager is 75 Science Park Drive, #01-03 CINTech II, Singapore Science Park I, Singapore 118255.

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- (o) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee of the Fund (in its capacity as trustee of the Fund) is a party, for the period commencing after the Fund was listed on the Singapore Exchange Securities Trading Limited until the Latest Practicable Date, including the date of, parties to and general nature of the contract, and the amount of any consideration passing to or from the Fund;**
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There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in A-REIT's ordinary course of business, for the period commencing on 20 November 2002 (being the date immediately after A-REIT was listed on the SGX-ST) and ending on the Latest Practicable Date save for:

- (i) the loan and security documents entered into by the Trustee in connection with the borrowings described in paragraph (i) above;
- (ii) the placement agreement dated 18 February 2004 entered into between Citigroup Global Markets Singapore Pte. Ltd., DBS Bank, J.P. Morgan (S.E.A.) Limited and the Manager, in connection with an issue of 160,500,000 Units in March 2004;
- (iii) the placement agreement dated 15 June 2004 entered into between Citigroup Global Markets Singapore Pte. Ltd. and the Manager in connection with an issue of 82,142,857 Units in June 2004; and
- (iv) the Placement Agreement.

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- (p) the last available audited consolidated balance-sheet of the Fund;**
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The last audited balance sheet of A-REIT is set out in **Appendix 8** of this Offer Information Statement.

-
- (q) a table or statement indicating:**
-

- (i) the consolidated net tangible asset ("NTA") per unit of the Fund as of the date on which the last audited balance sheet was made up; and**

The NTA per Unit at 31 March 2004 (being the date on which the last audited balance sheet of A-REIT was made up) was S\$0.98.

(ii) the effect of the Equity Fund Raising on the NTA per unit.

On the premise that the Combined Financing Arrangements are undertaken to partly finance the Acquisitions, the pro forma financial effects of the proposed issue of the New Units under the Equity Fund Raising on the NTA per Unit as at 31 March 2004, as if A-REIT had purchased the Properties on 1 April 2003, and held and operated them through to 31 March 2004, are as follows:

	Completion of the Equity Fund Raising	
	Before⁽¹⁾	After⁽²⁾
NTA (S\$'000)	789,094	1,183,194
Units on issue ('000)	796,640	1,054,705
NTA per Unit (S\$)	0.99	1.12

Notes:

- (1) Based on A-REIT's balance sheet as at 31 March 2004 (being A-REIT's last audited balance sheet) adjusted for A-REIT's distributions made in respect of the period from 1 October 2003 to 3 March 2004 and the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub (including C & P Logistics Hub Phase II), funded using cash reserves, available debt capacity and net proceeds from an issue of 82,142,857 Units in June 2004.
- (2) The pro forma financial effects are based on the assumptions that (a) Gearing is reduced to approximately 26%, (b) A-REIT proceeds with the Combined Financing Arrangements and (c) the aggregate acquisition costs of the Properties is S\$441.2 million.

(r) particulars of all other material information relating to the units being offered and not disclosed pursuant to sub-paragraphs (a) to (q).

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other material facts relating to the Equity Fund Raising.

Dated 18 November 2004

Lew Syn Pau
Director

Swee Kee Siong
Director

GLOSSARY

In this Offer Information Statement, the following definitions apply throughout unless otherwise stated:

2004 Audited Financial Statements	:	The audited financial statements of A-REIT for the financial year ended 31 March 2004
A-REIT	:	Ascendas Real Estate Investment Trust
Acceptance Form	:	The official printed acceptance form to be used for the purpose of the Preferential Offering and which forms part of this Circular
Acquisitions	:	The proposed acquisitions of the Properties by A-REIT
Ascendas	:	Ascendas Land (Singapore) Pte Ltd
ATM	:	Automated teller machine
ATM Offering	:	The offering of 37,500,000 New Units to the public in Singapore through the ATMs of DBS Bank (including POSB ATMs) on a "first-come, first-served" basis at the Issue Price
Authority	:	Monetary Authority of Singapore
AYE	:	Ayer Rajah Expressway
Base Fee	:	The base component of the Management Fee, being 0.5% per annum of the value of the Deposited Property
Books Closure Date	:	16 November 2004 at 5.00 p.m., being the time and date on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering
CDP	:	The Central Depository (Pte) Limited
Combined Financing Arrangements	:	The issue of 179,292,903 New Units under the Equity Fund Raising and 78,771,613 Consideration Units to Ascendas to partly fund the Acquisitions
Consideration Units	:	The 78,771,613 new Units to be issued at an issue price of S\$1.55 per Unit to Ascendas as partial consideration for the proposed acquisitions of Infineon Building and Techpoint by A-REIT
CPF	:	Central Provident Fund
CPI	:	Consumer price index
CTE	:	Central Expressway
DBS Bank	:	DBS Bank Ltd

Deposited Property	:	The gross assets of A-REIT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
ECP	:	East Coast Parkway
EGM	:	The extraordinary general meeting of Unitholders held on 2 November 2004
Equity Fund Raising	:	The placement of 179,292,903 New Units by way of the Preferential Offering, the ATM Offering and the Private Placement at the Issue Price
Existing Properties	:	The Alpha, The Aries, The Capricorn, The Gemini, Techplace I, Techplace II, Techlink, Honeywell Building, OSIM HQ Building, Ghim Li Building, Ultro Building, Changi Logistics Centre, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building, TT International Tradepark, Nan Wah Building, Progen Building and C & P Logistics Hub
Existing Units	:	The 791,668,490 Units on issue as at the Latest Practicable Date
FY	:	Financial year
Gearing	:	The ratio of A-REIT's borrowings to the value of its Deposited Property
Independent Accountants	:	KPMG
Issue Price	:	S\$1.55, being the issue price per New Unit under the Equity Fund Raising
Joint Lead Managers and Underwriters	:	DBS Bank and Macquarie Securities (Singapore) Pte. Ltd. (an affiliate of the Manager and MGM Singapore)
Latest Practicable Date	:	2 November 2004, being the latest practicable date prior to the printing of this Offer Information Statement
Listing Manual	:	The Listing Manual of the SGX-ST
Management Fee	:	The Manager's management fee as provided for in the Trust Deed, comprising the Base Fee and the Performance Fee
Manager	:	Ascendas-MGM Funds Management Limited, as manager of A-REIT
Market Day	:	A day on which the SGX-ST is open for trading in securities
MGM Singapore	:	MGM Singapore Pte. Ltd.
MRT	:	Mass rapid transit
MTI	:	Ministry of Trade and Industry

New Units	:	The new Units to be issued by A-REIT for placement under the Equity Fund Raising
NTA	:	Net tangible assets
Participating Banks	:	DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited as well as United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
Performance Fee	:	The performance component of the Management Fee, as set out in Clause 15.12 of the Trust Deed
PIE	:	Pan Island Expressway
Portfolio	:	The Existing Properties and the Properties
Preferential Offering	:	The preferential offering by the Joint Lead Managers and Underwriters of 83,554,220 New Units to Singapore Registered Unitholders on a non-renounceable basis of 1 New Unit for every 10 Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded), for subscription at the Issue Price
Private Placement	:	The placement of 58,238,683 New Units by the Joint Lead Managers and Underwriters to retail and institutional investors at the Issue Price
Property Funds Guidelines	:	The Property Funds Guidelines in the Code on Collective Investment Schemes issued by the Authority
Properties	:	Infineon Building, Techpoint, Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Steel Industries Building and Volex Building, and “ Property ” refers to any one of them
Restricted Places	:	<ul style="list-style-type: none"> (a) The Directors and Substantial Unitholders (b) The spouse, children, adopted children, step-children, siblings and parents of the Directors and Substantial Unitholders (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated companies and sister companies of the Substantial Unitholders (d) Corporations in which the Directors and the Substantial Unitholders have an aggregate interest of at least 10.0% (e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)

Rounding Mechanism	:	Where a Singapore Registered Unitholder's provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, the increase in the provisional allocation of New Units to the Unitholder by such number which, when added to the Unitholder's unitholdings as at the Books Closure Date, results in an integral multiple of 1,000 Units
Securities Account	:	Securities account maintained by a Depositor with CDP
SGX-ST	:	Singapore Exchange Securities Trading Limited
Singapore Registered Unitholders	:	Unitholders as at the Books Closure Date other than those whose registered addresses with CDP were outside Singapore, who did not have a "rights" mailing address and who had not, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
sqm	:	Square metre(s)
SRS	:	Supplementary Retirement Scheme
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units on issue
Third Quarter Distribution Period	:	The distribution period from 1 October 2004 to 31 December 2004
Trust Deed	:	The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited), as trustee of A-REIT
Unit	:	A unit representing an undivided interest in A-REIT
Unitholder	:	A Depositor whose securities account with CDP is credited with Units
Weighted Average Lease Term to Expiry	:	The weighted average lease term to expiry by gross rental income
S\$ and cents	:	Singapore dollars and cents
%	:	Per centum or percentage

The term "Depositor" shall have the meaning ascribed to it in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any discrepancies in the tables, charts and graphs included herein between the listed amounts and totals thereof are due to rounding.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Offer Information Statement shall be a reference to Singapore time unless otherwise stated.

RATIONALE FOR THE ACQUISITIONS

Apart from enhancing A-REIT's reputation as a provider of premium industrial space, the Manager believes that the Acquisitions offer the following benefits:

1. Increased Earnings and Distributions

The Manager believes that the Acquisitions will improve the earnings and distributions enjoyed by Unitholders because each of the Properties will be acquired at an attractive price relative to the cash flow it generates. Based on the Manager's projection, the Properties will generate a property yield (before acquisition costs) of approximately 8.5% for the financial year ending 31 March 2006, which is higher than the property yield for the Existing Properties.

The tables on page A-27 show A-REIT's forecast and projected DPU and distribution yield for the financial years ending 31 March 2005 and 31 March 2006 in relation to the Existing Properties and A-REIT's enlarged portfolio of properties upon acquisition of the Properties in the following circumstances:

- (i) where the quantum of additional borrowings incurred and equity raised by A-REIT for the Acquisitions reduces Gearing to approximately 26% upon completion of the Combined Financing Arrangements (the "**Forecast and Projection**"), which gives A-REIT greater capacity to fund future acquisitions with debt financing; and
- (ii) where the proportion of additional borrowings incurred and equity raised by A-REIT for the Acquisitions maintains Gearing at its expected level of approximately 34%⁵ upon completion of the Combined Financing Arrangements (the "**Simulation**").

The Manager intends to reduce Gearing to approximately 26% following the Acquisitions as per the Forecast and Projection; the Simulation has been set out only for the purpose of illustration.

The tables on page A-27 should be read together with the forecast and projected Statement of Net Investment Income and Distributable Income as well as the accompanying assumptions and sensitivity analysis in **Appendix 3** of this Offer Information Statement, and the report of the Independent Accountants in **Appendix 4** of this Offer Information Statement.

⁵ This figure is calculated based on assumption that A-REIT's acquisition of C & P Logistics Hub Phase II will be completed on 1 January 2005 for S\$82.9 million which will be funded from available debt facilities.

Forecast and Projection of DPU and Distribution Yield⁽¹⁾

	Forecast Full Year 2005		Projection Full Year 2006	
	Existing Properties	After the Acquisitions	Existing Properties	After the Acquisitions
DPU (cents) ⁽²⁾⁽³⁾	9.16	9.30	9.25	9.94
Distribution Yield (on Issue Price)	5.91%	6.00%	5.97%	6.41%
DPU improvement over Existing Properties	—	1.47%	—	7.45%

The table above shows that, under the Forecast and Projection, the Acquisitions will generate a DPU increase of 0.69 cents (7.45%) for the financial year ending 31 March 2006.

Simulation of DPU and Distribution Yield⁽¹⁾

	Simulation Full Year 2005		Simulation Full Year 2006	
	Existing Properties	After the Acquisitions	Existing Properties	After the Acquisitions
DPU (cents) ⁽²⁾⁽⁴⁾	9.16	9.43	9.25	10.40
Distribution Yield (on Issue Price)	5.91%	6.08%	5.97%	6.71%
DPU improvement over Existing Properties	—	2.94%	—	12.43%

Notes:

- (1) Assuming that the Acquisitions will be completed in December 2004 and that there is no change to the current mode of payment of the Management Fee in respect of the Existing Properties and the Properties (together, the "Portfolio").
- (2) The number of Units assumed to be issued under the Simulation is less than the number of Units assumed to be issued under the Forecast and Projection due to the different levels of Gearing.
- (3) The DPU under the Forecast and Projection will vary to the extent that the New Units and the Consideration Units are issued on a date other than 1 December 2004. Such Units will only be entitled to A-REIT's distributable income from the date of their issue. A-REIT's distributable income for the period from 1 December 2004 to 31 March 2005 is estimated to be 3.26 cents per Unit (assuming that Gearing is reduced to approximately 26%).
- (4) The DPU under the Simulation will vary to the extent that the New Units and the Consideration Units are issued on a date other than 1 December 2004. Such Units will only be entitled to A-REIT's distributable income from the date of their issue.

2. Enhanced Stability of Earnings and Distributions

The Properties' Weighted Average Lease Term to Expiry of 7.5 years will result in an increase in A-REIT's overall Weighted Average Lease Term to Expiry to 6.1 years as compared to a term of 5.6 years for the Existing Properties. The Manager believes that this improved lease expiry profile will help underpin the stability of A-REIT's earnings and distributions going forward.

3. Competitive Strengths

The Manager believes that the Properties benefit from the following competitive strengths:

- (i) **Strategic Locations:** The Properties are strategically located near densely populated areas and enjoy a high level of connectivity to the rest of Singapore due to their proximity to major transport arteries and public transportation hubs.

- (ii) **Strong Tenancy Profile:** The major tenants of the Properties include Infineon Technologies Asia Pacific Pte Ltd, Motorola Electronics Pte Ltd, MediaCorp Publishing Pte Ltd, National Library Board, Schneider Electric South East Asia (HQ) Pte Ltd, Freight Links Express Holdings Limited and RSH Limited. The terms of the leases for each major tenant in each of the Properties and the Weighted Average Lease Term to Expiry for each Property are set out in **Appendix 2** of this Circular.

4. Improved Income Diversification

The Acquisitions will improve A-REIT's diversification by income by reducing A-REIT's reliance on any one particular property in its portfolio. Following completion of the Acquisitions, not more than 11.6% of A-REIT's total net property income will be derived from any single property (as compared to 15.9% based on the Existing Properties). Further, the percentage of gross rental income attributable to committed leases for the financial year ending 31 March 2006 will increase from 87.5% to 90.3% as a result of the Acquisitions.

5. Enhanced Tenant Base

The Acquisitions are expected to benefit Unitholders through further diversification of A-REIT's income by tenant base and an increase in the number of long-term tenants in A-REIT's property portfolio. A-REIT enjoys a diverse income stream because of its broad tenant base which consists of more than 400 tenants. The Acquisitions will increase A-REIT's tenant base and further enhance income diversification through the addition of quality tenants such as Infineon Technologies Asia Pacific Pte Ltd, Motorola Electronics Pte Ltd, MediaCorp Publishing Pte Ltd, National Library Board, Schneider Electric South East Asia (HQ) Pte Ltd, Freight Links Express Holdings Limited and RSH Limited. These new tenants add to A-REIT's core of blue chip tenants that includes multi-national corporations such as Honeywell Pte Ltd and Siemens Pte Ltd as well as companies listed on the SGX-ST such as OSIM International Ltd, Ultro Technologies Limited, TT International Limited and Venture Corporation Ltd.

Following completion of the Acquisitions, A-REIT's top 10 tenants in terms of gross rental income will make up 38.0% of its total property portfolio income as compared to 49.1% before the Acquisitions.

6. Capital Management

The Acquisitions are proposed to be funded through a mix of debt and equity financing that will result in a reduced Gearing of approximately 26% from the expected level of approximately 34%⁶. This will enable A-REIT to acquire up to S\$225.0 million worth of additional properties with debt financing (if the Manager considers it appropriate to do so) before reaching its maximum Gearing limit of 35%.

7. Growth

The Acquisitions provide for growth through stepped rental increases incorporated into the long-term leases at eight of the Properties. The stepped rental increases, combined with the Manager's ability to continue to improve cash flows as leases expire, underpin future growth in earnings and distributions for Unitholders.

The rent escalation provision in the leases at the relevant Properties are set out in **Appendix 2** of this Offer Information Statement.

⁶ After the completion of A-REIT's acquisition of C & P Logistics Hub Phase II for S\$82.9 million, which will be funded from available debt facilities.

8. Increased Market Capitalisation

Following the successful completion of the Combined Financing Arrangements, the market capitalisation of A-REIT is expected to increase to approximately S\$1,627 million (based on a market price of S\$1.55 per Unit) given the total number of Units that would then be on issue. Unitholders are therefore expected to benefit from the anticipated increase in the trading liquidity of the Units.

9. Economies of Scale

The Acquisitions will enlarge the portfolio of properties owned by A-REIT and allow Unitholders to benefit in the long-term from the economies of scale, which A-REIT will enjoy in its dealings with suppliers, as well as the resulting ability of A-REIT to generate cost synergies.

See **Appendix 2** of this Offer Information Statement for more information on the Properties.

INFORMATION ON THE PROPERTIES

The following sections set out selected information in respect of the Properties, the Existing Properties and certain pro forma financial information relating to the Acquisitions.

(A) THE PROPERTIES

- (i) **Infineon Building:** Infineon Building will be leased to Infineon Technologies Asia Pacific Pte Ltd for use as its headquarters in the Asia-Pacific region upon completion.

Developed by Ascendas, the building consists of two 10-storey towers, which incorporates warehouse space, fully air-conditioned research and development facilities as well as corporate offices. There are approximately 269 parking spaces for cars. The property is strategically located on a plot of land fronting the Pan Island Expressway (“**PIE**”) in the Kallang area of Singapore.

The total gross floor area of Infineon Building is 26,925 sqm on a land area of 10,946 sqm, resulting in a plot ratio of 2.46 (subject to survey).

- (ii) **Techpoint:** Techpoint is located in the Ang Mo Kio industrial estate and is set within the neighbourhood of high-tech companies like Motorola, NCS Hub and Apple Computer.

The property comprises a 6-storey building, with a total gross floor area of 56,196 sqm and has a parking capacity of approximately 445 lots.

The property is multi-tenanted and existing tenants include Motorola Electronics Pte Ltd, MediaCorp Publishing Pte Ltd and Schneider Electric South East Asia (HQ) Pte Ltd.

- (iii) **Exklusiv Centre:** Exklusiv Centre is situated along Alexandra Road, a major motor vehicle showroom belt in Singapore. It is located approximately 500 metres from the Red Hill MRT Station and is well served by the Ayer Rajah Expressway (“**AYE**”) and the Central Expressway (“**CTE**”).

The property comprises a 5-storey motor vehicle showroom cum office building and its sole tenant is Group Exklusiv Pte Ltd, whose stable of companies hold distribution rights in Singapore for Volkswagen, Renault and Skoda cars.

The total gross floor area of the property is 13,699 sqm on a land area of 7,523 sqm, resulting in a plot ratio of 1.82.

- (iv) **CG Aerospace Building:** CG Aerospace Building is located at 3 Changi South Street 2 within the Changi South Industrial Area, in close proximity to Singapore Expo, Changi Business Park and Changi Airport. It is well served by the East Coast Parkway (“**ECP**”) and also enjoys close proximity to the PIE.

Completed in 1996, the property comprises two multi-tenanted 4-storey warehouse buildings. All levels above ground level in both buildings will be furnished with air-conditioning in accordance with additional investment plans by the vendor.

The total gross floor area is 24,117 sqm on a land area of 17,208 sqm, resulting in a plot ratio of 1.40.

- (v) **Autron Building:** Autron Building is located in Serangoon North Avenue 4 and is readily accessible by the CTE from the city centre.

The property comprises a 5-storey office building as well as an attached 4-storey building, which is used as production space. The property is currently utilised by Autron Singapore Pte Ltd as its corporate headquarters. It is simultaneously utilised by its subsidiary, IC Equipment Pte Ltd, for the assembly of equipment for the electronics industry.

The total gross floor area of the property is 10,589 sqm on a land area of 4,950 sqm, resulting in a plot ratio of 2.14.

- (vi) **SB Building:** SB Building is located at 25 Changi South Street 1 within the Changi South Industrial Area, in close proximity to Singapore Expo, Changi Business Park and Changi Airport. It is well served by the ECP and enjoys close proximity to the PIE.

The property comprises a 2-storey warehouse cum 3-storey office building and houses subsidiaries of Soilbuild Group Holdings Pte Ltd.

The total gross floor area is 13,998 sqm on a land area of 14,067 sqm, resulting in a plot ratio of 1.00.

- (vii) **Fedex Building:** Fedex Building is located at 6 Changi South Street 2 within Changi South Industrial Area, in close proximity to Singapore Expo, Changi Business Park and Changi Airport. It is well served by the ECP and enjoys close proximity to the PIE.

The property comprises a 4-storey warehouse development with ancillary offices. Its anchor tenants, Federal Express (S) Pte Ltd and Federal Express Pacific Inc occupy approximately 80% of the total net lettable space.

The total gross floor area is 17,651 sqm on a land area of 9,934 sqm, resulting in a plot ratio of 1.78.

- (viii) **Freight Links (Changi) Building:** Freight Links (Changi) Building is located at 9 Changi South Street 3 within Changi South Industrial Area, in close proximity to Singapore Expo, Changi Business Park and Changi Airport. It is well served by the ECP and enjoys close proximity to the PIE.

The property comprises an 8-storey office building and a 4-storey conventional warehouse, complete with a passenger lift, a cargo lift, nine dock levellers, 69 parking lots for cars and 13 parking bays for trucks.

The total gross floor area is 23,208 sqm on a land area of 14,504 sqm, resulting in a plot ratio of 1.60.

- (ix) **Freight Links (Toh Guan) Building:** Freight Links (Toh Guan) Building is located at 5 Toh Guan Road East and is readily accessible by the AYE and the PIE.

The property comprises two warehouse complexes made up of a part 3-storey and part 5-storey warehouse block with ancillary offices and an adjoining 4-storey warehouse block, complete with container bays and lorry and car parking lots within the concrete/perforated slab compound.

The total gross floor area is 29,741 sqm on a land area of 20,368 sqm, implying a plot ratio of 1.46.

- (x) **MacDermid Building:** MacDermid Building is located at 20 Tuas Avenue 6 and is well served by the AYE and the West Coast Highway. It is situated approximately 22 kilometres away from the city centre.

Completed in the 1990s, the property comprises a part 3-storey and part 1-storey building with a mezzanine level purpose-built detached factory. The building is a concrete framed structure supported with steel trusses and concrete floor slabs and is covered by metal roofing sheets with roof insulation. Access to the higher storeys is available via three sets of internal concrete staircases.

The total gross floor area is 5,064 sqm on a site area of 5,464 sqm, implying a plot ratio of 0.93.

- (xi) **Wisma Gulab:** Wisma Gulab is located at 190 MacPherson Road and is well served by both the CTE and the PIE.

The property comprises a 9-storey warehouse cum office building, a basement car park with 26 parking lots for cars, 15 parking lots for lorries around the periphery, two passenger lifts and two cargo lifts. The property is utilised as the corporate headquarters for RSH Limited.

The total gross floor area is 15,557 sqm on a land area of 5,070 sqm.

- (xii) **Steel Industries Building:** Steel Industries Building is located at 5 Tai Seng Drive in the eastern part of Singapore, approximately 12 kilometres northeast of the city centre. The property is readily accessible by the PIE and the CTE and is located near the Circle Line MRT and the Paya Lebar Expressway which is currently under construction.

The property comprises a 6-storey light industrial cum office building, 40 parking lots for cars, eight loading bays with levellers, three cargo lifts and one passenger lift.

The total gross floor area is 12,930 sqm on a land area of 5,162 sqm, resulting in a plot ratio of 2.50.

- (xiii) **Volex Building:** Volex Building is located at 35 Tampines Street 92 in the eastern part of Singapore and is readily accessible by the PIE and the ECP. It is located in close proximity to Singapore Expo, Changi Business Park and Changi Airport.

The property comprises a 4-storey light industrial cum office building, 48 car parking lots, two loading bays and one cargo lift.

The total gross floor area is 8,931 sqm on a land area of 5,012 sqm, resulting in a plot ratio of 1.76.

The following table sets out a summary of selected information for the Properties in the first full financial year of ownership:

	Appraised Value (S\$ million)	Purchase Price (S\$ million)	Deferred Amount (S\$ million)	Net Property Income Projection FY 2006 (S\$ million)	Property Yield Before Costs Projection FY 2006 (%)	Gross Revenue Projection FY 2006 (S\$ million)	Rental Escalation	Lease Tenure (years)	Net Lettable Area (sqm)	Weighted Average Lease Term to Expiry (years)	Major Tenants	Asset Class	Land Lease Expiry
Infineon Building	50.9	50.9	—	4.2	8.2	5.5	3.0 % p.a.	12	26,925 ⁽¹⁾	12.0	Infineon Technologies Asia Pacific Pte Ltd	High-Tech Industrial	30 Jun 2050 ⁽²⁾
Techpoint	75.0	75.0	—	6.4	8.5	10.0	N.A.	Multi-tenanted building	42,230	2.4	Motorola Electronics Pte Ltd; MediaCorp Publishing Pte Ltd; Schneider Electric South East Asia (HQ) Pte Ltd	High-Tech Industrial	31 Mar 2052
Exklusiv Centre	45.0	44.8	0.9	3.5	7.9	3.8	Year 4 = 8.0%; Year 7 = market review capped at 8.0%, ratchet clause; Year 10 = 8.0%	12	10,513	12.0	Group Exklusiv Pte Ltd	Light Industrial	25 Sep 2051
CG Aerospace Building	31.5	31.1	8.1	2.4	10.7	3.9	N.A.	Multi-tenanted building	20,699	2.8	"K" Line Air Service (S) Pte Ltd; National Library Board; Tradeport Singapore Pte Ltd	Distribution and Logistics Centres	31 May 2054 ⁽³⁾
Autron Building	14.0	14.0	—	1.2	8.3	2.6	Year 4 = 10.0%; Year 7 = 10.0%; Year 10 = 10.0%	12	8,328	12.0	Autron Singapore Pte Ltd	Light Industrial	30 Nov 2055
SB Building	17.8	17.8	3.8	1.2	8.7	2.0	2.5% p.a. except for the start of Year 6 at 7.5%	12	11,895	12.0	Soilbuild Group Holdings Pte Ltd	Light Industrial	30 Sep 2057
Fedex Building	33.5	33.5	—	2.6	7.8	3.6	N.A.	5, 6	14,358	5.2	Federal Express (Singapore) Pte Ltd; Cargo Distribution Pte Ltd	Distribution and Logistics Centres	31 Oct 2055
Freight Links (Changi) Building	32.0	32.0	6.4	2.4	9.3	3.2	Year 2 - 6 = 2.0% p.a.; Year 7 = 6.0%	7	20,724	7.0	Freight Links Express Districentre Pte Ltd	Distribution and Logistics Centres	30 Apr 2055

	Appraised Value (S\$ million)	Purchase Price (S\$ million)	Deferred Amount (S\$ million)	Net Property Income Projection FY 2006 (S\$ million)	Property Yield Before Costs Projection FY 2006 (%)	Gross Revenue Projection FY 2006 (S\$ million)	Rental Escalation	Lease Tenure (years)	Net Lettable Area (sqm)	Weighted Average Lease Term to Expiry (years)	Major Tenants	Asset Class	Land Lease Expiry
Freight Links (Toh Guan) Building	36.4	36.4	7.3	2.6	9.0	3.7	Year 2 - 6 = 2.0% p.a.; Year 7 = 6.0%	8	23,723	8.0	Freight Links Express Distripark Pte Ltd	Distribution and Logistics Centres	15 Dec 2049
MacDermid Building	5.5	5.5	—	0.6	11.0	0.7	N.A.	3	4,321	2.6	MacDermid Singapore Pte Ltd	Distribution and Logistics Centres	15 Jul 2050
Wisma Gulab	55.7	55.7	12.2	3.5	8.0	3.7	Year 2 - 6 = 3.0% p. a.; Year 7 - 10 = 4.5% p. a.; Year 11 - 15 = 3.0% p. a.	15	11,821	15.0	RSH Limited	Hi-Tech Industrial	Freehold
Volex Building	9.5	9.4	—	0.8	8.0	1.1	1.75% p.a. or CPI, whichever is higher	12	8,000	12.0	Volex (Asia) Pte Ltd	Light Industrial	31 Jan 2052
Steel Industries Building	15.3	15.3	—	1.2	7.9	1.6	N.A.	5	11,254	5.0	Steel Industries Pte Ltd	Light Industrial	30 Nov 2049
Total/ Average	422.1	421.4	38.7	32.5	8.5	45.3							

Notes:

- (1) This figure refers to the total gross floor area as the net lettable area has yet to be confirmed.
- (2) Subject to the satisfaction of the plant and machinery investment criteria for the option term of 17 years.
- (3) Conditional upon JTC Corporation granting a 30-year option.

(B) EFFECTS OF THE PROPERTIES ON A-REIT'S PORTFOLIO

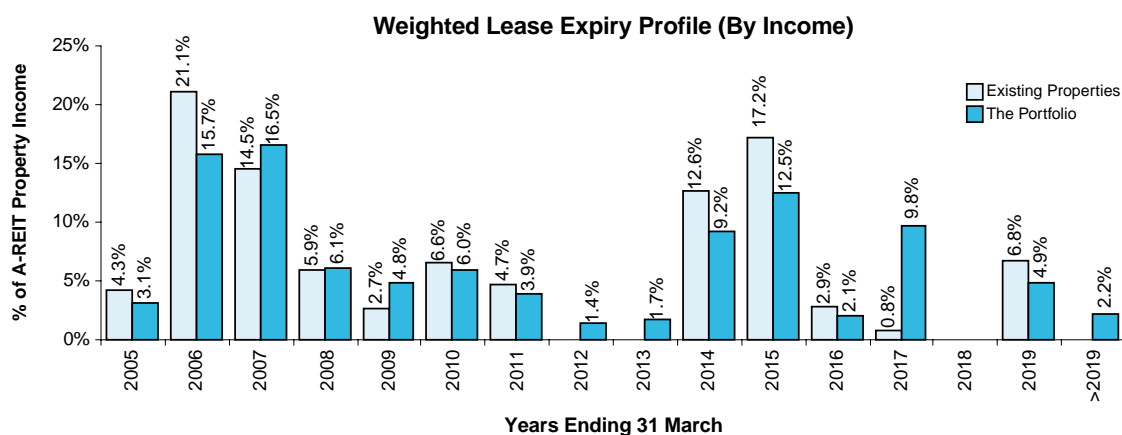
The following table sets out a summary of selected information about the Existing Properties and the Properties:

	Existing Properties	The Properties	The Portfolio
Net Lettable Area (sqm)	606,807	214,791 ⁽¹⁾	821,598 ⁽¹⁾
Occupancy Rate	92.7% ⁽²⁾	98.3% ⁽³⁾	96.1% ⁽⁴⁾
Number of Tenants	416	56	472
Weighted Average Lease Term to Expiry (years)	5.6	7.5	6.1

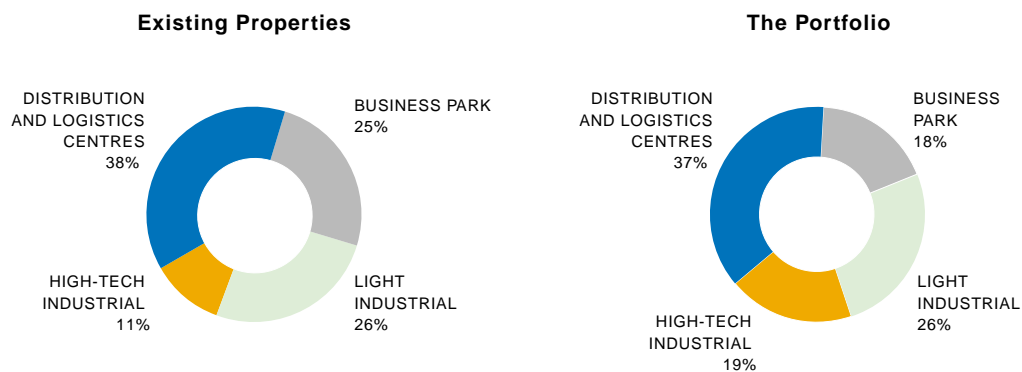
Notes:

- (1) The figures include the total gross floor area of Infineon Building as the net lettable area has yet to be confirmed.
- (2) As at 30 September 2004.
- (3) Forecast occupancy rate of the Properties upon completion of the Acquisitions.
- (4) Forecast occupancy rate of the Portfolio upon completion of the Acquisitions.

The following diagram illustrates the impact of the Properties on A-REIT's lease expiry profile by gross rental income as at 30 September 2004:



The following pie chart illustrates the impact of the Properties on the asset class diversification by value of A-REIT's portfolio as at 30 September 2004:



On completion of the Acquisitions, A-REIT's weighting in relation to the "Business Park" asset class will decrease from 25% to 18% and the weighting in relation to the "High-tech Industrial" asset class will increase from 11% to 19%.

Diversification of the income stream results from the broad tenancy base in excess of 400 tenants. Earnings are enhanced with an increase in the number of long-term tenants through the Acquisitions. Although 11 of the Properties are each currently leased to a single tenant, the Properties are configured such that they would be suitable for a variety of tenants.

Following completion of the Acquisitions, A-REIT's top 10 tenants in terms of gross rental income will make up 38.0% of the portfolio income as compared with 49.1% before the Acquisitions.

The following table sets out the top 10 tenants of A-REIT after the Acquisitions:

Tenant	Percentage by Gross Rental Income
C&P Holdings Pte Ltd	9.6%
TT International Limited	4.5%
Siemens Pte Ltd	4.5%
Infineon Technologies Asia Pacific Pte Ltd	3.7%
Honeywell Pte Ltd	3.1%
IDS Logistics Services Pte Ltd	2.9%
Institute of High Performance Computing	2.7%
Group Exklusiv Pte Ltd	2.4%
Zuellig Pharma Pte Ltd	2.3%
RSH Limited	2.3%
Total	38.0%

(C) 2004 PRO FORMA FINANCIAL INFORMATION

Basis of Preparation of the Pro Forma Financial Information

The pro forma financial information of A-REIT reflects the pro forma results of A-REIT for the financial year ended 31 March 2004 and the pro forma balance sheet as at 31 March 2004.

The pro forma results and pro forma balance sheet for the Existing Properties have been compiled based on A-REIT's audited financial statements for the financial year ended 31 March 2004 (the "2004 Audited Financial Statements"). The pro forma financial information on the Acquisitions have been prepared based on (i) income and expense forecasts which assume that all of the Acquisitions were completed on 1 April 2003 and the Properties were held and operated for the financial year ended 31 March 2004 and (ii) the accounting policies normally adopted by A-REIT as disclosed in the annual report for the financial year ended 31 March 2004.

The purpose of the pro forma financial information of A-REIT is to show the financial results and financial position of A-REIT had it completed the Acquisitions at an earlier date. However, the pro forma financial information of A-REIT is not necessarily indicative of the results of the operations or the related effects on the financial position of A-REIT that would have been attained had the Acquisitions been made earlier.

Pro Forma Results

The pro forma financial effects of the Acquisitions on the DPU for the financial year ended 31 March 2004, as if A-REIT had completed the Acquisitions on 1 April 2003, and held and operated the Properties through to 31 March 2004, are as follows:

	As at 31 March 2004	
	Before the Acquisitions ⁽¹⁾	After the Acquisitions ⁽²⁾
Net investment income (S\$'000)	58,204	87,212
Net investment income available for distribution (S\$'000)	63,860	92,869
Units on issue ('000)	796,640	1,054,705
DPU (cents)	8.02	8.81

Notes:

- (1) Based on the assumption that A-REIT's Existing Properties, which includes Nan Wah Building, Progen Building and C & P Logistics Hub (including C & P Logistics Hub Phase II), were held and operated for the entire financial year ended 31 March 2004.
- (2) Based on an assumed average interest rate of 2.9% per annum on the additional estimated borrowings of S\$8.4 million to partially finance the Acquisitions.

Pro Forma Balance Sheet

The pro forma balance sheet has been prepared after incorporating the following:

- (i) the Properties to be acquired have been included at their respective acquisition costs;
- (ii) it is assumed that S\$8.4 million is drawn down from available debt facilities to partially finance the Acquisitions;
- (iii) A-REIT proceeds with the Combined Financing Arrangements to partly finance the Acquisitions;
- (iv) distribution of 100.0% of A-REIT's distributable income for the period from 1 October 2003 to 3 March 2004 to Unitholders on or before 31 March 2004; and
- (v) the balance sheet as at 31 March 2004 has been adjusted to include the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub (including C & P Logistics Hub Phase II for S\$82.9 million, which will be funded from available debt facilities), funded using cash reserves, available debt capacity and the proceeds from an equity fund raising exercise in June 2004, involving an issue of 82,142,857 Units.

The table below summarises the key elements of the pro forma balance sheet:

	As at 31 March 2004	
	Before the Acquisitions ⁽¹⁾	After the Acquisitions ⁽²⁾
NAV (S\$'000)	789,094	1,183,194
Issued Units ('000)	796,640	1,054,705
NAV per Unit (S\$)	0.99	1.12

Notes:

- (1) Based on A-REIT's balance sheet as at 31 March 2004 (being A-REIT's last audited balance sheet) adjusted for A-REIT's distributions made in respect of the period from 1 October 2003 to 3 March 2004 and the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub (including C & P Logistics Hub Phase II), funded using cash reserves, available debt capacity and the proceeds from an issue of 82,142,857 Units in June 2004.
- (2) The pro forma financial effects are based on the assumptions that (a) Gearing is reduced to approximately 26%, (b) A-REIT proceeds with the Combined Financing Arrangements to partially finance the Acquisitions and (c) the aggregate acquisition costs of the Properties is S\$441.2 million.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of A-REIT as at 31 March 2004, as adjusted to reflect the Combined Financing Arrangements and additional estimated borrowings of S\$8.4 million to partly fund the Acquisitions.

	As at 31 March 2004	
	Actual ⁽¹⁾ S\$'000	After the Acquisitions S\$'000
Short-term debt:		
Secured debt	—	—
Unsecured debt	—	—
Total short-term debt	—	—
Long-term debt:		
Secured debt	—	—
Unsecured debt	451,051	459,498
Total long-term debt	451,051	459,498
Total debt	451,051	459,498
Unitholders' funds	789,094	1,183,194⁽²⁾
Total capitalisation	1,240,145	1,642,692

Notes:

- (1) Based on the 2004 Audited Financial Statements and adjusting for the distribution of A-REIT's distributable income for the period from 1 October 2003 to 3 March 2004 to Unitholders on or before 31 March 2004 and for the acquisitions of Nan Wah Building, Progen Building and C & P Logistics Hub (including C & P Logistics Hub Phase II for S\$82.9 million, funded from available debt facilities).
- (2) Based on the assumption that A-REIT proceeds with the Combined Financing Arrangements. Unitholders' funds are estimated to be reduced by S\$5.9 million due to the fees and expenses to be borne by A-REIT in connection with the Equity Fund Raising.

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from that forecast and projected. In no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, the Joint Lead Managers and Underwriters or any other person, nor that these results will be achieved or are likely to be achieved.

The following table sets out A-REIT's forecast net investment income and distributable income for the financial year ending 31 March 2005 and its projected net investment income and distributable income for the financial year ending 31 March 2006. The forecast and projection have been reviewed by the Independent Accountants and should be read together with their report contained in **Appendix 4** of this Offer Information Statement as well as the assumptions and sensitivity analysis set out below.

FORECAST AND PROJECTED STATEMENT OF NET INVESTMENT INCOME AND DISTRIBUTABLE INCOME

	Forecast for the Financial Year Ending 31 March 2005			Projection for the Financial Year Ending 31 March 2006		
	Existing Properties	The Properties	After the Acquisitions	Existing Properties	The Properties	After the Acquisitions
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Gross revenue — Existing Properties	106,456	—	106,456	117,372	—	117,372
Other revenue — Existing Properties	10,146	—	10,146	8,050	—	8,050
Gross revenue — the Properties	—	13,087	13,087	—	45,331	45,331
Gross revenue	116,602	13,087	129,689	125,422	45,331	170,753
Property services fees	(3,451)	—	(3,451)	(3,484)	—	(3,484)
Property tax	(7,740)	—	(7,740)	(8,160)	—	(8,160)
Other property operating expenses	(20,398)	—	(20,398)	(21,299)	—	(21,299)
Property expenses — completed acquisitions	(2,259)	—	(2,259)	(3,294)	—	(3,294)
Property expenses — the Properties	—	(3,637)	(3,637)	—	(12,732)	(12,732)
Property operating expenses	(33,848)	(3,637)	(37,485)	(36,237)	(12,732)	(48,969)
Net property income	82,754	9,450	92,204	89,185	32,599	121,784
Manager's management fee	(8,929)	(1,618)	(10,547)	(9,345)	(3,089)	(12,434)
Trust expenses	(1,062)	(44)	(1,106)	(1,096)	(132)	(1,228)
Borrowing costs	(8,307)	(32)	(8,339)	(11,793)	(178)	(11,971)
Non-property expenses	(18,298)	(1,694)	(19,992)	(22,234)	(3,399)	(25,633)
Net investment income	64,456	7,756	72,212	66,951	29,200	96,151
Non-tax deductible expenses	6,842	1,295	8,137	6,929	2,118	9,047
Net investment income available for distribution	71,298	9,051	80,349	73,880	31,318	105,198
Weighted average number of Units on issue ('000) ⁽¹⁾	778,329		864,382	N.A.		N.A.
Units on issue ('000) ⁽¹⁾⁽²⁾	794,425		1,052,970	798,424		1,058,003
Earnings per Unit (cents) ⁽¹⁾⁽²⁾	8.28		8.35	8.39		9.09
DPU (cents) ⁽¹⁾⁽²⁾	9.16		9.30	9.25		9.94

Notes:

- (1) The weighted average number of Units is used for the calculation of earnings per Unit and DPU for the financial year ending 31 March 2005 as the New Units and the Consideration Units are only entitled to A-REIT's distributable income from the date of their issue (which is assumed to be 1 December 2004). The total number of Units on issue is used to calculate earnings per Unit and DPU for the financial year ending 31 March 2006. The forecast and projection are based on the assumption that Gearing is reduced to approximately 26% immediately following completion of the Acquisitions.
- (2) Based on the Combined Financing Arrangements and the assumption that Gearing is reduced to approximately 26% upon completion of the Acquisitions and as at 31 March 2006. The figures include Units issued to the Manager in part payment of its Base Fee and Performance Fee in respect of the Portfolio under the current mode of payment of such fees.

Assumptions

The major assumptions that the Manager has made in preparing the forecast and projection are detailed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular¹.

(i) Gross Revenue

Gross revenue is the aggregate of gross rental income and other income (including car parking income, licence fees, utilities and other miscellaneous income) earned from the Portfolio. A summary of the assumptions which have been used in calculating the gross revenue is set out below:

(A) Gross Rental Income

Gross rental income is net rental income (net of rental rebates, where applicable) and service charges. Rents paid under A-REIT's lease agreements are generally fixed for a period of three years, which is usual market practice in Singapore. A number of A-REIT's leases also include stepped rental increases, whereby rental income is increased by a fixed quantum/percentage annually during the lease term. Gross rental income also includes a service charge component, which is a contribution paid by tenants towards the operating expenses of the property.

Net rental income is based on the contracted net rents payable under current lease agreements or signed commitments to lease (net of rental rebates, where applicable) including, where applicable, the Manager's expectations for any changes on review, renewal or expiry of leases and the potential for any loss of rent between lease expiry and lease renewal and early termination of leases. Factors taken into account in assessing the expected rental income include the effect of competing properties, assumed tenant retention rates on lease expiry, likely market conditions, inflation levels and tenant demand levels. Existing tenants have been assumed to renew their leases unless tenants have indicated otherwise.

The percentage of projected gross rental income for the financial year ending 31 March 2006 attributed to committed leases is as follows:

	Before the Acquisitions	After the Acquisitions
Percentage of Gross Rental Income Attributable to Committed Leases ⁽¹⁾	87.5%	90.3%

Note:

(1) Including all current leases in respect of the Existing Properties as at 31 August 2004 and leases which will be entered into between the Trustee and a tenant pursuant to a signed commitment to lease.

Following the expiry of a committed lease, in order to forecast and project the gross rental income for those properties, the Manager has assessed the market rent in respect of the lettable area of each of the properties in the Portfolio as at 31 August 2004. The market rent is the rent which the Manager believes could be achieved if each lease is re-negotiated as at 31 August 2004 and is estimated with reference to rents payable pursuant to comparable leases for tenancies that have been recently negotiated, the effect of competing business and industrial parks, assumed tenant retention rate on lease expiry (provided the tenant has not specified the intention not to renew), likely market conditions, inflation levels and tenant demand levels.

¹ All assumptions are based on the following: (a) the acquisition of C & P Logistics Hub Phase II is assumed to be completed on 1 January 2005 for S\$82.9 million funded from available debt facilities, (b) the New Units and the Consideration Units are assumed to be issued on 1 December 2004, (c) the Acquisitions are assumed to be completed in December 2004 and (d) Gearing is reduced to approximately 26% upon the completion of the Acquisitions.

(B) Other Income

Other income includes car parking income, licence fees, utilities and other miscellaneous income earned from the Portfolio. Car parking income includes income earned from the operation of car parks and utilities income includes income from air conditioning, water and electricity charges to tenants. Expected car parking income, licence fees, utilities and other miscellaneous income is based on the existing licence agreements and current income collections.

(C) Renewals and Vacancy Allowance

It has been assumed that leases up for renewal during the period between 1 September 2004 and 31 March 2005 and for the financial year ending 31 March 2006 will be renewed (provided the tenant has not specified its intention not to renew) with retention rates and vacancy allowances taken into consideration. The assumed weighted average retention rate and vacancy allowance for all renewals over the forecast and projection periods are 65.0% and six months, respectively.

(ii) Property Operating Expenses

(A) Property Services Fees

Property services fees include property management fees and lease management fees which are based on 2.0% and 1.0%, respectively, of gross revenue.

(B) Property Tax

It has been assumed that property tax will be 10.0% of the net rental income for multi-tenant properties and 10.0% of the annual value for single-tenant properties.

(C) Other Property Operating Expenses

An individual assessment of other property operating expenses has been made for each of the properties in the Portfolio for the financial years ending 31 March 2005 and 31 March 2006.

(D) Bad and Doubtful Debts

No provision has been made for bad and doubtful debts during the period from 1 September 2004 to 31 March 2005 and for the financial year ending 31 March 2006.

(iii) Manager's Management Fees

The Manager is entitled under the Trust Deed to the Management Fee, which comprises the Base Fee and the Performance Fee.

The mode of payment of the Management Fee is assumed to remain the same for the Portfolio.

The Base Fee is 0.5% per annum of the Deposited Property and will be paid in equal proportions in the form of Units and cash.

A Performance Fee of 0.20% of the Deposited Property has been included for the financial years ending 31 March 2005 and 31 March 2006, being a fee of 0.10% as DPU growth exceeds 2.5% and an additional fee of 0.10% as DPU growth exceeds 5.0%. The Performance Fee will be paid in the form of Units.

The number of Units issued to the Manager will be based on the market price of the Units (as determined pursuant to the Trust Deed) at the time of payment. In preparation of the financial forecast and projection, Units issued to the Manager in payment of the Management Fee are assumed to be issued at the Issue Price.

(iv) Trust Expenses

Trust expenses include recurring operating expenses such as the Trustee's fees (payable under the Trust Deed), annual listing fees, registry fees, accounting, audit and tax advisors fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses.

The Trustee's fees are 0.03% per annum of the Deposited Property (subject to a minimum of S\$10,000 per month) and are accrued daily and paid monthly in arrears based on the Deposited Property at the end of each quarter in accordance with the Trust Deed.

In assessing these amounts, the Manager has considered factors likely to influence the level of these fees, charges and costs including A-REIT's market capitalisation, gross assets, the likely number of investors, property values and the estimated rate of inflation.

(v) Borrowing Costs

As at the Latest Practicable Date, A-REIT had the following loan facilities:

- (a) a S\$300.0 million term loan granted by a special purpose company, Emerald Assets Limited, which was fully drawn down as at 30 September 2004;
- (b) a S\$150.0 million uncommitted revolving credit facility granted by Oversea-Chinese Banking Corporation Limited, of which S\$59.0 million was drawn down as at 30 September 2004; and
- (c) a S\$150.0 million uncommitted revolving credit facility granted by BNP Paribas. This facility has not been drawn down.

The Manager has fixed the interest rate in respect of an aggregate amount of S\$260.0 million of A-REIT's borrowings through interest rate swaps with a remaining weighted average term of 3.70 years at an average fixed interest rate of 2.42% per annum (exclusive of all margins). The Manager has assumed an average interest rate of 2.57% per annum (including floating interest rates, margins and amortised/annual costs of A-REIT's commercial mortgage backed securities medium term note programme) for the seven months ending 31 March 2005 and for the financial year ending 31 March 2006 after taking into account the additional borrowings to be incurred by A-REIT for the Acquisitions.

(vi) Capital Expenditure

An allowance for the forecast and projected capital expenditure has been included based on the Manager's budget. It has been assumed that capital expenditure will be funded by bank borrowings. Capital expenditure incurred is capitalised as part of the Deposited Property and has no impact on the net investment income or distributable income other than the interest incurred on bank borrowings, the Management Fee and the Trustee's fees.

Capital expenditure of S\$17.5 million and S\$4.9 million have been forecast and projected in the period from 1 September 2004 to 31 March 2005 and the financial year ending 31 March 2006, respectively.

(vii) Equity Raising

The forecast and projection have been prepared based on the Issue Price and on the assumption that the proceeds from the issue of the New Units will be used to partly finance the Acquisitions in accordance with the terms of the sale and purchase agreements relating to the sale and purchase of the Properties.

The costs associated with the Equity Fund Raising are expected to be S\$5.9 million and will be paid for by A-REIT on completion of the Equity Fund Raising. These costs are charged against Unitholders' funds in the balance sheet and have no impact on the net investment income or distributable income.

(viii) The Properties

A-REIT will be entitled to income from the Properties from the day of completion of the Acquisitions (which is assumed to be in December 2004).

The Properties will be recorded in A-REIT's financial statements at cost initially and will be revalued in line with its accounting policy on investment properties. Acquisition costs such as applicable stamp duty and legal and other fees are capitalised to the cost of the Properties and accordingly have no impact on the forecast net investment income or distributable income for the financial year ending 31 March 2005.

For the purpose of forecasting and projecting the Manager's Management Fee and the Trustee's fees for the financial years ending 31 March 2005 and 31 March 2006, the Manager has made an assumption that the value of the Portfolio will increase by the extent of the budgeted capital expenditure set out in paragraph (vi) above and the estimated acquisition costs of the Properties.

(ix) Accounting Standards

The Manager has assumed no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast and projected net investment income or distributable income.

(x) Other Assumptions

The Manager has made the following additional assumptions in preparing the financial forecast and projection for the financial years ending 31 March 2005 and 31 March 2006 respectively:

- that A-REIT's property portfolio remains unchanged after the Properties are acquired;
- that no further capital will be raised during the forecast and projection periods;
- that there will be no material changes in taxation legislation or other legislation; and
- that all leases are enforceable and will be performed in accordance with their terms.

Sensitivity

The financial forecast and projection included in this Circular are based on a number of key assumptions that have been outlined earlier in this **Appendix 3**.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast and projected in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the financial projection, the sensitivity of DPU to changes in the key assumptions are set out below.

The sensitivity analysis below is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

The sensitivity analysis has been prepared using the same assumptions as those set out earlier in this **Appendix 3**.

Gross Revenue

Changes in gross revenue affect the net investment income of A-REIT. The effect of variations in gross revenue on distributable income for the financial year ending 31 March 2006 is as follows:

	DPU (cents)
5.0% above estimate	10.75
Base case after the Acquisitions	9.94
5.0% below estimate	9.14

Property Operating Expenses

Changes in property operating expenses affect the net investment income of A-REIT. The effect of variations in property operating expenses on distributable income for the financial year ending 31 March 2006 is as follows:

	DPU (cents)
5.0% above estimate	9.71
Base case after the Acquisitions	9.94
5.0% below estimate	10.17

Borrowing Costs

Changes in interest rates affect the net investment income of A-REIT. The interest rate assumptions are set out earlier in this **Appendix 3**. The effect of variations on total interest costs (including amortised/annual costs of A-REIT's commercial mortgage backed securities medium term note programme) on distributable income for the financial year ending 31 March 2006 is as follows:

	DPU (cents)
5.0% above estimate	9.89
Base case after the Acquisitions	9.94
5.0% below estimate	10.00

INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION

The Board of Directors
Ascendas-MGM Funds Management Limited
(as manager of Ascendas Real Estate Investment Trust)
75 Science Park Drive
#01-03 CINTECH II
Singapore Science Park I
Singapore 118255

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Ascendas Real Estate Investment Trust)
21 Collyer Quay #10-01
HSBC Building
Singapore 049320

18 November 2004

Dear Sirs

Report from the Independent Accountants on the Profit Forecast for the Financial Year Ending 31 March 2005 and Profit Projection for the Financial Year Ending 31 March 2006

This report has been prepared for inclusion in the offer information statement to be issued by Ascendas Real Estate Investment Trust (“**A-REIT**”) in relation to the issue of new units in A-REIT (the “**Offer Information Statement**”).

The directors of Ascendas-MGM Funds Management Limited (the “**Directors**”) are responsible for the preparation and presentation of the forecast and projected Statement of Net Investment Income and Distributable Income for the financial year ending 31 March 2005 (the “**Profit Forecast**”) and the financial year ending 31 March 2006 (the “**Profit Projection**”) as set out on page A-40 of the Offer Information Statement, which have been prepared on the basis of their assumptions as set out on pages A-41 to A-44 of the Offer Information Statement.

We have examined, as independent accountants, the Profit Forecast and Profit Projection as set out on page A-40 of the Offer Information Statement in accordance with Singapore Standards on Auditing applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages A-41 to A-44 of the Offer Information Statement (the “**Assumptions**”) on which they are based.

Profit Forecast

In our capacity as independent accountants and based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the Assumptions, is consistent with the accounting policies normally adopted by A-REIT and is presented in accordance with the relevant presentation principles of the applicable accounting framework, Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures) as at the date of this report.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated Assumptions. Because the length of the period covered by the Profit Projection extends beyond the period covered by a profit forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

In our capacity as independent accountants and based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion, the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the Assumptions, is consistent with the accounting policies normally adopted by A-REIT and is presented in accordance with the relevant presentation principles of the applicable accounting framework, Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (but not all the required disclosures) as at the date of this report.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Profit Forecast or Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast and projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast or Profit Projection.

Attention is drawn, in particular, to the sensitivity analysis of the Profit Forecast and Profit Projection as set out on pages A-44 and A-45 of the Offer Information Statement.

Yours faithfully

KPMG
Certified Public Accountants
Singapore
Eng Chin Chin
Partner

NAMES AND ADDRESSES OF THE DIRECTORS

The names and addresses of the Directors are as follows:

Name	Address
Mr Lew Syn Pau (Chairman)	20 Leonie Hill #02-26 Block B Leonie Tower Singapore 239222
Mr David Clarke (Deputy Chairman)	Unit 5 13-15 Sutherland Crescent Darling Point NSW 2027 Australia
Ms Chong Siak Ching	55 Chartwell Drive Singapore 558749
Mr Gregory Goodman	5 Bradleys Road Mosman NSW 2088 Australia
Mr Swee Kee Siong	1 Capricorn Drive Singapore 579555
Mr David Wong Cheong Fook (Independent Director)	14 Joan Road Singapore 298892
Mr Benedict Kwek Gim Song (Independent Director)	30 Mount Elizabeth #06-34 Singapore 228519
Mr Thai Chee Ken (Independent Director)	118 Coronation Road West Singapore 269342
Mr James T Hodgkinson (Alternate to Mr David Clarke)	17 Middle Head Road Mosman NSW 2088 Australia

NUMBER OF UNITS OWNED BY EACH SUBSTANTIAL UNITHOLDER

Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders and their respective interests (direct and deemed) in the Units as at the Latest Practicable Date are as follows:

Substantial Unitholder	Direct interest	Percentage of issued and outstanding Units	Deemed interest	Percentage of issued and outstanding Units
Ascendas Pte Ltd	—	—	143,179,411	18.1%
Ascendas Land (Singapore) Pte Ltd	138,897,702	17.5%	—	—
The Capital Group Companies, Inc.	63,584,000	8.0%	—	—
MGM Singapore Pte. Ltd.	57,240,729	7.2%	—	—
Prudential Asset Management (Singapore) Limited	41,930,850	5.3%	—	—
UOB Asset Management Limited	41,172,450	5.2%	—	—

PRICE RANGE OF THE UNITS AND TRADING VOLUME ON THE SGX-ST

The table below sets forth with regard to the periods indicated (commencing on 20 November 2002, the day after A-REIT was listed on the SGX-ST, to the Latest Practicable Date) the highest and lowest closing prices of the Units and the total volume traded.

Month	Price Range (S\$ per Unit)		Volume Traded
	Highest	Lowest	
November 2002	0.925	0.895	63,600,000
December 2002	0.89	0.85	15,881,000
January 2003	0.865	0.79	10,966,000
February 2003	0.84	0.82	7,159,000
March 2003	0.835	0.81	6,474,000
April 2003	0.86	0.815	4,597,000
May 2003	0.85	0.815	8,932,000
June 2003	0.95	0.83	50,990,000
July 2003	1.01	0.94	39,109,000
August 2003	1.00	0.96	15,612,000
September 2003	1.05	0.965	34,763,000
October 2003	1.06	1.01	31,888,000
November 2003	1.05	1.00	7,301,000
December 2003	1.15	1.03	10,373,000
January 2004	1.23	1.16	8,907,000
February 2004	1.23	1.18	29,344,000
March 2004	1.29	1.21	34,198,000
April 2004	1.39	1.27	22,540,000
May 2004	1.44	1.33	54,753,000
June 2004	1.50	1.42	35,593,000
July 2004	1.52	1.44	22,601,000
August 2004	1.50	1.42	16,181,000
September 2004	1.57	1.52	16,729,000
October 2004	1.62	1.54	17,641,000
1 November 2004 up till the Latest Practicable Date	1.60	1.59	3,572,000

Source: Bloomberg

LAST AUDITED BALANCE SHEET OF A-REIT

Balance Sheet as at 31 March 2004

	S\$'000
Non-current assets	
Investment properties	996,431
Current assets	
Trade and other receivables	20,343
Cash and cash equivalents	3,938
	24,281
Current liabilities	
Trade and other payables	(39,212)
Net current liabilities	(14,931)
Non-current liabilities	
Other payables	(26,050)
Interest-bearing borrowings	(263,800)
Net assets	691,650
Represented by:	
Unitholders' funds	691,650
Units on issue ('000)	707,207
Net asset value per Unit	S\$0.98

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PROCEDURES FOR ACCEPTANCE OF AND PAYMENT FOR NEW UNITS UNDER THE PREFERENTIAL OFFERING BY SINGAPORE REGISTERED UNITHOLDERS

Unitholders with Units standing to the credit of their Securities Accounts as at 16 November 2004 and whose registered addresses with CDP were in Singapore as at 16 November 2004, who had a rights mailing address or who had prior to 5 November 2004 provided to CDP addresses in Singapore for the service of notices and documents (“**Singapore Registered Unitholders**”) are entitled to receive this Circular and the Acceptance Form which forms part of this Circular.

The Preferential Offering is governed by the terms and conditions of this Circular and instructions in the Acceptance Form. The Acceptance Form is not renounceable or transferable and is for use only by Singapore Registered Unitholders. The Acceptance Form and this Circular (including the Offer Information Statement in **Annexure A** therein) may not be used for the purpose of, and do not constitute, an offer or invitation or solicitation in any jurisdiction or in any circumstances in which such an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such an offer or invitation or solicitation.

The Acceptance Form, this Circular and the Offer Information Statement have not been registered under the applicable securities laws of any overseas jurisdiction and the New Units under the Preferential Offering are not offered to any person who is not a Singapore Registered Unitholder. The Joint Lead Managers and Underwriters reserve the right to reject any acceptance of the New Units under the Preferential Offering where they believe, or have reason to believe, that such acceptance may violate the applicable laws of any jurisdiction.

An applicant accepting his provisional allocation of New Units under the Preferential Offering (the “**Applicant**”) should consider the implications of the provisions of the Acceptance Form and this Circular before he accepts all or part of his provisional allocation.

By completing and delivering the Acceptance Form and in consideration of the Joint Lead Managers and Underwriters issuing and distributing the Acceptance Form to the Applicant, he agrees that:

- (a) his acceptance is irrevocable;
- (b) his remittance will be honoured on first presentation and that any moneys returnable may be held pending clearance of his payment and will not bear interest or enjoy any share of revenue or other benefit arising therefrom;
- (c) the contract arising from his acceptance pursuant to the Acceptance Form shall be governed by and construed in accordance with Singapore law and that he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
- (d) the Manager and the Joint Lead Managers and Underwriters shall be under no obligation to account to him or any other person for any interest or share of revenue or other benefit accruing on or arising from or in connection with any subscription moneys; and
- (e) in the event his acceptance is invalid, presentation of his remittance for payment by or on behalf of the Joint Lead Managers and Underwriters shall not constitute, or be construed as, an affirmation of such invalid acceptance.

The number of New Units provisionally allocated for offer to Singapore Registered Unitholders under the Preferential Offering (based on the ratio of 1 New Unit for every 10 Existing Units) is indicated in the Acceptance Form (fractions of a New Unit having been disregarded) and includes additional New Units allocated to Singapore Registered Unitholders (where applicable) to enable them to obtain aggregate unitholdings in integral multiples of 1,000 Units after subscription for the whole of their provisional allocations of New Units under the Preferential Offering. (See the section entitled “Additional Information on the Preferential Offering” under paragraph (j) of the Offer Information Statement in **Annexure A** of this Circular for further details.) For the avoidance of doubt, such additional Units are included in the provisional allocations of investors who have purchased Units under the Central Provident Fund Investment Scheme or the Supplementary Retirement Scheme (where

applicable). The provisional allocations of investors who hold Units through nominee companies include such additional New Units allocated to enable the level of the aggregate Units held in the securities accounts of such nominee companies with CDP to be in integral multiples of 1,000 Units after subscription for the whole of their provisional allocations of New Units under the Preferential Offering. Singapore Registered Unitholders may accept their provisional allocations of New Units under the Preferential Offering in whole or in part. The Securities Accounts of Singapore Registered Unitholders have been credited by CDP with the provisional allocations of New Units as indicated in their Acceptance Form. Instructions for the acceptance of and payment for the New Units under the Preferential Offering are set out in this Circular and the Acceptance Form.

Approval has been obtained from the CPF Board for those of its members participating in its investment scheme (collectively, “**IS Members**”), who have utilised moneys standing to the credit of their respective CPF Investment Accounts to purchase Existing Units, to use up to 35.0% of their CPF Investible Savings (“**CPF Funds**”), to pay for the New Units under the Preferential Offering. IS Members who wish to accept their provisional allocations of New Units under the Preferential Offering will need to:

- (a) instruct the relevant approved banks where such IS Members hold their CPF Investment Accounts to subscribe for the New Units on their behalf in accordance with this Circular; and
- (b) **make sure that they have sufficient investible funds in their CPF Investment Accounts to pay for the number of New Units which they intend to subscribe.** If an IS Member instructs the relevant bank where he holds his CPF Investment Account to subscribe for the New Units on his behalf and he does not have sufficient investible funds in his CPF Investment Account to pay for the number of New Units which he intend to subscribe, his subscription will be rejected.

SRS account holders who wish to accept their provisional allocations of New Units under the Preferential Offering will need to:

- (a) instruct the relevant approved banks where such SRS account holder hold their SRS accounts to subscribe for the New Units on their behalf in accordance with this Circular; and
- (b) **make sure that they have sufficient funds in their SRS accounts to pay for the number of New Units which they intend to subscribe.** If an SRS account holder instructs the relevant bank where he holds his SRS account to subscribe for the New Units on his behalf and he does not have sufficient funds in his SRS account to pay for the number of New Units which he intend to subscribe, his acceptance will be rejected.

If a Singapore Registered Unitholder wishes to accept his provisional allocation of New Units specified in his Acceptance Form in full or in part, he may do so through CDP by completing and submitting the relevant portion of the Acceptance Form or by way of an electronic acceptance through any ATM of the Participating Banks (“**Electronic Acceptance**”). A Singapore Registered Unitholder should ensure that the Acceptance Form is accurately and correctly completed, failing which the acceptance of his provisional allocation under the Preferential Offering may be rejected. Acceptances accompanied by remittances improperly drawn may also be rejected. A list of the Participating Banks is set out in **Annexure D** of this Circular.

Singapore Registered Unitholders (including the Directors and their immediate family (*i.e.* the spouse, children, adopted children, step-children, siblings and parents of the Directors), but not the Substantial Unitholders) may apply for additional New Units under the ATM Offering. The offer of New Units under the ATM Offering is made on a “first-come, first-served” basis and is subject to availability of New Units under the ATM Offering. Instructions for the application of New Units under the ATM Offering are set out in **Annexure C** of this Circular.

(i) Acceptance through CDP

To accept the provisional allocation of New Units specified in the Acceptance Form through CDP, the duly completed Acceptance Form must be accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of New Units accepted, and submitted by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY, #02-01 SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, at the Singapore

Registered Unitholder's own risk, to **THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 4:45 p.m. on 25 November 2004.** The payment must be made in Singapore currency in the form of a cashier's order or banker's draft drawn on a bank in Singapore and made payable to "**THE CENTRAL DEPOSITORY (PTE) LIMITED — A-REIT PREFERENTIAL OFFER ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Singapore Registered Unitholder clearly written on the reverse side. **No combined cashier's order or banker's draft for different Securities Accounts or other form of payment (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) will be accepted.**

(ii) Acceptance by way of Electronic Acceptance through any ATM of the Participating Banks

Instructions for Electronic Acceptances of provisional allocations of New Units under the Preferential Offering will appear on the ATM screens of the Participating Banks.

THE FINAL TIME AND DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOCATIONS OF NEW UNITS UNDER THE PREFERENTIAL OFFERING IS:

(A) 4:45 P.M. ON 25 NOVEMBER 2004 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH CDP; OR

(B) 9:30 P.M. ON 25 NOVEMBER 2004 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH ANY ATM OF THE PARTICIPATING BANKS.

If acceptance and payment in the prescribed manner as set out in the Acceptance Form and this Circular is not received through CDP by **4:45 p.m. on 25 November 2004** or through any ATM of the Participating Banks by **9:30 p.m. on 25 November 2004** from any Singapore Registered Unitholder, the provisional allocation of New Units to the Singapore Registered Unitholder shall be deemed to have been declined and shall forthwith lapse and become void. To the extent to which the provisional allocation is taken up in part only, the balance will be deemed to have been declined. Any subscription moneys to be returned will be returned to the Singapore Registered Unitholders without interest or share of revenue or other benefit arising therefrom, BY ORDINARY POST (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Bank (where acceptance is by way of an Electronic Acceptance), and at the Singapore Registered Unitholders' own risk within 14 Market Days after the close of the Preferential Offering on 25 November 2004. Any New Units declined by Singapore Registered Unitholders will be used to satisfy excess applications (if any) under the Private Placement.

In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering, the allocation of New Units will be effected in such manner as the Joint Lead Managers and Underwriters (in consultation with the Manager) or CDP may, in their absolute discretion deem fit, in accordance with the terms of this Circular. However, if the New Units are not issued due to approval not being obtained from the SGX-ST (or due to any other reason), all subscription moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) within 14 Market Days after the close of the Preferential Offering on 25 November 2004 by any or a combination of the following:

- (a) by means of a crossed cheque sent BY ORDINARY POST at the Applicant's own risk if he accepts through CDP; and
- (b) crediting the Applicant's bank account with the relevant Participating Bank at his own risk if he accepts through an ATM of the Participating Banks.

If any Singapore Registered Unitholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC ACCEPTANCES OF NEW UNITS UNDER THE PREFERENTIAL OFFERING THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for Electronic Acceptances of New Units under the Preferential Offering at the ATMs of the Participating Banks are set out on the ATM screens of the Participating Banks (the “**Electronic Acceptance Steps**”). For illustration purposes, the procedures for Electronic Acceptances of the New Units through the ATMs of DBS Bank (including POSB ATMs) are set out in the section entitled “Steps for Electronic Acceptance of New Units under the Preferential Offering through ATMs of DBS Bank (including POSB ATMs)” on pages B-7 and B-8 of this Circular. Please read carefully the terms of this Circular, the instructions set out on the ATM screens of the Participating Banks and the terms and conditions set out below before making an Electronic Acceptance through an ATM of the Participating Banks. Any Electronic Acceptance of New Units under the Preferential Offering which does not strictly conform to the instructions set out on the screens of the ATM of the relevant Participating Bank through which the Electronic Acceptance is effected will be rejected.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of New Units under the Preferential Offering and the acceptance of such New Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Circular, which contains the Offer Information Statement.

Any references to the “Applicant” in the terms and conditions set out below and the Electronic Acceptance Steps shall mean the Singapore Registered Unitholder who accepts his provisional allocation of New Units under the Preferential Offering through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of a Participating Bank before he can effect an Electronic Acceptance at an ATM of the relevant Participating Bank. Upon the completion of his Electronic Acceptance transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”) confirming the details of his Electronic Acceptance. The Transaction Record is for retention by the Applicant and should not be submitted with any Acceptance Form.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance liable to be rejected.

Electronic Acceptances shall be made on, and subject to, the terms and conditions of this Circular, including but not limited to the terms and conditions appearing below:

1. In connection with his Electronic Acceptance, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Acceptance:
 - (a) that he has read, understood and agreed to all the terms and conditions of acceptance of New Units prior to effecting the Electronic Acceptance and agrees to be bound by the same; and
 - (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and acceptance details (the “**Relevant Particulars**”) from his account with the relevant Participating Bank to the Unit Registrar, CDP, CPF Board, the SGX-ST, the Manager and the Joint Lead Managers and Underwriters (the “**Relevant Parties**”).

His acceptance will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by the relevant Participating Bank of the Relevant Particulars of his account to the Relevant Parties.

2. An Applicant may effect an Electronic Acceptance at an ATM of a Participating Bank using cash only by authorising the relevant Participating Bank to deduct the full amount payable from his account with the relevant Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the number of New Units allocated as stated on the Transaction Record or the number of New Units standing to the credit of his Securities Account as at the close of the Preferential Offering.
4. If the Applicant's Electronic Acceptance is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of New Units accepted shall signify and shall be treated as his acceptance of the number of New Units that may be allotted to him.
5. In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering both by way of an Acceptance Form and by way of an Electronic Acceptance, CDP shall be authorised and entitled to accept the Applicant's instruction in whichever mode or a combination thereof as it may in its absolute discretion deem fit. In determining the number of New Units which the Applicant has validly given instruction to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of New Units not exceeding the number of New Units provisionally allocated which are standing to the credit of his Securities Account as at the close of the Preferential Offering, and CDP, in determining the number of New Units which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances.
6. The Applicant irrevocably requests and authorises the Manager and the Joint Lead Managers and Underwriters to:
 - (a) register or procure the registration of the New Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the subscription moneys, should the number of New Units as indicated in his Electronic Acceptance not be allotted or, as the case may be, fully allotted by the Manager and/or the Joint Lead Managers and Underwriters for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within 14 Market Days after the close of the Preferential Offering.
7. **BY EFFECTING AN ELECTRONIC ACCEPTANCE, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE NEW UNITS AS THE NOMINEE OF ANY OTHER PERSON.**
8. The Applicant irrevocably agrees and acknowledges that his Electronic Acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Manager, the Joint Lead Managers and Underwriters, the Participating Banks and the Unit Registrar and other events beyond the control of CDP, the Manager, the Joint Lead Managers and Underwriters, the Participating Banks and the Unit Registrar and if, in any such event, CDP and/or the Manager and/or the Joint Lead Managers and Underwriters, the Participating Banks, the Unit Registrar do not record or receive the Applicant's Electronic Acceptance, or data relating to the Applicant's Electronic Acceptance or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Acceptance and the Applicant shall have no claim whatsoever against CDP, the Manager, the Joint Lead Managers and Underwriters, the Participating Banks or the Unit Registrar for the purported acceptance of the New Units or for any compensation, loss or damage in connection therewith or in relation thereto.
9. Electronic Acceptances may be effected at the ATMs of the Participating Banks between 9.00 a.m. to 9.30 p.m. on 19 November 2004 and between 7.00 a.m. to 9.30 p.m. (Mondays to Saturdays only) for the remaining period of the Preferential Offering. This service will not be available on Sundays.

10. Electronic Acceptances shall close at 9.30 p.m. on 25 November 2004 or such other time as the Joint Lead Managers and Underwriters (in consultation with the Manager) may, in their absolute discretion, deem fit.
11. All particulars of the Applicant in the records of the relevant Participating Bank at the time he effects his Electronic Acceptance for the New Units under the Preferential Offering shall be deemed to be true and correct, and the Joint Lead Managers and Underwriters and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the effecting of his Electronic Acceptance, the Applicant shall promptly notify the relevant Participating Bank.
12. The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he effects his Electronic Acceptance of his provisional allocation of New Units under the Preferential Offering, failing which his Electronic Acceptance will not be completed. Any Electronic Acceptance made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of the Participating Banks will be rejected.
13. Where an Electronic Acceptance is not accepted, it is expected that the full amount of subscription moneys will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 Market Days of the close of the Preferential Offering. An Electronic Acceptance may also be accepted in part, in which case the balance amount of subscription moneys will be refunded.
14. In consideration of the Joint Lead Managers and Underwriters arranging for the Electronic Acceptance facility through the ATMs of the Participating Banks and agreeing to close the Preferential Offering at 9.30 p.m. on 25 November 2004 or such other time or date as the Joint Lead Managers and Underwriters (in consultation with the Manager) may, in their absolute discretion decide, and by making and completing an Electronic Acceptance, the Applicant agrees that:
 - (a) his Electronic Acceptance for the New Units under the Preferential Offering is irrevocable;
 - (b) his Electronic Acceptance for the New Units under the Preferential Offering, the acceptance thereof by the relevant Participating Bank and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) neither the Manager nor the relevant Participating Bank shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Acceptance to the Joint Lead Managers and Underwriters or CDP due to a breakdown or failure of transmission, delivery or communication facilities or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allocation of New Units under the Preferential Offering; and
 - (e) in respect of the New Units for which his Electronic Acceptance has been successfully completed and not rejected, acceptance of the Applicant's Electronic Acceptance shall be constituted by written notification by or on behalf of the Joint Lead Managers and Underwriters and not otherwise, notwithstanding any payment received by or on behalf of the Joint Lead Managers and Underwriters.
15. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Acceptance may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment will be sent to his address last registered with CDP.
16. The existence of a trust will not be recognised. Any Electronic Acceptance by a trustee must be made in his own name and without qualification. The Joint Lead Managers and Underwriters (in consultation with the Manager) will reject any acceptance by any person acting as nominee.

17. The Applicant hereby acknowledges that, in determining the total number of New Units which he can validly accept under the Preferential Offering, the Joint Lead Managers and Underwriters and CDP are entitled and the Applicant hereby authorises the Joint Lead Managers and Underwriters and CDP to take into consideration:
 - (a) the total number of New Units which the Applicant has accepted, whether by way of an Acceptance Form or by way of an Electronic Acceptance; and
 - (b) the total number of New Units comprised in the provisional allocation standing to the credit of his Securities Account and which are available for acceptance.

The Applicant hereby acknowledges that the determination of CDP and the Joint Lead Managers and Underwriters shall be conclusive and binding on him.

18. The Applicant irrevocably requests and authorises CDP to accept instructions from the Joint Lead Managers and Underwriters in respect of the number of News Units accepted by the Applicant by way of an Electronic Acceptance through the ATMs of the Participating Banks, and such instructions shall be binding and conclusive on the Applicant.

Steps for Electronic Acceptance of New Units under the Preferential Offering through ATMs of DBS Bank (including POSB ATMs)

For illustration purposes, the steps for making an Electronic Acceptance through a DBS or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “appln”, “&”, “I/C” and “No.” refer to “Account”, “amount”, “application”, “and”, “NRIC” and “Number” respectively). Any reference of “you” or the “Applicant” in this section refers to an individual accepting his provisional allocation of New Units under the Preferential Offering, whether in full or in part, by way of an Electronic Acceptance. Instructions for making an Electronic Acceptance on the ATM screens of the Participating Banks (other than DBS Bank ATMs (including POSB ATMs), may differ slightly from those represented below.

Step

1. Insert your personal DBS Bank or POSB ATM Card.
2. Enter your Personal Identification Number.
3. Select “CASHCARD & MORE SERVICES”.
4. Select “ESA-IPO SHARE/INVESTMENTS”.
5. Select “RIGHTS APPLN”.
6. Read and understand the following statements which will appear on the screen:–
 - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT BEFORE SUBMITTING HIS APPLICATION AND WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
7. Select the DBS Bank account (AutoSave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application moneys.
8. Select “AREIT PEF OFFER”.

9. Read and understand the following statements which will appear on the screen:–
 - A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, WHERE APPLICABLE, HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS. FOR RIGHTS APPLN, A COPY OF THE PROSPECTUS HAS BEEN SENT TO SHAREHOLDERS AND IS ALSO AVAILABLE FOR COLLECTION FROM, WHERE APPLICABLE, THE CDP AND THE SHARE REGISTRAR OF THE ISSUER DURING NORMAL OFFICE HOURS.
 - Press the “ENTER” key to confirm that you have read and understood.
10. Press the “ENTER” key to acknowledge:
 - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS & CONDITIONS GOVERNING THIS ACCEPTANCE/APPLN INCLUDING CDP’S TERMS & CONDITIONS GOVERNING ELECTRONIC APPLN FOR RIGHTS ISSUES THROUGH THE ATM.
 - YOU CONSENT TO DISCLOSE YOUR NAME, ADDRESS, NATIONALITY, NRIC/ PASSPORT NO., CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO., APPLN DETAILS TO THE SHARE REGISTRARS, CDP, SCCS, CPF, SGX, ISSUER & LEAD MANAGER.
11. Enter the number of New Units you wish to accept. **(Note: You may only accept up to the number of New Units that has been provisionally allocated to you, which is printed on the Acceptance Form. If you choose to accept a number of New Units in excess of what has been provisionally allocated to you, the excess number of New Units will not be accepted and the excess subscription moneys will be refunded to you within 14 Market Days of the close of the Preferential Offering.)**
12. Enter your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your CDP Securities Account number has already been stored in DBS Bank’s records).
13. Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the “ENTER” key to confirm your application. (Note: If you see a message “You do not have rights entitlements in your CDP Sec A/C or your entitlement has not been credited yet. Do you wish to proceed with this application?”, this means that you do not have New Units provisionally allocated to you under the Preferential Offering and you should select “Cancel”.)
14. Remove the Transaction Record for your reference retention only.

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION OF NEW UNITS UNDER THE ATM OFFERING

Applications are invited for the subscription of the New Units under the ATM Offering at the Issue Price, subject to the following terms and conditions:

1. **THE OFFER OF NEW UNITS UNDER THE ATM OFFERING IS MADE ON A “FIRST-COME, FIRST-SERVED” BASIS AND IS SUBJECT TO THE AVAILABILITY OF NEW UNITS OFFERED UNDER THE ATM OFFERING.**

YOUR APPLICATION UNDER THE ATM OFFERING MUST BE MADE IN LOTS OF 1,000 NEW UNITS OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW UNITS WILL BE REJECTED. AN APPLICATION FOR NEW UNITS UNDER THE ATM OFFERING IS SUBJECT TO A MAXIMUM OF 500,000 NEW UNITS PER APPLICANT.

2. **Your application for the New Units under the ATM Offering can only be made through ATMs belonging to DBS Bank (including POSB ATMs) (“ATM Electronic Application”).**

3. **You may use up to 35.0% of your CPF Investible Savings (“CPF Funds”) to apply for the New Units under the ATM Offering.** Approval has been obtained from the Central Provident Fund (“CPF”) Board for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the purchase of the New Units under the ATM Offering. You may also use up to 35.0% of your CPF Funds for the purchase of Units in the secondary market.

If you are using CPF Funds to apply for the New Units under the ATM Offering, you must have a CPF Investment Account maintained with DBS Bank. You do not need to instruct CPF Board to transfer CPF Funds from your Ordinary Account to your CPF Investment Account.

The use of CPF Funds to apply for the New Units under the ATM Offering is further subject to terms and conditions set out in the section below entitled “Terms and Conditions for the Use of CPF Funds under the ATM Offering”.

4. **Only one application may be made for the benefit of one person for the New Units under the ATM Offering in his own name. Multiple applications will not be accepted for the New Units under the ATM Offering. A person who is submitting an application for New Units under the ATM Offering in his own name should not submit any other applications for the New Units under the ATM Offering for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.**

Joint or multiple applications for the New Units under the ATM Offering will be rejected. Persons submitting or procuring submissions of multiple applications for New Units under the ATM Offering may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications will be liable to be rejected at the absolute discretion of DBS Bank (in consultation with the Manager).

Multiple applications may be made in the case of applications by any person for New Units under the Private Placement with a single application for New Units under the ATM Offering.

Singapore Registered Unitholders (except those who are Substantial Unitholders and their immediate family members) may also, in addition to accepting their provisional allocations of New Units under the Preferential Offering, apply for New Units under the ATM Offering.

5. Applications will not be accepted from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses contained in the records of DBS Bank bear post office box numbers.
6. The existence of a trust will not be recognised. Any application by a trustee must be made in his own name and without qualification.
7. **YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of application, you will not be able to complete your ATM Electronic Application. If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in your ATM Electronic Application, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars, such as name, NRIC/passport number, nationality and permanent residence status, contained in the records of DBS Bank at the time of your ATM Electronic Application differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
8. If your address contained in the records of DBS Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
9. DBS Bank reserves the right to reject any ATM Electronic Application (in consultation with the Manager) which does not conform strictly to the instructions set out in this Circular or which does not comply with the terms and conditions of this Circular. DBS Bank further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions or the terms and conditions of this Circular, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.
10. DBS Bank reserves the right to reject or to accept (in consultation with the Manager), in whole or in part any ATM Electronic Application, without assigning any reason therefore and the Manager and DBS Bank will not entertain any enquiry and/or correspondence on DBS Bank's decision.
11. It is expected that CDP will send to you, at your own risk, within 15 Market Days after 25 November 2004, subject to the submission of valid applications and payment for the New Units under the ATM Offering and the completion of the ATM Offering, a notification letter stating the number of New Units allotted to you. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Manager or DBS Bank. You irrevocably authorise CDP to complete and sign on your behalf as transferee any documents required for the issue or transfer of the New Units allotted to you.
12. In the event of an under-subscription for the New Units under the ATM Offering as at the close thereof, that number of New Units under-subscribed will be aggregated and sold by DBS Bank at its discretion. There will be no re-allocation of such New Units from the ATM Offering to the Private Placement.
13. You irrevocably authorise CDP to disclose the outcome of your ATM Electronic Application, including the number of New Units allotted to you pursuant to your application, to the Manager, DBS Bank and any other parties so authorised by CDP, the Manager and DBS Bank (the "**Authorised Operators**").

14. Any reference to “you” or the “Applicant” in this section refers to an individual applying for the New Units under the ATM Offering by way of an ATM Electronic Application.
15. By pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, in accordance with the provisions herein, you:
 - (a) irrevocably offer to subscribe for the number of New Units under the ATM Offering specified in your ATM Electronic Application (or such smaller number for which the application is accepted) at the Issue Price for each New Unit and agree that you will accept such number of New Units as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Circular;
 - (b) agree that in the event of any inconsistency between the terms and conditions for application set out in this Circular and those set out in the ATMs of DBS Bank (including POSB ATMs), the terms and conditions set out in this Circular shall prevail;
 - (c) agree that the aggregate Issue Price for the New Units applied for under the ATM Offering is due and payable to DBS Bank forthwith; and
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your ATM Electronic Application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager and DBS Bank in determining whether to accept your application and/or whether to allot or allocate any New Units to you.
16. The acceptance of applications will be conditional upon, *inter alia*, DBS Bank being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in, and for quotation of, all the New Units on the Official List of the SGX-ST; and
 - (b) the Placement Agreement has become unconditional and has not been terminated.
17. DBS Bank will not hold any application in reserve.
18. Additional terms and conditions relating to ATM Electronic Applications are set out in the following pages.

ADDITIONAL TERMS AND CONDITIONS FOR ATM ELECTRONIC APPLICATIONS

The procedures for ATM Electronic Applications are set out on the screens of the ATMs of DBS Bank (including POSB ATMs) (the “**ATM Electronic Application Steps**”). For illustration purposes, these procedures are reproduced in the section entitled “ATM Electronic Application Steps” appearing on pages C-8 to C-9 of this Circular. Please read carefully the terms of this Circular, the ATM Electronic Application Steps and the additional terms and conditions for ATM Electronic Applications set out below carefully before making any ATM Electronic Applications. Any reference to “you” or the “Applicant” in the additional terms and conditions and the ATM Electronic Application Steps shall refer to you making an ATM Electronic Application.

The ATM Electronic Application Steps set out the actions that you must take at the ATMs of DBS Bank (including POSB ATMs) to complete an ATM Electronic Application.

You must have an existing bank account with and be an ATM cardholder of DBS Bank (including POSB) before you can make an ATM Electronic Application. Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“**ATM Electronic Application Transaction Record**”), confirming the details of your ATM Electronic Application. The ATM Electronic Application Transaction Record is for your retention.

You must ensure that you enter your own Securities Account Number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with DBS Bank (including POSB joint bank accounts), you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

Your ATM Electronic Application shall be made on the terms, and be subject to the conditions, of this Circular, including but not limited to, the terms and conditions appearing below and those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION OF NEW UNITS UNDER THE ATM OFFERING”.

1. In connection with your ATM Electronic Application, you are required to confirm statements to the following effect in the course of activating the ATM Electronic Application:
 - (a) **that you have received a copy of this Circular and have read, understood and agreed to all the terms and conditions of application for the New Units under the ATM Offering and this Circular prior to effecting the ATM Electronic Application and agree to be bound by the same;**
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and unit application amount (the “**Relevant Particulars**”) from your account with DBS Bank (including POSB) to the Unit Registrar, CDP, CPF Board, Securities Clearing & Computer Services (Pte) Ltd (“**SCCS**”) and the Manager (the “**Relevant Parties**”); and
 - (c) that this is your only application for the New Units under the ATM Offering and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by DBS Bank of your account with DBS Bank (including POSB bank accounts) to the Relevant Parties.

2. **By making an ATM Electronic Application, you confirm that you are not applying for New Units under the ATM Offering as a nominee of any other person and that any ATM Electronic Application that you make for the New Units under the ATM Offering is the only ATM Electronic Application made by you as the beneficial owner. You shall make only one ATM Electronic Application and shall not make any other application for the New Units under the ATM Offering.**
3. You must have sufficient funds in your bank account with DBS Bank (including POSB bank accounts) at the time you make your ATM Electronic Application at an ATM of DBS Bank (including POSB ATMs), failing which such ATM Electronic Application will not be completed. Any ATM Electronic Application which does not conform strictly to the instructions set out in this Circular or on the screens of an ATM of DBS Bank (including POSB ATMs) through which your Electronic Application is being made shall be rejected.

You may make an ATM Electronic Application using only cash by authorising DBS Bank to deduct the full amount payable from your account with DBS Bank (including POSB bank accounts).

4. You may apply and make payment for your application for New Units under the ATM Offering in Singapore currency in the following manner:
 - (a) **Cash only** —You may apply for New Units under the ATM Offering through any ATM of DBS Bank (including POSB ATMs) using only cash by authorising DBS Bank to deduct the full amount payable from your bank account with DBS Bank (including POSB bank accounts).
 - (b) **CPF Funds only** —You may apply for the New Units under the ATM Offering through any ATM of DBS Bank (including POSB ATMs) using CPF Funds by authorising DBS Bank to deduct the full amount payable from your CPF Investment Account with DBS Bank. For additional terms and conditions governing the use of CPF Funds, please refer to the section “Terms and Conditions for Use of CPF Funds under the ATM Offering”.
 - (c) **Cash and CPF Funds** —You may apply for the New Units under the ATM Offering through any ATM of DBS Bank (including POSB ATMs) using a combination of cash and CPF Funds, PROVIDED THAT the number of New Units applied for under each payment method is in lots of 1,000 New Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application moneys will be used in respect of such applications before the CPF Funds are used.

An applicant applying for 1,000 New Units must use either cash only or CPF Funds only.

5. You irrevocably agree and undertake to subscribe for and to accept the number of New Units under the ATM Offering applied for as stated on the ATM Electronic Application Transaction Record or any lesser number of such New Units that may be allotted to you in respect of your ATM Electronic Application. In the event that DBS Bank decides to allot any lesser number of such New Units or not to allot any New Units to you, you agree to accept such decision as final. If your ATM Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM) of the number of New Units applied for shall signify and shall be treated as your acceptance of the number of New Units that may be allotted to you.
6. No application will be kept in reserve. Where your ATM Electronic Application is unsuccessful, the full amount of the application moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with DBS Bank (including POSB bank accounts) at your own risk, provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your ATM Electronic Application is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being

automatically credited to your account with DBS Bank (including POSB bank accounts), at your own risk, provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Responsibility for timely refund of application moneys from unsuccessful or partially successful ATM Electronic Applications lies solely with DBS Bank. Therefore, you are strongly advised to consult DBS Bank as to the status of your ATM Electronic Application and/or the refund of any money to you from an unsuccessful or a partially successful ATM Electronic Application, to determine the exact number of Units allotted to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, CPF Board, the SCCS, DBS Bank nor the Manager assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

If your ATM Electronic Application is unsuccessful, no notification will be sent to you by the Manager and/or DBS Bank.

7. **ATM Electronic Applications shall close at 12.00 noon on 25 November 2004 or such other time or date as DBS Bank may, in consultation with the Manager, decide.**
8. You are deemed to have irrevocably requested and authorised the Manager and DBS Bank to:
 - (a) register the New Units allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application moneys, should your ATM Electronic Application be unsuccessful, by automatically crediting your bank account with DBS Bank (including POSB bank accounts), at your own risk; and**
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application moneys, should your ATM Electronic Application be accepted in part only, by automatically crediting your bank account with DBS Bank (including POSB bank accounts), at your own risk, within 14 Market Days after the close of the ATM Offering.**
9. You irrevocably agree and acknowledge that your ATM Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, DBS Bank and/or the Manager) and other events beyond the control of CDP, DBS Bank and/or the Manager, and in any such event that DBS Bank does not receive your ATM Electronic Application, or data relating to your ATM Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an ATM Electronic Application and you shall have no claim whatsoever against DBS Bank and the Manager for New Units applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
10. The existence of a trust will not be recognised. Any ATM Electronic Application by a trustee must be made in his own name and without qualification. DBS Bank (in consultation with the Manager) will reject any application by any person acting as nominee.
11. All your particulars in the records of DBS Bank at the time you make your ATM Electronic Application shall be deemed to be true and correct, and DBS Bank shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your ATM Electronic Application, you shall promptly notify DBS Bank.
12. You should ensure that your personal particulars as recorded by both CDP and DBS Bank are correct and identical, otherwise, your ATM Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

13. In consideration of DBS Bank making available the ATM Electronic Application facility at the ATMs of DBS Bank (including POSB ATMs) and agreeing to close the ATM Offering at 12.00 noon on 25 November 2004 or such other time or date as DBS Bank (in consultation with the Manager) may, in its absolute discretion decide, and by making and completing an ATM Electronic Application, you are deemed to have agreed that:
- (a) your ATM Electronic Application is irrevocable;
 - (b) your ATM Electronic Application, the acceptance by DBS Bank and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) neither DBS Bank nor the Manager shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your ATM Electronic Application to DBS Bank or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (d) in respect of the New Units for which your ATM Electronic Application has been successfully completed and not rejected, acceptance of your ATM Electronic Application shall be constituted by written notification by or on behalf of DBS Bank and not otherwise, notwithstanding any payment received by or on behalf of DBS Bank;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your ATM Electronic Application; and
 - (f) reliance is placed solely on information contained in this Circular and that none of DBS Bank, the Manager nor any other person involved in the ATM Offering shall have any liability for any information not so contained.

ATM Electronic Application Steps

For illustration purposes, the steps for making an ATM Electronic Application through the ATMs of DBS Bank (including POSB ATMs) are shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “appln”, “&”, “I/C” and “No.” refer to “Account”, “amount”, “application”, “and”, “NRIC” and “Number” respectively). Any reference to “you” or the “Applicant” in this section refers to an individual applying for New Units under the ATM Offering by way of an ATM Electronic Application.

Step

1. Insert your personal DBS Bank or POSB ATM Card.
2. Enter your Personal Identification Number.
3. Select “CASHCARD & MORE SERVICES”.
4. Select “ESA-IPO SHARE/INVESTMENTS”.
5. Select “ELECTRONIC SECURITY APPLN (IPOS/BOND/ST-NOTES)”.
6. Read and understand the following statements which will appear on the screen:–
 - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.
 - ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - Press the “ENTER” key to confirm that you have read and understood.
7. Select “AREIT”.
8. Press the “ENTER” key to acknowledge:
 - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
 - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S).
 - FOR FIXED AND MAX PRICE SECURITY APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

- YOU ARE NOT A US PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
 - SUBJECT TO AVAILABILITY, THE NUMBER OF SECURITIES APPLIED FOR MAY BE REDUCED.
9. Select your nationality.
 10. Select payment by cash, CPF Funds or a combination of cash and CPF Funds.
 11. Select the DBS Bank account (AutoSave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application moneys.
 12. Enter the number of securities you wish to apply for using cash, CPF Funds, or a combination of cash and CPF Funds.
 13. Enter your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your CDP Securities Account number has already been stored in DBS Bank's records).
 14. Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the "ENTER" key to confirm your application.
 15. Remove the Transaction Record for your reference retention only.

Terms and Conditions for the Use of CPF Funds under the ATM Offering

1. **If you are using CPF Funds to subscribe for New Units under the ATM Offering, you must have a CPF Investment Account maintained with DBS Bank at the time of your application.** If you are applying for the New Units through an ATM Electronic Application, you must have an ATM card with DBS Bank (including POSB ATM cards) at the time of your application before you can use an ATM of DBS Bank (including POSB ATMs) to apply for the New Units. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as amended.
2. CPF Funds may only be withdrawn for applications for the New Units under the ATM Offering in lots of 1,000 New Units or integral multiples thereof.
3. Before you apply for the New Units under the ATM Offering using your CPF Funds, you must first make sure that you have sufficient investible funds in your CPF Investment Account to pay for the New Units. You need not instruct CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, DBS Bank will automatically transfer the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to submit your application in the case of an ATM Electronic Application. The automatic transfer facility is available until the close of the ATM Offering, and the operating hours of the facility are between:
 - (i) 12.00 noon and 10.00 p.m. on the first day of the ATM Offering, that is 19 November 2004;
 - (ii) 8.00 a.m. and 10.00 p.m. from Mondays to Saturdays;
 - (iii) 8.00 a.m. and 5.00 p.m. on Sundays and public holidays; and
 - (iv) 8.00 a.m. and 12.00 noon on the date on which the ATM Offering closes, that is 25 November 2004.

In the event that DBS Bank (in consultation with the Manager) decides to close the ATM Offering at such other date or time, the automatic transfer facility shall also cease to be available.
4. The special CPF securities sub-account of the nominee company of DBS Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the New Units you purchase with CPF Funds.
5. Where you are using CPF Funds, you cannot apply for the New Units under the ATM Offering as nominee for any other person.
6. All instructions or authorisations given by you through an ATM Electronic Application are irrevocable.
7. All information furnished by CPF Board and DBS Bank on your authorisation will be relied on as being true and correct.

LIST OF PARTICIPATING BANKS

- DBS Bank (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

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1. INFINEON BUILDING
2. TECHPOINT
3. WISMA GULAB
4. AUTRON BUILDING
5. EXKLUSIV CENTRE
6. SB BUILDING
7. STEEL INDUSTRIES BUILDING
8. VOLEX BUILDING

9. CG AEROSPACE BUILDING
10. FEDEX BUILDING
11. FREIGHT LINKS (CHANGI) BUILDING
12. FREIGHT LINKS (TOH GUAN) BUILDING
13. MACDERMID BUILDING



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