

**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) to be issued pursuant to the Equity Fund Raising (as defined herein) and the Techview 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 Ascendas Real Estate Investment Trust ("A-REIT"), its Units (as defined herein), or 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.



Ascendas Real Estate Investment Trust

*(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 AN AGGREGATE OF BETWEEN 100,992,542 AND 103,121,458 NEW UNITS IN A-REIT (THE "NEW UNITS") AT AN ISSUE PRICE OF BETWEEN S\$2.10 AND S\$2.15 FOR EACH NEW UNIT (THE "ISSUE PRICE") BY WAY OF:**

- (A) A PREFERENTIAL OFFERING OF BETWEEN 58,500,000 AND 64,500,000 NEW UNITS TO SINGAPORE REGISTERED UNITHOLDERS ON A NON-RENOUNCEABLE BASIS OF ONE NEW UNIT FOR EVERY 20 EXISTING UNITS HELD AS AT 5.00 P.M. ON 19 SEPTEMBER 2005 (THE "BOOKS CLOSURE DATE"), FRACTIONS OF A NEW UNIT TO BE DISREGARDED (THE "PREFERENTIAL OFFERING") AND SUBJECT TO THE ROUNDING MECHANISM; AND**
- (B) A PLACEMENT OF THE BALANCE OF THE NEW UNITS TO RETAIL AND INSTITUTIONAL INVESTORS (THE "PRIVATE PLACEMENT", AND TOGETHER WITH THE PREFERENTIAL OFFERING, THE "EQUITY FUND RAISING").**

**LEAD MANAGER AND UNDERWRITER  
FOR THE EQUITY FUND RAISING**



**IMPORTANT DATES AND TIMES**

|  |  |
|--|--|
| Opening date and time<br>for the Preferential Offering | : Acceptance Form – 23 September 2005 at 9.00 a.m.<br>ATM – 23 September 2005 at 9.00 a.m. |
| Closing date and time<br>for the Preferential Offering | : Acceptance Form – 29 September 2005 at 4.45 p.m.<br>ATM – 29 September 2005 at 9.30 p.m. |

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 19 to 22 of this Circular.

## Overview

At the EGM of Unitholders held on 13 September 2005, resolutions relating to, amongst other things, the issue of such number of units as to raise up to S\$240.0 million in gross proceeds under the Equity Fund Raising to partly fund the proposed acquisitions of 12 properties, as set out in the Notice of EGM dated 25 August 2005, were duly passed.

## Participation in The Equity Fund Raising

**The Manager is issuing an aggregate of between 100,992,542 and 103,121,458 New Units at the Issue Price of between S\$2.10 and S\$2.15 for each New Unit by way of:**

**(i) The Preferential Offering of 1 New Unit for every 20 Existing Units**

Singapore Registered Unitholders have the opportunity to participate in the Preferential Offering of between 58,500,000 and 64,500,000 New Units on a non-renounceable basis of 1 New Unit for every 20 Existing Units held as at the Books Closure Date (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism.

Acceptance of the provisional allocations of New Units may be effected via the completion and submission of the Acceptance Forms to CDP, accompanied by cashier's orders or banker's drafts or through the ATMs of the Participating Banks, using cash.

Singapore Registered Unitholders who have used CPF funds to purchase their Existing Units and/or purchased their Existing Units under the Supplementary Retirement Scheme ("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 the New Units on their behalf.

**(ii) The Private Placement**

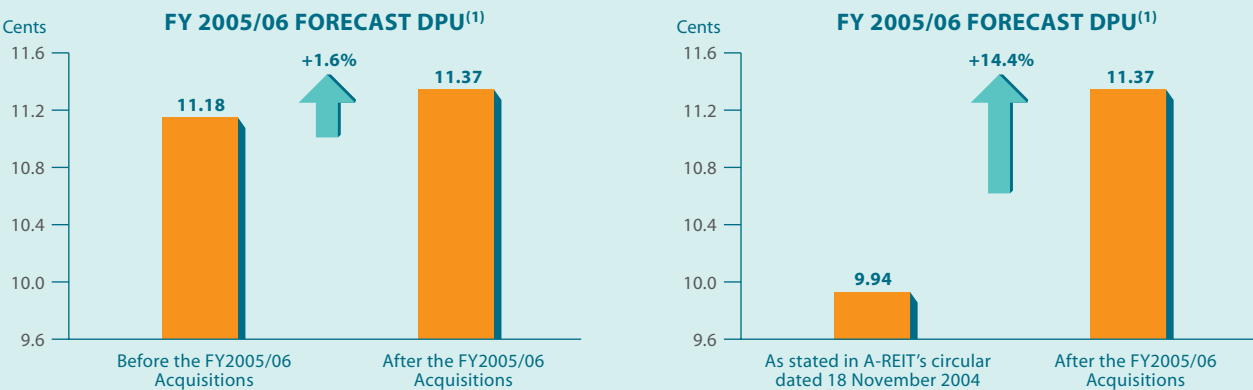
The balance of the New Units will be privately placed by the Lead Manager and Underwriter at the Issue Price to retail and institutional investors.

## Status of the New Units

The New Units and the Techview Consideration Units will rank equally in all respects with the then existing Units including the right to any distributions which may be paid for that period from the date the New Units are issued (expected to be 5 October 2005) to 31 December 2005 as well as all distributions thereafter.

## Projected DPU

The Manager believes that Unitholders will enjoy higher earnings and distributions as a result of the FY2005/06 Acquisitions.



Note:

(1) Assuming that the New Units under the Equity Fund Raising and the Techview Consideration Units are issued on 1 October 2005, at S\$2.10 (i.e. at the bottom end of the Issue Price range), that the EFR Acquisitions are completed on 15 October 2005, that the Thales Acquisition is completed on 1 January 2006, Gearing is reduced to approximately 30.2% upon the completion of the Equity Fund Raising and the FY2005/06 Acquisitions and that there is no change to the current mode of payment of the Management Fee (i.e. the Base Fee in the form of Units and cash in equal proportions for the first 19 of the Existing Properties and in the form of cash for all the subsequent acquisitions, and the Performance Fee in the form of Units in respect of the Enlarged Portfolio).

## 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 (as trustee of A-REIT) (the “**Trustee**”), Citigroup Global Markets Singapore Pte. Ltd. (“**Citigroup**” or the “**Lead Manager and Underwriter**”). 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, under 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 Lead Manager and Underwriter makes 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 New Units are being offered and sold outside the United States in reliance on 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 Lead Manager and Underwriter 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 2005 and the unaudited interim financial statements of A-REIT for the period from 1 April 2005 to 30 June 2005 (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 herein 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 therein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a subsequent statement contained herein 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 herein 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 by prior 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 herein before making their investment decision in relation to the New Units.**

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

## IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders 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 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 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, 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

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|--|--|
| <b>Directors of Ascendas-MGM Funds Management Limited (the manager of Ascendas Real Estate Investment Trust)</b> | : Mr Lew Syn Pau ( <i>Chairman</i> )<br>Mr Gregory Goodman ( <i>Deputy Chairman</i> )<br>Ms Chong Siak Ching<br>Mr James Hodgkinson<br>Mr Swee Kee Siong<br>Mr David Wong Cheong Fook ( <i>Independent Director</i> )<br>Mr Benedict Kwek Gim Song ( <i>Independent Director</i> )<br>Mr Thai Chee Ken ( <i>Independent Director</i> ) |
| <b>Registered Office of Ascendas-MGM Funds Management Limited</b>  | : 75 Science Park Drive<br>#01-03 CINTech II<br>Singapore Science Park I<br>Singapore 118255   |
| <b>Trustee of Ascendas Real Estate Investment Trust</b>  | : HSBC Institutional Trust Services (Singapore) Limited<br>21 Collyer Quay #10-01<br>HSBC Building<br>Singapore 049320   |
| <b>Lead Manager and Underwriter for the Equity Fund Raising</b>  | : Citigroup Global Markets Singapore Pte. Ltd.<br>3 Temasek Avenue<br>12th Floor Centennial Tower<br>Singapore 039190  |
| <b>Legal Adviser for the Equity Fund Raising and to the Manager</b>  | : Allen & Gledhill<br>One Marina Boulevard #28-00<br>Singapore 018989  |
| <b>Legal Adviser to the Lead Manager and Underwriter for the Equity Fund Raising</b>                             | : Wong Partnership<br>One George Street #20-01<br>Singapore 049145   |
| <b>Legal Adviser to the Trustee</b>  | : Shook Lin & Bok<br>1 Robinson Road<br>#18-00 AIA Tower<br>Singapore 048542   |
| <b>Unit Registrar and Unit Transfer Office</b>   | : Lim Associates (Pte) Ltd<br>10 Collyer Quay<br>#19-08 Ocean Building<br>Singapore 049315   |
| <b>Independent Accountants</b>   | : KPMG<br>Certified Public Accountants<br>16 Raffles Quay<br>#22-00 Hong Leong Building<br>Singapore 048581  |

## TABLE OF CONTENTS

|   | Page |
|---|------|
| Summary of the Equity Fund Raising . . . . .  | 1    |
| Indicative Timetable . . . . .  | 3    |
| Introduction . . . . .  | 4    |
| Terms of the Equity Fund Raising . . . . .  | 5    |
| Foreign Selling Restrictions . . . . .  | 8    |
| Adjustment to the Distribution Period . . . . .   | 12   |
| Purpose of the Equity Fund Raising and Use of the Net Proceeds . . . . .  | 13   |
| Offer Information Statement . . . . .   | 14   |
| Quotation and Dealings . . . . .  | 15   |
| Consents . . . . .  | 16   |
| Responsibility Statements . . . . .   | 17   |
| Documents on Display . . . . .  | 18   |
| Glossary . . . . .  | 19   |
| <b>ANNEXURES</b>  |      |
| Annexure A    Offer Information Statement . . . . .   | A-1  |
| Annexure B    Procedures for Acceptance of and Payment for New Units Under the<br>Preferential Offering by Singapore Registered Unitholders . . . . . | B-1  |
| Annexure C    List of the Participating Banks . . . . .   | C-1  |

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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 19 to 22 of this Circular.*

- |                       |   |   |
|-----------------------|---|---|
| Equity Fund Raising   | : | The offer and issue of an aggregate of between 100,992,542 and 103,121,458 New Units by A-REIT to existing Unitholders and new investors by way of the Preferential Offering and the Private Placement.   |
| Issue Price           | : | Between S\$2.10 and S\$2.15 for each New Unit, payable in full on acceptance and/or application.  |
| Preferential Offering | : | Between 58,500,000 and 64,500,000 New Units offered to Singapore Registered Unitholders on a non-renounceable basis of one New Unit for every 20 existing Units held as at the Books Closure Date (the “ <b>Existing Units</b> ”) (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism, 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 in A-REIT (“**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 2,000 Existing Units as at the Books Closure Date will be provisionally allocated with 1,000 New Units under the Preferential Offering (increased from the 100 New Units allocated based on the ratio of one New Unit for every 20 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 3,000 Units. The Rounding Mechanism will be extended to investors who have purchased Units under the Central Provident Fund (“**CPF**”) 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 account of such nominee companies with The Central Depository (Pte) Limited (the “**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 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 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 the 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.

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| Eligibility of Unitholders to participate in the Preferential Offering | : | Only Singapore Registered Unitholders have been provisionally allocated New Units under the Preferential Offering.  |
| Private Placement  | : | The placement to retail and institutional investors at the Issue Price of such number of New Units to be issued pursuant to the Equity Fund Raising which are not comprised under the Preferential Offering.  |
| 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 Lead Manager and Underwriter, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.   |
| Status of the New Units  | : | <p>The New Units and the Techview Consideration Units will rank <i>pari passu</i> in all respects with the then existing Units, including the right to any distributions which may be paid for the period from the date the New Units and the Techview Consideration Units are issued (expected to be 5 October 2005) to 31 December 2005 as well as all distributions thereafter.</p> <p><b>For the avoidance of doubt, the New Units and the Techview 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.</b></p> |
| Underwriting   | : | Save in respect of the New Units undertaken to be subscribed for by Ascendas Land (Singapore) Pte Ltd (" <b>Ascendas Land</b> ") and MGM Singapore Pte. Ltd. (" <b>MGM Singapore</b> ") under the Preferential Offering and any New Units offered to MGM Singapore under the Private Placement, the Equity Fund Raising will be underwritten by the Lead Manager and Underwriter at the Issue Price.  |

## INDICATIVE TIMETABLE

| Event  | Date and Time  |
|--|--|
| Opening date and time for the Preferential Offering  | : <b>Acceptance Form</b> — 23 September 2005 at 9.00 a.m.<br><b>ATM</b> — 23 September 2005 at 9.00 a.m. |
| Closing date and time for the Preferential Offering  | : <b>Acceptance Form</b> — 29 September 2005 at 4.45 p.m.<br><b>ATM</b> — 29 September 2005 at 9.30 p.m. |
| Last date and time for trading on a "cum" basis in respect of the Cumulative Distribution  | : 29 September 2005 at 5.00 p.m.   |
| Date of commencement of trading on an "ex" basis in respect of the Cumulative Distribution   | : 30 September 2005 at 9.00 a.m.   |
| Date on which the Transfer Books and Register of Unitholders of A-REIT will be closed to determine the Unitholders entitled to the Cumulative Distribution | : 4 October 2005 at 5.00 p.m.  |
| Date of commencement of trading of the New Units and the Techview Consideration Units on the SGX-ST  | : 5 October 2005 at 2.00 p.m.  |
| Date of payment of the Cumulative Distribution   | : 8 November 2005  |

## INTRODUCTION

### 1. Unitholders' Approval

At the extraordinary general meeting of Unitholders held on 13 September 2005 (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\$240.0 million in gross proceeds under the Equity Fund Raising.

As Unitholders' approval has been obtained at the EGM for the issue of the Techview Consideration Units to satisfy part of the consideration for Techview, the amount of gross proceeds to be raised under the Equity Fund Raising is accordingly reduced by the aggregate value of the Techview Consideration Units to between S\$216.6 million and S\$217.1 million.

### 2. The Equity Fund Raising

Accordingly, the Manager is issuing an aggregate of between 100,992,542 and 103,121,458 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 between 58,500,000 and 64,500,000 New Units to Singapore Registered Unitholders on a non-renounceable basis of one New Unit for every 20 Existing Units (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism; and
- (ii) the Private Placement of the balance of the New Units to retail and institutional investors.

The actual number of New Units comprised in the Equity Fund Raising will depend on the actual Issue Price which will be determined by the Manager, in consultation with the Lead Manager and Underwriter. At an Issue Price of S\$2.15 (being the top end of the Issue Price range), 100,992,542 New Units will be issued; while at an Issue Price of S\$2.10 (being the bottom end of the Issue Price range), 103,121,458 New Units will be issued. The actual Issue Price and the actual number of New Units comprised in the Equity Fund Raising will be announced by the Manager on SGXNET by no later than 23 September 2005.

### 3. Underwriting

The placement agreement dated 20 September 2005 (the "Placement Agreement") entered into between the Manager and the Lead Manager and Underwriter provides that, save in respect of the provisional allocations of New Units under the Preferential Offering to Ascendas Land and MGM Singapore, and any placement of New Units under the Private Placement to MGM Singapore, the Equity Fund Raising is underwritten at the Issue Price by the Lead Manager and Underwriter.

## TERMS OF THE EQUITY FUND RAISING

### 1. The Preferential Offering

Between 58,500,000 and 64,500,000 New Units under the Preferential Offering are being offered to Singapore Registered Unitholders at the Issue Price on a non-renounceable basis of one New Unit for every 20 Existing Units (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism.

The actual number of New Units to be provisionally allocated to Unitholders under the Preferential Offering will be determined at a later date by the Manager in consultation with the Lead Manager and Underwriter. As soon as practicable after such number of New Units to be provisionally allocated to Unitholders under the Preferential Offering is determined, an announcement will be made by the Manager via SGXNET.

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 family<sup>1</sup> 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 2,000 Existing Units will be provisionally allocated with 1,000 New Units under the Preferential Offering (increased from the 100 New Units allocated based on the ratio of one New Unit for every 20 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 3,000 Units. The Rounding Mechanism will be extended to investors who have purchased Units under the CPF Investment Scheme and/or the 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 account 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.

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 addresses registered with CDP are outside Singapore, who do not have a “rights” mailing address with CDP and who have 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. Unitholders whose addresses registered with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notice and documents at least five Market Days prior to the Books Closure Date.

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<sup>1</sup> The spouse, children, adopted children, siblings and parents of the Directors.

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.

## **2. Private Placement**

The Private Placement shall comprise a placement by the Lead Manager and Underwriter at the Issue Price to retail and institutional investors of such number of New Units to be issued pursuant to the Equity Fund Raising which are not comprised in the Preferential Offering.

The Manager has obtained a general waiver from the SGX-ST from the requirement under Rule 812 of the Listing Manual to seek Unitholders' approval for an issue of New Units to Substantial Unitholders (such as The Capital Group Companies, Inc. but excluding Ascendas Land and MGM Singapore) where the New Units proposed to be placed to each such Substantial Unitholder is no more than what would be required to maintain its proportionate Unitholdings at its pre-placement level in percentage terms as at 17 August 2005 (being the latest practicable date prior to the printing of the circular dated 25 August 2005 issued by A-REIT in connection with the EGM (the "**EGM Circular**")). Subject to the said restriction and to the requirement that the Manager certifies it is independent of each such placee, the Lead Manager and Underwriter may place New Units to such Substantial Unitholders under the Private Placement. In such an event, an announcement thereof will be made by A-REIT.

The Manager has also obtained a waiver of Rule 812(1) of the Listing Manual from the SGX-ST, 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 shall be no more than what would be required to maintain its proportionate Unitholdings at its pre-placement level (in percentage terms) as at 17 August 2005 (being the latest practicable date prior to the printing of the EGM Circular).

The pre-placement Unitholdings of The Capital Group Companies, Inc. and MGM Singapore are tabulated in paragraph 5 below.

A-REIT will make an announcement of any placement of New Units to The Capital Group Companies, Inc. and MGM Singapore 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 re-allocated to the Private Placement.

## **3. 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 Lead Manager and Underwriter, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

## **4. Undertakings by Ascendas Land and MGM Singapore**

Ascendas Land (a wholly owned subsidiary of Ascendas Pte Ltd) and MGM Singapore, who own an aggregate of 307,455,309 Units as at 17 August 2005 (comprising approximately 26.42% of the total number of Existing Units), have each given an undertaking to the Lead Manager and Underwriter, the Trustee and 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 Lead Manager and Underwriter, the Trustee and the Manager to take up such number of New Units under the Private Placement which, together with its provisional allocation of New Units under the Preferential Offering, will enable it to maintain its level of proportionate Unitholdings in percentage terms at its pre-placement level as at 17 August 2005.

## 5. Unitholdings

The following table sets out the Unitholdings of Ascendas Pte Ltd, MGM Singapore and The Capital Group Companies, Inc. in the scenarios described therein. The Unitholdings set out in the table are based on the assumptions that (a) the New Units are issued at S\$2.10 per unit (*i.e.* at the bottom end of the range); (b) each of the identified Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering and (c) each of MGM Singapore and The Capital Group Companies, Inc. subscribes for the maximum number of New Units it would be permitted to subscribe for under the Private Placement.

|  | Unitholdings as at<br>17 August 2005 |             | Unitholdings after<br>subscriptions under<br>the Preferential<br>Offering <sup>(a)(c)</sup> |             | Unitholdings after<br>subscriptions under<br>both the Preferential<br>Offering and Private<br>Placement <sup>(b)(c)</sup> |             | Unitholdings after<br>subscriptions under<br>the Preferential<br>Offering & Private<br>Placement and after<br>the Techview<br>Consideration Units<br>are issued <sup>(c)</sup> |
|--|--------------------------------------|-------------|---|-------------|---|-------------|--|
| <b>Ascendas Pte Ltd<sup>(d)</sup></b>    | 19.90%                               | 231,559,613 | 19.03%  | 243,138,000 | 19.03%  | 243,138,000 | 19.90% 254,302,256   |
| <b>MGM Singapore</b>                     | 6.52%                                | 75,895,696  | 6.24%   | 79,691,000  | 6.52%   | 83,346,783  | 6.52% 83,346,783   |
| <b>The Capital Group Companies, Inc.</b> | 7.71%                                | 89,718,000  | 7.37%   | 94,204,000  | 7.71%   | 98,528,626  | 7.71% 98,528,626   |

### Notes:

- Assuming that Ascendas Land, MGM Singapore and The Capital Group Companies, Inc. subscribe for their respective provisional allocation of New Units under the Preferential Offering.
- Assuming that Ascendas Land, MGM Singapore and The Capital Group Companies, Inc. subscribe for their respective provisional allocation of New Units under the Preferential Offering and that each of MGM Singapore and The Capital Group Companies, Inc. subscribes for 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 Land nor the Manager will be permitted to subscribe for New Units under the Private Placement.
- Based on the total number of units on issue upon the completion of the Equity Fund Raising and the issue of the Techview Consideration Units.
- Unitholdings of Ascendas Pte Ltd through its wholly owned subsidiary, Ascendas Land. As such, the unitholdings of the Manager, a 60% subsidiary of Ascendas Pte Ltd, are excluded.

## 6. Status of the New Units

The New Units and the Techview 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 period from the date the New Units are issued (expected to be 5 October 2005) to 31 December 2005 as well as all distributions thereafter.

**For the avoidance of doubt, the New Units and the Techview Consideration Units will not be entitled to participate in the distribution of any distributable income accrued by A-REIT prior to the issue of such Units.**

## 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.

### Australia

This Circular has not been lodged with the Australian Securities and Investment Commission, and is not a disclosure document or product disclosure statement for the purpose of Australian law.

New Units may only be offered in Australia by the holder of an Australian financial services licence ("Licensee") appointed by the Lead Manager under an intermediary authorisation to arrange the issue of New Units. A person receiving this Circular in Australia should not apply for New Units unless this Circular is accompanied by an offer from the Licensee to arrange for the issue of the New Units.

The provision of this Circular to any person in Australia does not constitute an offer of the New Units to that person or an invitation to that person to subscribe for the New Units unless the recipient is a person to whom an offer of the New Units may be made in Australia without the need for a product disclosure statement under Chapter 7.9 of the Corporations Act 2001 (Cth). This Circular is not, and under no circumstances is to be construed as, an advertisement or a public offering of the New Units in Australia. A-REIT is not registered as a managed investment trust scheme in Australia, and no securities commission or similar authority in Australia has reviewed or in any way passed upon this document or the merits of investing in the New Units. The New Units may not be resold in Australia within a period of 12 months after the date of issue of the New Units unless a product disclosure statement is not required for the sale in accordance with sections 1012D or 1012DA of the Corporations Act 2001 (Cth).

This is not a securities recommendation or investment advice. You should seek your own financial advice.

The Circular has been prepared without taking account of any investor's objectives, financial situation or needs, and before acting on it, investors should consider the appropriateness of the information in this Circular, having regard to their own objectives, financial situation and needs.



## European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of New Units to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Units which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of New Units to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of New Units to the public” in relation to any New Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Units to be offered so as to enable an investor to decide to purchase or subscribe the New Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## France

Except pursuant to any approval of A-REIT by the *Autorité des Marchés Financiers*, the New Units are not being and may not be offered or sold, directly or indirectly, in France and this Circular, or any information contained in this Circular or any offering material relating to the New Units may not be released or distributed or caused to be distributed in France.

## Germany

The New Units which are the subject of this Circular are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“**BaFin**”) according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act or German Sales Prospectus Act or German Investment Act has been filed with the BaFin. Consequently, the New Units must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner and this Circular and any other document relating to the New Units, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of New Units to the public in Germany or any other means of public marketing. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from purchasing a New Unit.

## Hong Kong

A-REIT has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly, no person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, this Circular or any other information, advertisement, invitation or document relating to the New Units or the Equity Fund Raising, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if

permitted to do so under the securities laws of Hong Kong) other than with respect to the New Units 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 any rules made thereunder. This Circular and the information contained herein may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transmitted to any person in Hong Kong. The offer contained in this Circular is not capable of acceptance by any person other than the person to whom it is addressed.

## **Italy**

Each selling agent undertakes that no offering of the New Units or distribution of any offering materials relating to the New Units will be made in the Republic of Italy unless the requirements of Italian law concerning the offering of securities have been complied with, including (i) the requirements of Article 42 and Article 94 and seq. of Legislative Decree No. 58 of 24 February 1998 and CONSOB Regulation No. 11971 of 14 May 1999, and (ii) all other Italian securities tax and exchange controls and any other applicable laws and regulations, all as amended from time to time.

## **Japan**

The New Units offered outside of Japan pursuant to this Circular have not been and will not be registered under the Securities and Exchange Law of Japan (“SEL”) and the Investment Trust and Company Law of Japan (the “ITICL”). Accordingly, the New Units will not, directly or indirectly, be offered or sold in Japan to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the SEL and the ITICL, and other relevant laws and regulations of Japan.

## **Netherlands**

The New Units may not be offered or sold, directly or indirectly, in the Netherlands as part of the initial distribution of the Underwriter or as part of any re-offering, and neither this Circular nor any other document in respect of the Equity Fund Raising may be distributed or circulated in the Netherlands, other than to individuals or legal entities who or which, in the conduct of a business or profession, deal or invest in investment objects (*beleggingsobjecten*) within the meaning of article 1 of the Regulation in implementation of section 14 of the Investment Institutions Supervision Act (*Uitvoeringsregeling ex artikel 14 Wet toezicht beleggingsinstellingen*).

## **Switzerland**

This Circular does not constitute an issue prospectus pursuant to Articles 652a or 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, this Circular may not comply with the Disclosure Standards of the Listing Rules of the 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 by A-REIT and/or the Lead Manager from time to time.

This Circular is personal to each offeree and does not constitute an offer to any other person. It may only be used by those persons to whom it has been delivered in connection with the Equity Fund Raising described herein and may neither be copied nor directly or indirectly distributed or made available to other persons without the express consent of A-REIT and/or the Lead Manager. Any person to whom this Circular has been delivered, may not on-sell or offer the New Units to any other person, except that banks, securities dealers, and asset managers in Switzerland may acquire the New Units for the account of their clients based on a written asset management

agreement which complies with the Portfolio Management Guidelines of the Swiss Bankers' Association or equivalent standards.

### **United Kingdom**

The New Units and Units described in this Circular are interests in a collective investment scheme which has not been authorised or reviewed by the Financial Services Authority ("FSA") or any other regulatory authority of the United Kingdom. Accordingly, this Circular is not being distributed to, and must not be passed on to, or relied or acted upon by, the public in the United Kingdom.

This Circular is for distribution in the United Kingdom only to persons (i) who have professional experience in matters relating to unregulated collective investment schemes, or (ii) who fall within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and Article 22(2)(a) to (d) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 each as amended, or (iii) to whom communications relating to unregulated collective investment schemes may otherwise lawfully be made.

The Underwriter has represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Units in, from or otherwise involving the United Kingdom.

By way of explanation, the following persons fall within Article 49(2)(a) to (d) and Article 22(2)(a) to (d):

- (1) 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;
- (2) any other body corporate, unincorporated association or partnership which has a called up capital or net assets of not less than £5 million;
- (3) 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 communication was first directed); or
- (4) any person acting in the capacity of a director, officer or employee of one of the previous three categories of persons and whose responsibilities include him or her engaging in investment activity.

Any investment or investment activity to which this Circular relates is only available to such persons 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 those Articles. Expressions of interest resulting from this Circular will only be responded to if received from persons falling within those Articles.

### **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 or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to 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.

## ADJUSTMENT TO THE DISTRIBUTION PERIOD

A-REIT's policy is to distribute its distributable income (if any) on a quarterly basis to Unitholders. The next distribution originally scheduled to take place in respect of A-REIT's distributable income is for the period from 1 July 2005 to 30 September 2005 (the "**Scheduled Distribution**"). However, in conjunction with the Equity Fund Raising, the Manager will be declaring, in lieu of the Scheduled Distribution, a distribution of A-REIT's distributable income for the period from 1 July 2005 to the day immediately prior to the date on which New Units are issued pursuant to the Equity Fund Raising (the "**Cumulative Distribution**") (the New Units are expected to be issued on 5 October 2005). The next distribution thereafter will comprise A-REIT's distributable income for the period from the date the New Units are issued pursuant to the Equity Fund Raising to 31 December 2005. Quarterly distributions will resume after that.

The Cumulative Distribution is being implemented as a means to ensure fairness to holders of the then existing Units and, at the same time, to avoid the additional costs and confusion associated with maintaining two counters. By implementing the Cumulative Distribution, distributable income accrued by A-REIT up to the day immediately preceding the issue of New Units pursuant to the Equity Fund Raising (which, at that point, would be entirely attributable to the investment represented by the then existing Units) will only be distributed, in a single distribution, in respect of the then existing Units.

It is the Manager's current expectation that the quantum of the distribution per Existing Unit under the Cumulative Distribution will be between 2.90 cents and 3.10 cents.

Notice will be given on 21 September 2005 that the date and time on which the Transfer Books and Register of Unitholders of A-REIT will be closed to determine Unitholders' entitlements to the Cumulative Distribution will be 4 October 2005 at 5.00 p.m. The Manager currently expects to make the payment of the Cumulative Distribution on 8 November 2005.

For the avoidance of doubt, the New Units issued pursuant to the Equity Fund Raising and the Techview Consideration Units will not be entitled to participate in the distribution of any distributable income accrued by A-REIT prior to the issue of such Units.

## 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 “**EFR Acquisitions**”) of 12 properties: Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub (together, the “**EFR 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 completion of the EFR Acquisitions. The Manager will make periodic announcements of the utilisation of the proceeds of the Equity Fund Raising as and when such funds are utilised.

The total acquisition costs of the EFR Properties amount to S\$299.0 million, comprising the aggregate purchase prices of the EFR Properties (S\$294.4 million), the acquisition fee (S\$2.9 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 EFR Acquisitions (S\$1.7 million).

Part of the purchase price of Techview will be satisfied through the issue of between 10,635,365 and 11,164,256 Techview Consideration Units. The Manager intends to finance the balance of the acquisition costs of the EFR Properties as well as certain other costs and expenses related thereto through a draw down of up to S\$57.4 million from existing bank debt facilities available.

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 (i) of the Offer Information Statement in **Annexure A** of this Circular.

## OFFER INFORMATION STATEMENT

The Manager has prepared the Offer Information Statement dated 20 September 2005 which is included in this Circular as **Annexure A**. The Offer Information Statement was lodged with the Monetary Authority of Singapore on 20 September 2005. 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.

## 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, respectively, the Independent Accountants’ Report on the Profit Forecast 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 financial information set out in **Appendix 3** of the Offer Information Statement in **Annexure A** of this Circular has been stated by the Directors after due and careful enquiry.

### **2. Responsibility Statement of the Lead Manager and Underwriter**

The Lead Manager and Underwriter 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 by prior 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:

- (i) the Financial Statements;
- (ii) the Placement Agreement;
- (iii) the letter of undertaking dated 24 August 2005 issued by Ascendas Land setting out the undertakings by Ascendas Land described in the section of this Circular entitled "Terms of the Equity Fund Raising — 4. Undertakings by Ascendas Land and MGM Singapore";
- (iv) the letter of undertaking dated 24 August 2005 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 — 4. Undertakings by Ascendas Land and MGM Singapore";
- (v) the written consents of the Independent Accountants referred to in the section of this Circular entitled "Consents";
- (vi) the Independent Accountants' Report on the Profit Forecast; and
- (vii) 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.

## GLOSSARY

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

|                                |   |  |
|--------------------------------|---|--|
| <b>A-REIT</b>                  | : | Ascendas Real Estate Investment Trust  |
| <b>Acceptance Form</b>         | : | The official printed acceptance form to be used for the purpose of the Preferential Offering and which forms part of this Circular   |
| <b>Acquisitions</b>            | : | The acquisitions of the Properties   |
| <b>Ascendas Land</b>           | : | Ascendas Land (Singapore) Pte Ltd  |
| <b>ATM</b>                     | : | Automated teller machine   |
| <b>Books Closure Date</b>      | : | 19 September 2005 at 5.00 p.m., being the date and time on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allotments of Singapore Registered Unitholders under the Preferential Offering                                      |
| <b>CDP</b>                     | : | The Central Depository (Pte) Limited   |
| <b>Citigroup</b>               | : | Citigroup Global Markets Singapore Pte. Ltd.   |
| <b>CPF</b>                     | : | The Central Provident Fund   |
| <b>Cumulative Distribution</b> | : | The proposed distribution of A-REIT's distributable income for the period 1 July 2005 to the day immediately prior to the date the New Units are issued pursuant to the Equity Fund Raising (expected to be 5 October 2005), in lieu of the Scheduled Distribution                     |
| <b>Directors</b>               | : | The directors of the Manager   |
| <b>EFR Acquisitions</b>        | : | The proposed acquisitions of the EFR Properties  |
| <b>EFR Properties</b>          | : | Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub, and "EFR Property" refers to any one of them |
| <b>EGM</b>                     | : | The extraordinary general meeting of Unitholders held on 13 September 2005   |
| <b>EGM Circular</b>            | : | The circular dated 25 August 2005 issued by A-REIT in connection with the EGM  |
| <b>Equity Fund Raising</b>     | : | The placement of an aggregate of between 100,992,542 and 103,121,458 New Units by the Lead Manager and Underwriter by way of the Preferential Offering and the Private Placement at the Issue Price  |
| <b>Existing Units</b>          | : | The 1,163,647,175 Units on issue as at the Books Closure Date  |

|                                     |   |  |
|-------------------------------------|---|--|
| <b>Extraordinary Resolution</b>     | : | 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  |
| <b>Financial Statements</b>         | : | The audited financial statements of A-REIT for the financial year ended 31 March 2005 and the unaudited interim financial statements of A-REIT for the period from 1 April 2005 to 30 June 2005  |
| <b>Independent Accountants</b>      | : | KPMG   |
| <b>Issue Price</b>                  | : | The issue price of each New Unit to be issued pursuant to the Equity Fund Raising  |
| <b>Latest Practicable Date</b>      | : | 15 September 2005, being the latest practicable date prior to the printing of this Circular  |
| <b>Lead Manager and Underwriter</b> | : | Citigroup  |
| <b>Listing Manual</b>               | : | The Listing Manual of the SGX-ST   |
| <b>Manager</b>                      | : | Ascendas-MGM Funds Management Limited, as manager of A-REIT  |
| <b>Market Day</b>                   | : | A day on which the SGX-ST is open for trading in securities  |
| <b>MGM Singapore</b>                | : | MGM Singapore Pte. Ltd.  |
| <b>New Units</b>                    | : | The new Units proposed to be issued pursuant to the Equity Fund Raising  |
| <b>Participating Banks</b>          | : | DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited   |
| <b>Placement Agreement</b>          | : | The placement agreement dated 20 September 2005 entered into between the Manager and the Lead Manager and Underwriter in relation to the Equity Fund Raising   |
| <b>Preferential Offering</b>        | : | The preferential offering by the Lead Manager and Underwriter of between 58,500,000 and 64,500,000 New Units to the Singapore Registered Unitholders on a non-renounceable basis of one New Unit for every 20 Existing Units (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism for subscription at the Issue Price |
| <b>Private Placement</b>            | : | The placement by the Lead Manager and Underwriter to retail and institutional investors at the Issue Price of such number of New Units to be issued pursuant to the Equity Fund Raising which are not comprised under the Preferential Offering  |

|   |   |  |
|---|---|--|
| <b>Properties</b>                       | : | 138 Depot Road, Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, Thales Building, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub, and “ <b>Property</b> ” refers to any one of them   |
| <b>Regulation S</b>                     | : | Regulation S of the Securities Act   |
| <b>Restricted Placees</b>               | : | <ul style="list-style-type: none"> <li>(a) The Directors and Substantial Unitholders</li> <li>(b) The spouse, children, adopted children, step-children, siblings and parents of the Directors and Substantial Unitholders</li> <li>(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</li> <li>(d) Corporations in which the Directors and the Substantial Unitholders have an aggregate interest of at least 10.0%</li> <li>(e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)</li> </ul> |
| <b>Rounding Mechanism</b>               | : | 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 such a 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   |
| <b>Scheduled Distribution</b>           | : | The original scheduled distribution of A-REIT’s distributable income for the period from 1 July 2005 to 30 September 2005  |
| <b>Securities Account</b>               | : | Securities account maintained by a Depositor with CDP  |
| <b>Securities Act</b>                   | : | U.S. Securities Act of 1933 (as amended)   |
| <b>SGX-ST</b>                           | : | Singapore Exchange Securities Trading Limited  |
| <b>Singapore Registered Unitholders</b> | : | Unitholders as at the Books Closure Date other than those whose addresses registered 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  |
| <b>sqm</b>                              | : | Square metre(s)  |
| <b>SRS</b>                              | : | The Supplementary Retirement Scheme  |

|                                     |   |  |
|-------------------------------------|---|--|
| <b>Techview Consideration Units</b> | : | The new Units to be issued at the Issue Price to Ascendas Land (the nominee of Ascendas (KB View) Pte Ltd under the relevant Purchase Agreement) as payment of part of the consideration for the acquisition of Techview |
| <b>Substantial Unitholder</b>       | : | A Unitholder with an interest in Units constituting not less than 5.0% of all Units on issue   |
| <b>Trust Deed</b>                   | : | The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)  |
| <b>Trustee</b>                      | : | HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT  |
| <b>Unit</b>                         | : | A unit representing an undivided interest in A-REIT  |
| <b>Unitholder</b>                   | : | A Depositor whose securities account with CDP is credited with Units   |
| <b>Unitholdings</b>                 | : | Unitholdings in A-REIT   |
| <b>S\$ and cents</b>                | : | Singapore dollars and cents  |
| <b>%</b>                            | : | 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 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.

**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: 20 September 2005

*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. Any discrepancies between the listed figures and totals below are due to rounding.*

In the Offer Information Statement, provide the following information:

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

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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.

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(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;

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*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 44 properties in Singapore, namely 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, C & P Logistics Hub, 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, Volex Building, Telepark, Kim Chuan Telecommunications Complex, KA Centre, KA Place, Hyflux Building, AEM-Evertech Building, MSL Building, Da Vinci Building, 7 Changi South Street 2, Weltech Industrial Building, BBR Building and Pacific Tech Centre (the “Existing Properties”).

The Manager aims to produce stable distributions for the holders of units (“Units”) in A-REIT (“Unitholders”) and to achieve long-term capital growth. The Manager will pursue its objective through a combination of the following strategies:

- **Organic growth strategy** — Growth potential in A-REIT’s property 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 those with strategic locations and financially strong tenants will be acquired in order to grow and enhance A-REIT’s property portfolio. In this regard, the Manager is continually identifying properties that meet its investment criteria for acquisition by A-REIT; and
- **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:

| <b>Date</b>      | <b>Significant developments</b>  |
|------------------|--|
| 5 November 2002  | : A-REIT launched initial public offering of 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%.<br><br>A distribution per Unit (" <b>DPU</b> ") of 2.78 cents 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%.  |
| 16 October 2003  | : The Manager announced A-REIT's 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%.<br><br>A DPU of 4.05 cents 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%.<br><br>Distributable income per Unit of 8.16 cents was recorded by A-REIT 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, <i>inter alia</i> , partly fund the acquisitions of Nan Wah Building, C & P Logistics Hub and Progen Building.   |

| Date            | Significant developments   |
|-----------------|--|
| 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%.   |
| 30 July 2004    | : A-REIT issued Euro 144.0 million (approximately S\$300.0 million equivalent) five year AAA-rated commercial mortgage backed securities ("CMBS") priced at 33 basis points above Euro Interbank Offered Rate.   |
| 14 October 2004 | : The Manager announced A-REIT's financial results for the six months ended 30 September 2004. A-REIT's actual DPU of 4.46 cents had exceeded the DPU in the prior corresponding period of 4.05 cents by 10.0%.<br><br>A DPU of 4.46 cents was made by A-REIT to Unitholders for the period from 1 April 2004 to 30 September 2004.  |
| 1 December 2004 | : A-REIT issued 179,292,903 Units at an issue price of S\$1.55 per Unit to, <i>inter alia</i> , partly fund the acquisitions of 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.<br><br>In conjunction with the above issue, 78,771,613 Units were also issued at an issue price of S\$1.55 per Unit as partial consideration for the acquisitions of Infineon Building and Techpoint. |
| 17 January 2005 | : The Manager announced A-REIT's financial results for the period from 1 October 2004 to 31 December 2004. A-REIT's actual DPU of 2.40 cents had exceeded the DPU for the prior corresponding period of 2.12 cents by 13.0%.<br><br>A DPU of 2.40 cents was made by A-REIT to Unitholders for the period from 1 October 2004 to 31 December 2004.  |
| 2 March 2005    | : A-REIT issued 109,919,571 Units at an issue price of S\$1.865 per Unit to, <i>inter alia</i> , partly fund the acquisitions of Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place.<br><br>The Manager announced that A-REIT will be the first listed real estate investment trust to benefit from the tax concessions announced in the Budget Statement 2005 as part of a package of tax changes to position Singapore as a preferred location in Asia for listing real estate investment trusts.  |
| 14 April 2005   | : The Manager announced A-REIT's financial results for the financial year ended 31 March 2005. A-REIT's actual distributable income per Unit of 9.56 cents had exceeded the distributable income per Unit for the prior corresponding period of 8.16 cents by 17.0%.<br><br>Distributable income per Unit of 9.56 cents was recorded by A-REIT for the financial year ended 31 March 2005.   |

| Date              | Significant developments   |
|-------------------|--|
| 12 May 2005       | : A-REIT issued Euro 165.0 million (approximately S\$350.0 million equivalent) seven-year AAA-rated CMBS priced at 23 basis points above Euro Interbank Offered Rate.  |
| 14 July 2005      | : The Manager announced A-REIT's financial results for the three months from 1 April 2005 to 30 June 2005. A-REIT's actual DPU of 2.84 cents had exceeded the DPU for the prior corresponding period of 2.13 cents by 33.0%.<br><br>A DPU of 2.84 cents was made by A-REIT to Unitholders for the three months ended 30 June 2005.   |
| 26 July 2005      | : A-REIT entered into separate conditional put and call option agreements to acquire Techview, Techquest, LogisHub@Clementi, Hoya Building, Hamilton Sundstrand Building, Thales Building, Cityneon Design Centre, NNB Industrial Building and SENKEE Logistics Hub.   |
| 25 August 2005    | : A-REIT entered into separate conditional put and call option agreements to acquire 1 Jalan Kilang and 11 Tampines Street 92 and a supplemental deed to the put and call option agreement relating to the sale and purchase of 138 Depot Road.<br><br>The Manager also announced that A-REIT is in advanced negotiation with the vendor of 1 Changi South Lane (referred to in the announcement and the EGM Circular as "the Changi Property").<br><br>The Manager issued a circular (the " <b>EGM Circular</b> ") to Unitholders in connection with the extraordinary general meeting of Unitholders (" <b>EGM</b> ") convened to seek Unitholders' approvals for, <i>inter alia</i> , the issue of up to such number of new Units as to raise up to an aggregate of S\$240.0 million in gross proceeds pursuant to the Equity Fund Raising (as defined below) and the issue of Techview Consideration Units (as defined below). |
| 1 September 2005  | : A-REIT entered into a conditional put and call option agreement to acquire 1 Changi South Lane.  |
| 13 September 2005 | : All resolutions proposed at the EGM were duly passed by Unitholders.   |

A-REIT has an opportunity to enlarge its portfolio with the purchase of 138 Depot Road, Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, Thales Building, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub (together, the "**Properties**"). The Manager is in favour of the proposed acquisitions of the Properties by A-REIT (the "**Acquisitions**") as it believes that the inclusion of the Properties in A-REIT's property portfolio will be beneficial to A-REIT and the Unitholders.

The Manager's rationale for the Acquisitions is set out in **Appendix 1** of this Offer Information Statement. In addition, further information about the Properties 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 has been no material change in the affairs of A-REIT since its annual report for the financial year ended 31 March 2005.

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

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The Manager proposes to issue an aggregate of between 100,992,542 and 103,121,458 new Units (the "**New Units**") at the issue price of between S\$2.10 and S\$2.15 per New Unit (the "**Issue Price**") for placement through Citigroup Global Markets Singapore Pte. Ltd. ("**Citigroup**" or the "**Lead Manager and Underwriter**") to existing Unitholders and new investors (the "**Equity Fund Raising**") to raise a gross amount of between S\$216.6 million and S\$217.1 million to partly finance the EFR Acquisitions (as defined herein).

The actual number of New Units comprised in the Equity Fund Raising will depend on the actual Issue Price which will be determined by the Manager, in consultation with the Lead Manager and Underwriter. At an Issue Price of S\$2.15 (being the top end of the Issue Price range), 100,992,542 New Units will be issued; while at an Issue Price of S\$2.10 (being the bottom end of the Issue Price range), 103,121,458 New Units will be issued. The actual Issue Price and the actual number of New Units comprised in the Equity Fund Raising will be announced by the Manager on SGXNET by no later than 23 September 2005.

Separately, between 10,635,365 and 11,164,256 New Units will be issued at the Issue Price to Ascendas Land (the nominee under the relevant Purchase Agreement) as payment of part of the consideration for the acquisition of Techview (the "**Techview Consideration Units**").

*Adjustment to the Distribution Period*

A-REIT's policy is to distribute its distributable income (if any) on a quarterly basis to Unitholders. The next distribution was originally scheduled to take place in respect of A-REIT's distributable income for the period from 1 July 2005 to 30 September 2005 (the "**Scheduled Distribution**"). However, in conjunction with the proposed Equity Fund Raising, the Manager will be declaring, in lieu of the Scheduled Distribution, a distribution of A-REIT's distributable income for the period from 1 July to the day immediately prior to the date on which the New Units are issued pursuant to the Equity Fund Raising (the "**Cumulative Distribution**"). The next distribution thereafter will comprise A-REIT's distributable income for the period from the date that New Units are issued pursuant to the Equity Fund Raising to 31 December 2005. Quarterly distributions will resume after that.

The Cumulative Distribution is being implemented as a means to ensure fairness to holders of the then existing Units and, at the same time, to avoid the additional costs and confusion associated with maintaining two counters. By implementing the Cumulative Distribution, distributable income accrued by A-REIT up to the day immediately preceding the date on which New Units are issued pursuant to the Equity Fund Raising (which, at that point, will be entirely attributable to the investment represented by the then existing Units) will only be distributed, in a single distribution, in respect of the then existing Units.

It is the Manager's current expectation that the quantum of the distribution per Existing Unit under the Cumulative Distribution will be between 2.90 cents and 3.10 cents.

Notice will be given on 21 September 2005 that the date and time on which the Transfer Books and Register of Unitholders of A-REIT will be closed to determine Unitholders' entitlements to the Cumulative Distribution will be 4 October 2005 at 5.00 p.m. The Manager currently expects to make payment of the Cumulative Distribution on 8 November 2005.

### *Status of the New Units*

The New Units issued pursuant to the Equity Fund Raising and the Techview Consideration Units will, upon issue, rank *pari passu* in all respects with the then existing Units, including the right to any distributions which may be paid for the period from the date such New Units are issued (expected to be 5 October 2005) to 31 December 2005 as well as all distributions thereafter.

For the avoidance of doubt, the New Units issued pursuant to the Equity Fund Raising and the Techview 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.

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- (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;**
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|  |   |  |
|--|---|--|
| Offer price  | : | Between S\$2.10 and S\$2.15 per New Unit.      |
| Underwriting and selling commissions   | : | Up to S\$2.6 million <sup>1</sup> .            |
| Other fees and expenses (including professional fees and expenses)   | : | Up to S\$1.5 million <sup>2</sup> .            |
| Estimated net proceeds (being the gross proceeds from the Equity Fund Raising less the estimated maximum amount of underwriting and selling commissions as well as the other fees and expenses (including professional fees and expenses) incurred by A-REIT in connection with the Equity Fund Raising) | : | Between S\$212.5 million and S\$213.0 million. |

The Trust Deed provides that, in respect of an issue of new Units other than by way of a rights issue offered on a *pro rata* basis to all existing Unitholders (such as the issue of new Units for the purpose of an equity fund raising), the issue price of such new Units must not reflect more than a 5.0% discount to the volume weighted average price for trades done for a full Market Day on the day the placement agreement relating to such issue is signed or, if trading in the Units is not available for a full Market Day, for the preceding Market Day up to the time such a placement agreement is signed. The range of Issue Prices disclosed represents a discount of between 2.0% and 4.2% to the volume weighted average price for trades done for one and a half Market Days, being the full Market Day on 19 September 2005 and the half Market Day on 20 September 2005 (the day the Placement Agreement (as defined below) was signed) up to the time trading on the SGX-ST closed at 12.30 p.m.

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<sup>1</sup> This figure comprises the underwriting and selling commissions payable to Citigroup in relation to the Equity Fund Raising. No underwriting and selling commissions will be payable to Citigroup in respect of New Units and the Techview Consideration Units taken up by or issued to Ascendas Land (Singapore) Pte Ltd ("**Ascendas Land**") under the Preferential Offering or pursuant to the relevant Purchase Agreement respectively, and in respect of New Units taken up by MGM Singapore Pte. Ltd. ("**MGM Singapore**") under the Preferential Offering and under the Private Placement.

<sup>2</sup> This figure includes legal fees, fees for the Independent Accountants, independent valuers, PricewaterhouseCoopers Corporate Finance Pte Ltd, as independent financial adviser to the non-interested directors of the Manager and other professional fees and related expenses.

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- (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");
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Range of closing market price during the 90-day period preceding the Latest Practicable Date (17 June 2005 to 15 September 2005) : Between S\$2.08 per Unit and S\$2.38 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;
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*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 that the acquisitions (the "**EFR Acquisitions**") of Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub (the "**EFR Properties**"<sup>3</sup>) will be partly funded by the Equity Fund Raising.

The Manager will make an appropriate announcement of the utilisation of the proceeds of the Equity Fund Raising as and when such funds are utilised. The estimated total acquisition costs of the EFR Acquisitions (excluding the costs relating to the Equity Fund Raising) amount to approximately S\$299.0 million, comprising the aggregate purchase price of the EFR Properties (S\$294.4 million), the acquisition fee payable to the Manager in respect of the EFR Properties pursuant to the Trust Deed (S\$2.9 million) and other fees and expenses (including professional fees and expenses) incurred or to be incurred by the Manager in connection with the EFR Acquisitions (S\$1.7 million).

The Singapore Government announced in the 2005 Budget on 18 February 2005 that stamp duty on the instruments of transfer of Singapore properties into real estate investment trusts already listed, or to be listed, on the SGX-ST will be remitted for a five-year period. As such, no stamp duty is payable on the sale and purchase agreements in relation to the Properties.

*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 acquisition of Techview will also be partly financed by the issue of the Techview Consideration Units.

A-REIT has S\$700.0 million of facilities available, of which S\$74.2 million has been drawn down. The Manager will, in conjunction with the Equity Fund Raising, draw down from such existing facilities available to finance the remaining costs of the EFR Acquisitions. It is estimated that up to S\$57.4 million will be drawn down on some of these facilities to partly finance the EFR Acquisitions.

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<sup>3</sup> These being all the Properties save for 138 Depot Road and Thales Building. It is expected that the acquisition of 138 Depot Road (the "**138 Depot Road Acquisition**") and the acquisition of Thales Building (the "**Thales Acquisition**") will be wholly funded from available bank debt facilities.

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

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A-REIT was constituted in Singapore pursuant to the Trust Deed.

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

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

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**(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 1,163,647,175 Units issued and outstanding.

*(ii) Borrowings*

A-REIT has raised S\$650.0 million by issuing CMBS. S\$300.0 million was raised in August 2004 and S\$350 million was raised in May 2005. A-REIT also has an aggregate of S\$700.0 million in available standby bank debt facilities with Oversea-Chinese Banking Corporation Limited, BNP Paribas, United Overseas Bank Ltd and DBS Bank Ltd. As at the Latest Practicable Date, S\$74.2 million had been drawn down on these facilities. The Manager has fixed the interest rate in respect of an aggregate amount of S\$522.5 million of A-REIT’s borrowings through interest rate swaps with a remaining weighted average term of 4.18 years at an average fixed interest rate of 2.57% per annum exclusive of all margins and S\$127.5 million fixed for 2 years through an interest rate cap. These result in an all-in current interest rate of 2.96% including margins and amortised/annual costs of the CMBS programme. The Manager has assumed an average interest rate of 2.79% per annum inclusive of all margins for the eight months ending 31 March 2006 after taking into account the additional borrowings to be incurred by the Manager for the FY2005/06 Acquisitions.

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**(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;**

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The Equity Fund Raising consists of an aggregate of between 100,992,542 and 103,121,458 New Units comprising:

- (i) a preferential offering of between 58,500,000 and 64,500,000 New Units to Singapore Registered Unitholders (as defined herein) on a non-renounceable basis of 1 New Unit for every 20 Existing Units (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism, for subscription at the Issue Price (the “**Preferential Offering**”); and**
- (ii) a private placement of the balance of the New Units to retail and institutional investors (the “**Private Placement**”).**

The actual number of New Units to be provisionally allocated to Unitholders under the Preferential Offering will be determined at a later date by the Manager in consultation with the Lead Manager and Underwriter. As soon as practicable after such number of New Units to be provisionally allocated to Unitholders under the Preferential Offering is determined, an announcement will be made by the Manager via SGXNET.

Citigroup has been appointed as the Lead Manager and Underwriter and its address is as follows:

3 Temasek Avenue  
12th Floor Centennial Tower  
Singapore 039190

#### *Underwriting by the Lead Manager and Underwriter*

Under the placement agreement dated 20 September 2005 (the “**Placement Agreement**”) entered into between the Manager and Citigroup, the Equity Fund Raising is underwritten by Citigroup at the Issue Price. In accordance with the terms and conditions of the Placement Agreement, the Manager has agreed to issue, and Citigroup has agreed to procure subscriptions for, or place out, or failing which to subscribe for, at the Issue Price, the New Units.

#### *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.

The Preferential Offering will be open to Singapore Registered Unitholders from 9.00 a.m. on 23 September 2005 and will close at (i) 4.45 p.m. on 29 September 2005 for acceptances of provisional allocations of New Units effected via Acceptance Forms and (ii) 9.30 p.m. on 29 September 2005 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 family<sup>4</sup> 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 in A-REIT (“**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 2,000 Existing Units will be provisionally allocated with 1,000 New Units under the Preferential Offering (increased from the 100 New Units allocated based on the ratio of one New Unit for every 20 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 3,000 Units. The Rounding Mechanism will be extended to investors who have purchased Units under the Central Provident Fund Investment Scheme 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 account of such nominee companies with The Central

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<sup>4</sup> The spouse, children, adopted children, step-children, siblings and parents of the Directors.



Depository (Pte) Limited (the “CDP”), investors whose Units are held through such nominee companies may not enjoy the benefit of the Rounding Mechanism on an individual level.

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 addresses registered with CDP were outside Singapore, who do 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. Unitholders whose addresses registered with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notice and documents at least five Market Days prior to the Books Closure Date.

**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.**

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 Lead Manager and Underwriter, to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand.

#### *Additional information on the Private Placement*

Under the Private Placement, the Lead Manager and Underwriter may place New Units to retail and institutional investors.

The Manager has obtained a general waiver from the SGX-ST from the requirement under Rule 812 of the Listing Manual to seek Unitholders’ approval for an issue of New Units to Substantial Unitholders (such as The Capital Group Companies, Inc. but excluding Ascendas Land and MGM Singapore) where the New Units proposed to be placed to each such Substantial Unitholder is no more than what would be required to maintain its proportionate Unitholdings in percentage terms at its pre-placement level as at 17 August 2005 (being the latest practicable date prior to the printing of the EGM Circular). Subject to the said restriction and the requirement that the Manager certifies it is independent of each such placee, the Lead Manager and Underwriter may place New Units to such Substantial Unitholders under the Private Placement. In connection with the proposed placement of New Units to The Capital Group Companies, Inc., the Manager certifies that it is independent of The Capital Group Companies, Inc. and an announcement will be made of such placement.

The Manager has also obtained a waiver of Rule 812(1) of the Listing Manual from the SGX-ST, 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 shall be no more than what would be required to maintain its proportionate Unitholdings at its pre-placement level (in percentage terms) as at 17 August 2005 (being the latest practicable date prior to the printing of the EGM Circular).

- (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 2005 (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 (\$'000) | Taxable income available for distribution to Unitholders <sup>(1)</sup> (\$'000) | Extraordinary items (\$'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                          |
| 1 April 2004 to 31 March 2005     | 75,217                                    | 84,165   | Nil                          | 9.56                          |

**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 2005 to 30 June 2005 based on the unaudited financial statements of A-REIT for the said period:

| Period                       | Net investment income before tax (\$'000) | Taxable income available for distribution to Unitholders <sup>(1)</sup> (\$'000) | Extraordinary items (\$'000) | Distribution per Unit (cents) |
|------------------------------|---|--|------------------------------|-------------------------------|
| 1 April 2005 to 30 June 2005 | 31,563                                    | 33,103   | Nil                          | 2.84                          |

**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 A-REIT's income yield and capital growth through a three-prong 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 the following respects — asset class, industry sector, location, tenancy-mix and lease expiry profile.

*Significant trends and competitive conditions of the industry in which A-REIT operates and any known factors or events that may affect A-REIT in the next reporting period and the next 12 months*

The Singapore economy grew by 5.2%<sup>5</sup> in the second quarter of calendar year 2005, up from 2.7% in the first quarter. The improvement was attributed to an expansion of biomedical output and robust performance in key services sectors such as wholesale & retail trade and financial services. As a result of the higher second quarter growth, the Singapore economy grew by 4.0% in the first half of 2005.

With the underlying strength of the economy, the industrial property market continued its recovery path for the fifth consecutive quarter with prices of overall industrial space rising 0.4%<sup>6</sup> and rents increasing by 0.3% over the previous quarter. The vacancy rate of factory space decreased from 11.7% in 1Q 2005 to 11.2% in 2Q 2005 and the vacancy rate of warehouse space decreased from 13.8% in 1Q 2005 to 12.5% in 2Q 2005. The vacancy rate of business park space decreased from 25.7% in 1Q 2005 to 22.3% in 2Q 2005.

For the five months ended 31 August 2005, A-REIT continued its investment strategy of acquiring and investing in top grade properties with S\$173.5 million worth of properties being acquired. In addition, A-REIT has announced the proposed acquisition of 14 properties worth S\$342.5 million which brings the total value of its property portfolio to S\$2.6 billion once these acquisitions are completed.

*Outlook for the Financial Year Ending 31 March 2006*

According to the Ministry of Trade and Industry, stronger domestic forward-looking indicators suggest that growth momentum should continue for the rest of this year. The latest business expectations survey reveals that sentiments in both the manufacturing and services have improved<sup>7</sup>. In view of the improved outlook, the Ministry of Trade and Industry has narrowed the 2005 gross domestic product ("GDP") growth forecast to 3.5% to 4.5%. However, the impact of the continual increase in oil prices is at this moment difficult to quantify.

JTC Corporation ("JTC") has announced a reduction in industrial land rent and rental rates for selected business park space from July 2005<sup>8</sup>. The reduction in land rent is likely to have a positive impact on A-REIT's performance in the next financial year when the changes take effect. The reduction in rent for selected business park space is not expected to impact A-REIT as this reduction moves JTC's posted rates to be more in line with market levels for this type of space.

According to the CB Richard Ellis 2Q 2005 Singapore Real Estate research report<sup>9</sup>, demand for conventional industrial space is expected to improve given the tentative recovery in the global electronics industry and a 3.5% to 4.5% GDP growth projection for 2005. Rental upside can be expected from high-tech and business park & science park segments due to government's commitment to attract high value-added manufacturing activities in Singapore.

Subject to the economy maintaining its recovery, the Manager expects to deliver a DPU of at least 11.37 cents for the year ending 31 March 2006 (the forecast DPU based on the assumptions stated in this Offer Information Statement).

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<sup>5</sup> Source: Ministry of Trade and Industry, Economic Survey of Singapore, Second Quarter 2005 released on 10 August 2005.

<sup>6</sup> Source: Urban Redevelopment Authority, Property Market Information (Commercial & Industrial Properties), Second Quarter 2005 released on 22 July 2005.

<sup>7</sup> Source: Ministry of Trade and Industry, Economic Survey of Singapore, Second Quarter 2005 released on 10 August 2005.

<sup>8</sup> Source: JTC Corporation, Press Release "Reduction in land rent and prices by an average of 20.0% from July 2005" released on 30 June 2005.

<sup>9</sup> Source: CB Richard Ellis (Pte) Ltd, Singapore Real Estate Research Report, 2nd Quarter 2005.

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

Ascendas Land, its subsidiaries and affiliates are engaged in, among other things, 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 Land. In addition, the Manager has appointed a subsidiary of Ascendas Land, 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 Land. There can be no assurance that the interests of A-REIT will not conflict with or be subordinated to Ascendas Land in the future, including future acquisitions of properties and property-related investments as well as competition for tenants within the Singapore property market.

#### **Conflicts related to the acquisition of properties from Ascendas Land**

Notwithstanding the foregoing, the Manager may, on behalf of A-REIT, acquire assets from Ascendas Land or parties related to Ascendas Land in the future. In such cases, the Manager will obtain appraisals from independent parties and comply with all other requirements applicable to such transactions under the Property Funds Guidelines in the Code on Collective Investment Schemes issued by the Authority (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 Land or parties related to Ascendas Land, 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.

#### **Related Party Transactions**

In any event, related party transactions entered into by A-REIT in the future (including acquisitions of assets from Ascendas Land, its subsidiaries and affiliates), depending on the materiality of such transactions, will need to comply with, among other things, certain requirements under the Property Funds Guidelines and the Listing Manual and may also need to be publicly announced and/or require the approval of Unitholders as the case may be. Related party transactions will also have to be (i) decided by a majority vote of the Directors (including the vote of at least one independent Director), (ii) reviewed and/or approved by the Manager's audit committee and (iii) reviewed and approved by the Trustee.

#### **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 35.0% 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 35.0% of the fund's deposited property.

As at the Latest Practicable Date, the level of A-REIT's borrowings was approximately S\$74.2 million and Gearing was 31.5%. Following the completion of the Equity Fund Raising and the EFR Acquisitions, Gearing is expected to be approximately 30.2%. A-REIT's ability to incur further borrowings thereafter may be limited to the maximum gearing limit of 35.0% imposed by the Code on Collective Investment Schemes.

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 and compete with it and/or 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.

**28.7% 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**

28.7% of the lease agreements 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 rental 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 certain risks, including risks of reduced occupancy levels resulting from vacancies following the expiry or non-renewal 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 no less 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 as this reduces rental income and the ability to recover certain operating costs such as tenant and service charges;
- the Manager's ability to provide adequate management and maintenance or to purchase adequate 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 the receipt of rent payments, inability to collect rental payments at all or delays in the termination of a tenant's lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- 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.

**The loss of key tenants or a downturn in the business of A-REIT's tenants could have an adverse effect on its financial condition and results of operations**

A-REIT's financial condition and results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the business of its key tenants, including the decision by any such tenants not to renew their leases or, in cases where a key tenant has termination rights exercisable by written notice, to terminate their leases before they expire.

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

A-REIT invests primarily in real estate which entails a higher level of risk than a portfolio which has a diverse range of 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. Moreover, A-REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on A-REIT's financial condition and results of operations, with a consequential adverse effect on A-REIT's ability to make distributions to Unitholders.

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- (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.

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- (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;
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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;
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*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, C & P Logistics Hub and Progen Building.
- (iii) On 1 December 2004, 258,064,516 Units were issued at an issue price of S\$1.55 per Unit, comprising an aggregate of 179,292,903 Units to, *inter alia*, partly finance the acquisitions of 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 78,771,613 Units as partial consideration for the acquisitions of Infineon Building and Techpoint.
- (iv) On 2 March 2005, 109,919,571 Units were issued at an issue price of S\$1.865 per Unit to, *inter alia*, partly finance the acquisitions of Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place.

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 Management Fees*

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 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 for the financial year ended 31 March 2004;
- (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;
- (v) 904,373 Units were issued to the Manager at an issue price of S\$1.6981 per Unit on 6 December 2004 as payment of the Base Fee for the period from 19 May 2004 to 18 November 2004;
- (vi) 2,185,418 Units were issued to the Manager at an issue price of S\$1.935 per Unit on 18 April 2005 as payment of the Performance Fee for the financial year ended 31 March 2005; and
- (vii) 904,807 Units were issued to the Manager at an issue price of S\$2.30 per Unit on 18 July 2005 as payment of the Base Fee in respect of the first 19 properties in A-REIT's portfolio for the period from 19 November 2004 to 18 May 2005 and in respect of the subsequent 17 properties for the period from 19 November 2004 to 31 March 2005.

The aggregate value represented by the Units issued in payment of the Management Fees is S\$12.6 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 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 are 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) at page A-9 above;
- (ii) the placement agreement dated 18 February 2004 entered into between Citigroup, DBS Bank Ltd, 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 and the Manager in connection with an issue of 82,142,857 Units in June 2004;



- (iv) the placement agreement dated 18 November 2004 entered into between DBS Bank Ltd, Macquarie Securities (Singapore) Pte. Ltd. and the Manager in connection with an issue of 179,292,903 Units in December 2004;
- (v) the placement agreement dated 21 February 2005 entered into between Citigroup, UBS AG and the Manager in connection with an issue of 109,919,571 Units in March 2005; and
- (vi) 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.

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

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- (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; or, if an unaudited balance sheet is not available, the date on which the latest available unaudited balance sheet of the Fund was made up; and

The NTA per Unit as at 31 March 2005 (being the date on which the last audited balance sheet of A-REIT was made up) was S\$1.23 before payment of undistributed income for the three months ended 31 March 2005.

- (ii) the effect of the Equity Fund Raising and the issue of the Techview Consideration Units on the NTA per unit.

|                       | Before the FY2005/06 Acquisition <sup>(1)</sup> | After the FY2005/06 Acquisition <sup>(2)</sup> |
|-----------------------|---|--|
| NTA (S\$'000)         | 1,396,077                                       | 1,631,552                                      |
| Units on issue ('000) | 1,160,557                                       | 1,274,843                                      |
| NTA per Unit (S\$)    | 1.20  | 1.28   |

**Notes:**

- (1) Based on A-REIT's balance sheet as at 31 March 2005 (being the date on which A-REIT's last audited balance sheet was made up) and adjusted to include A-REIT's distribution in respect of the period from 1 January 2005 to 31 March 2005, which was paid on 31 May 2005.
- (2) Based on (i) A-REIT's audited financial statements for the financial year ended 31 March 2005 and adjusted to include A-REIT's distribution in respect of the period from 1 January 2005 to 31 March 2005, which was paid on 31 May 2005, (ii) income and expense forecast which assumes that all of the FY2005/06 Acquisitions had been completed on 1 April 2004, and had been held and operated by A-REIT for the financial period from 1 April 2004 to 31 March 2005, (iii) the Equity Fund Raising and the issue of the Techview Consideration Units are completed on 1 October 2005 at an assumed Issue Price of S\$2.10 (i.e. at the bottom end of the Issue Price range), (iv) S\$63.3 million is drawn down from available bank debt facilities to partly finance the FY2005/06 Acquisitions and (v) the accounting policies normally adopted by A-REIT as disclosed in the annual report for the financial year ended 31 March 2005.

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

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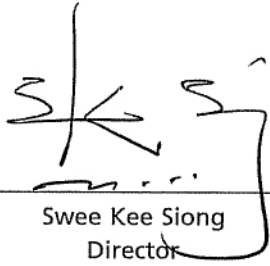
Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other material facts relating to the Equity Fund Raising.

Dated 20 September 2005



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Chong Siak Ching  
Director



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Swee Kee Siong  
Director

## GLOSSARY

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

|                                   |   |   |
|-----------------------------------|---|---|
| <b>138 Depot Road Acquisition</b> | : | Acquisition of 138 Depot Road   |
| <b>A-REIT</b>                     | : | Ascendas Real Estate Investment Trust   |
| <b>Acceptance Form</b>            | : | The official printed acceptance form to be used for the purpose of the Preferential Offering and which forms part of this Circular  |
| <b>Acquisitions</b>               | : | The proposed acquisitions of the Properties by A-REIT   |
| <b>Ascendas Land</b>              | : | Ascendas Land (Singapore) Pte Ltd   |
| <b>Ascendas Tuas</b>              | : | Ascendas (Tuas) Pte Ltd   |
| <b>ATM</b>                        | : | Automated teller machine  |
| <b>Authority</b>                  | : | Monetary Authority of Singapore   |
| <b>AYE</b>                        | : | Ayer Rajah Expressway   |
| <b>Base Fee</b>                   | : | The base component of the Management Fees, being 0.5% per annum of the value of the Deposited Property  |
| <b>Books Closure Date</b>         | : | 19 September 2005 at 5.00 p.m., being the date and time on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allotments of Singapore Registered Unitholders under the Preferential Offering |
| <b>CDP</b>                        | : | The Central Depository (Pte) Limited  |
| <b>Citigroup</b>                  | : | Citigroup Global Markets Singapore Pte. Ltd.  |
| <b>Cityneon</b>                   | : | Cityneon Displays (S) Pte Ltd   |
| <b>CMBS</b>                       | : | Commercial mortgage backed securities   |
| <b>CTE</b>                        | : | Central Expressway  |
| <b>Cumulative Distribution</b>    | : | The proposed distribution of A-REIT's distributable income for the period 1 July 2005 to the day immediately prior to the date the New Units are issued pursuant to the Equity Fund Raising, in lieu of the Scheduled Distribution                |
| <b>Deposited Property</b>         | : | The gross assets of A-REIT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed   |
| <b>Directors</b>                  | : | The directors of the Manager  |
| <b>DPU</b>                        | : | Distribution per Unit   |
| <b>ECP</b>                        | : | East Coast Parkway  |

|                               |   |   |
|-------------------------------|---|---|
| <b>EFR Acquisitions</b>       | : | The FY2005/06 Acquisitions with the exception of the Thales Acquisition   |
| <b>EFR Properties</b>         | : | Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub  |
| <b>EGM</b>                    | : | The extraordinary general meeting of Unitholders held on 13 September 2005  |
| <b>EGM Circular</b>           | : | The circular dated 25 August 2005 issued by A-REIT to its Unitholders in connection with the EGM  |
| <b>Enlarged Portfolio</b>     | : | The portfolio of A-REIT upon the completion of the Acquisitions   |
| <b>Equity Fund Raising</b>    | : | The placement of an aggregate of between 100,992,542 and 103,121,458 New Units at the Issue Price by the Lead Manager and Underwriter by way of the Preferential Offering and the Private Placement   |
| <b>Existing Properties</b>    | : | 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, C & P Logistics Hub, 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, Volex Building, Telepark, Kim Chuan Telecommunications Complex, KA Centre, KA Place, Hyflux Building, AEM-Evertch Building, MSL Building, Da Vinci Building, 7 Changi South Street 2, Weltech Industrial Building, BBR Building and Pacific Tech Centre |
| <b>Existing Units</b>         | : | The 1,163,647,175 Units on issue as at the Books Closure Date   |
| <b>Forecast</b>               | : | The forecast for the financial year ending 31 March 2006 including the impact of the FY2005/06 Acquisitions. This includes the assumption that Gearing will be reduced to approximately 30.2% on completion of the Equity Fund Raising and the FY2005/06 Acquisitions   |
| <b>FY</b>                     | : | Financial year  |
| <b>FY2005/06 Acquisitions</b> | : | All the Acquisitions save for the 138 Depot Road Acquisition  |
| <b>FY2005/06 Properties</b>   | : | All the Properties save for 138 Depot Road  |
| <b>GDP</b>                    | : | Gross domestic product  |
| <b>Gearing</b>                | : | The ratio of A-REIT's borrowings to the value of its Deposited Property   |

|                                     |   |   |
|-------------------------------------|---|---|
| <b>Independent Accountants</b>      | : | KPMG  |
| <b>Issue Date</b>                   | : | The date of issue of the New Units  |
| <b>Issue Price</b>                  | : | The issue price of each New Unit to be issued pursuant to the Equity Fund Raising   |
| <b>JTC</b>                          | : | JTC Corporation also known as Jurong Town Corporation   |
| <b>Latest Practicable Date</b>      | : | 15 September 2005, being the latest practicable date prior to the lodgment of this Offer Information Statement  |
| <b>Lead Manager and Underwriter</b> | : | Citigroup   |
| <b>Listing Manual</b>               | : | SGX-ST's Listing Manual   |
| <b>Management Fee</b>               | : | The Manager's management fee as provided for in the Trust Deed, comprising the Base Fee and the Performance Fee   |
| <b>Manager</b>                      | : | Ascendas-MGM Funds Management Limited, as manager of A-REIT   |
| <b>Market Day</b>                   | : | A day on which the SGX-ST is open for trading in securities   |
| <b>MGM Singapore</b>                | : | MGM Singapore Pte. Ltd.   |
| <b>MRT</b>                          | : | Mass Rapid Transit  |
| <b>NAV</b>                          | : | Net asset value   |
| <b>New Units</b>                    | : | The new Units to be issued by A-REIT under the Equity Fund Raising  |
| <b>NNB</b>                          | : | Ng Nam Bee Marketing Pte Ltd  |
| <b>NTA</b>                          | : | Net tangible assets   |
| <b>Participating Banks</b>          | : | DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited  |
| <b>Performance Fee</b>              | : | The performance component of the Management Fees, as set out in Clause 15.12 of the Trust Deed  |
| <b>PIE</b>                          | : | Pan Island Expressway   |
| <b>Placement Agreement</b>          | : | The placement agreement dated 20 September 2005 entered into between the Lead Manager and Underwriter and the Manager in connection with the Placement  |
| <b>Preferential Offering</b>        | : | The preferential offering of between 58,500,000 and 64,500,000 New Units by the Lead Manager and Underwriter on a non-renounceable basis of one New Unit for every 20 Existing Units (fractions of a New Unit to be disregarded) and subject to the Rounding Mechanism, for subscription at the Issue Price |

|                                  |   |   |
|----------------------------------|---|---|
| <b>Private Placement</b>         | : | The proposed placement by the Lead Manager and Underwriter to retail and institutional investors at the Issue Price of such number of New Units to be issued pursuant to the Equity Fund Raising which are not comprised under the Preferential Offering  |
| <b>Properties</b>                | : | 138 Depot Road, Hamilton Sundstrand Building, Hoya Building, LogisHub@Clementi, Techquest, Techview, Thales Building, 1 Changi South Lane, 1 Jalan Kilang, 11 Tampines Street 92, Cityneon Design Centre, NESS Building, NNB Industrial Building and SENKEE Logistics Hub, and <b>"Property"</b> refers to any one of them  |
| <b>Property Funds Guidelines</b> | : | The Property Funds Guidelines in the Code on Collective Investment Schemes issued by the Authority  |
| <b>Purchase Agreements</b>       | : | The respective sale and purchase agreements relating to the sale and purchase of the Properties   |
| <b>Restricted Placees</b>        | : | <ul style="list-style-type: none"> <li>(a) The Directors and Substantial Unitholders</li> <li>(b) The spouse, children, adopted children, step-children, siblings and parents of the Directors and Substantial Unitholders</li> <li>(c) Substantial shareholders, related corporations (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated companies and sister companies of the Substantial Unitholders</li> <li>(d) Corporations in which the Directors and the Substantial Unitholders have an aggregate interest of at least 10.0%</li> <li>(e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)</li> </ul> |
| <b>Rounding Mechanism</b>        | : | 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   |
| <b>Scheduled Distribution</b>    | : | The original scheduled distribution of A-REIT's distributable income for the period from 1 July 2005 to 30 September 2005   |
| <b>Securities Account</b>        | : | Securities account maintained by a Depositor with CDP   |
| <b>SenKee</b>                    | : | SenKee Logistics Pte Ltd  |
| <b>SGX-ST</b>                    | : | Singapore Exchange Securities Trading Limited   |
| <b>Simulation Scenario</b>       | : | The circumstance where the proportion of additional borrowings incurred and equity raised by A-REIT for the Acquisitions maintains Gearing at its expected base case level of approximately 31.5% upon completion of the FY2005/06 Acquisitions   |

|  |   |   |
|--|---|---|
| <b>Singapore Registered Unitholders</b>      | : | Unitholders as at the Books Closure Date other than those whose registered addresses with CDP are outside Singapore, who do not have a “rights” mailing address with CDP and who have 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 |
| <b>SLE</b>                                   | : | Seletar Expressway  |
| <b>Sqm</b>                                   | : | Square metre(s)   |
| <b>Substantial Unitholder</b>                | : | A Unitholder with an interest in Units constituting not less than 5.0% of all Units on issue  |
| <b>Techview Consideration Units</b>          | : | The new Units to be issued at the Issue Price to Ascendas Land (the nominee of Ascendas (KB View) Pte Ltd under the relevant Purchase Agreement) as payment of part of the consideration for the acquisition of Techview  |
| <b>Thales Acquisition</b>                    | : | The acquisition of Thales Building  |
| <b>Trust Deed</b>                            | : | The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)   |
| <b>Trustee</b>                               | : | HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT   |
| <b>Unit</b>                                  | : | A unit representing an undivided interest in A-REIT   |
| <b>Unitholder</b>                            | : | A Depositor whose Securities Account with CDP is credited with Units  |
| <b>Unitholdings</b>                          | : | Unitholdings in A-REIT  |
| <b>Weighted Average Lease Term to Expiry</b> | : | The weighted average lease term to expiry by income   |
| <b>S\$ and cents</b>                         | : | Singapore dollars and cents   |
| <b>%</b>                                     | : | 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

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

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

### 1. Increased Earnings and Distributions in respect of the FY2005/06 Acquisitions

The Manager believes that Unitholders will enjoy higher earnings and distributions as a result of the FY2005/06 Acquisitions because the properties under the FY2005/06 Acquisitions are being acquired at an attractive price relative to the cashflows that they generate. Based on the Manager's forecast, the properties will generate a weighted average property yield of approximately 7.8% (excluding acquisition costs) or 7.6% (including acquisition costs) for the first year of ownership following the completion of the acquisitions.

The tables on this page and page A-27 show A-REIT's forecast DPU and distribution yield for the financial year ending 31 March 2006 in relation to the Existing Properties and A-REIT's enlarged portfolio of properties upon completion of the FY2005/06 Acquisitions and assuming that the New Units are issued at S\$2.10 (*i.e.* at the bottom end of the Issue Price range), in the following circumstances:

- (i) where the quantum of additional borrowings incurred and equity raised by A-REIT for the FY2005/06 Acquisitions reduces Gearing from the expected base case level of approximately 31.5% to approximately 30.2% upon completion of the Equity Fund Raising and the FY2005/06 Acquisitions (the "**Forecast**"), 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 FY2005/06 Acquisitions maintains Gearing at its expected base case level of approximately 31.5% immediately upon completion of the Equity Fund Raising and the FY2005/06 Acquisitions (the "**Simulation Scenario**").

The Manager intends to reduce Gearing to approximately 30.2% following the completion of the Equity Fund Raising and the FY2005/06 Acquisitions as per the Forecast. The Simulation Scenario has been set out only for the purpose of illustration.

The tables on this page and page A-27 should be read together with the Forecast 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 KPMG (the "**Independent Accountants**") in **Appendix 4** of this Offer Information Statement.

### Forecast DPU and Distribution Yield after the FY2005/06 Acquisitions<sup>(1)</sup>

|   | Forecast            |                                  |
|---|---------------------|----------------------------------|
|   | Existing Properties | After the FY2005/06 Acquisitions |
| DPU (cents) <sup>(1)(2)</sup>               | 11.18               | 11.37                            |
| Distribution yield (on assumed Issue Price) | 5.33%               | 5.41%                            |
| DPU improvement over Existing Properties    | N/A                 | 1.6%                             |



## Simulation DPU and Distribution Yield after the FY2005/06 Acquisitions<sup>(1)</sup>

|   | Simulation Scenario |                                  |
|---|---------------------|----------------------------------|
|   | Existing Properties | After the FY2005/06 Acquisitions |
| DPU (cents) <sup>(1)(3)</sup>               | 11.18               | 11.40                            |
| Distribution yield (on assumed Issue Price) | 5.33%               | 5.43%                            |
| DPU improvement over Existing Properties    | N/A                 | 2.0%                             |

### Notes:

- (1) Assuming that the New Units and Techview Consideration Units are issued on 1 October 2005 at S\$2.10 (*i.e.* at the bottom end of the Issue Price range), that the EFR Acquisitions are completed on 15 October 2005, that the Thales Acquisition is completed on 1 January 2006, and that there is no change to the current mode of payment of the Management Fee (*i.e.* the Base Fee in the form of Units and cash in equal proportions for the first 19 of the Existing Properties and in the form of cash for all the subsequent acquisitions, and the Performance Fee in the form of Units in respect of the Enlarged Portfolio).
- (2) The DPU in the Forecast will vary to the extent that the New Units issued pursuant to the Equity Fund Raising and the Techview Consideration Units are issued on a date other than 1 October 2005. Such Units will only be entitled to A-REIT's distributable income from the date of their issue.
- (3) The DPU in the Simulation Scenario will vary to the extent that the New Units issued pursuant to the Equity Fund Raising and the Techview Consideration Units are issued on a date other than 1 October 2005. Such Units will only be entitled to A-REIT's distributable income from the date of their issue.

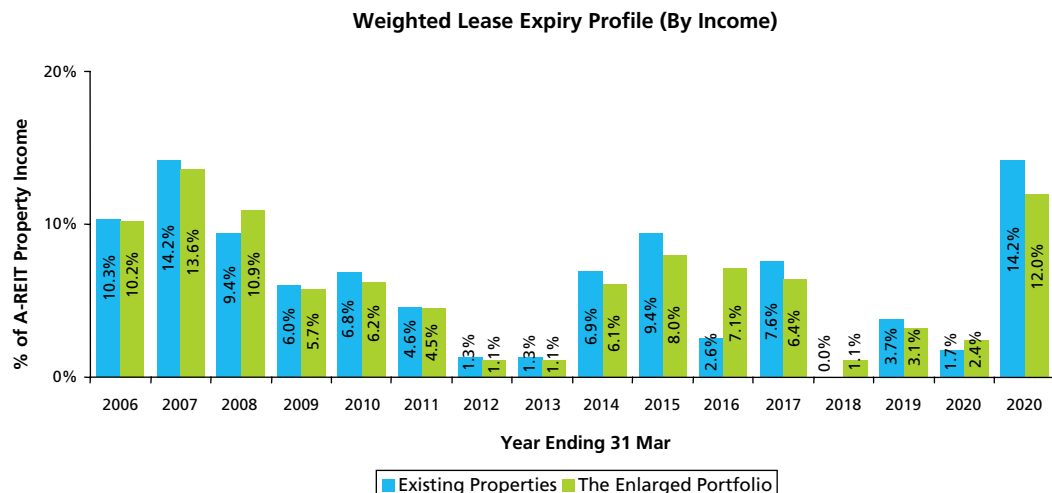
## 2. DPU Accretion in respect of the Acquisition of 138 Depot Road

In addition to the DPU accretion expected from the FY2005/06 Acquisitions, the 138 Depot Road Acquisition will also be DPU accretive as it is being purchased at an attractive price relative to the cashflows that it generates. Assuming that it is acquired with available bank debt facilities, the expected annualised DPU accretion will be 0.19 cents. It is expected that Gearing would increase to approximately 31.2% after completion of the 138 Depot Road Acquisition.

## 3. Potential Growth through Positive Rental Reversions on Multi-tenanted Buildings

The Weighted Average Lease Term to Expiry is expected to decrease marginally from 7.1 years to 7.0 years after the Acquisitions. This is due to a number of the Acquisitions being acquisitions of multi-tenanted properties with typical lease terms of three years on average. There is potential for positive rental reversions when the leases in these multi-tenanted properties become due for renewal. Given that industrial property rental rates in Singapore appear to have bottomed out and are expected to improve going forward, these rental reversions and potential further improvement in occupancy rates may provide future growth in earnings and distributions for Unitholders.

The following diagram illustrates the impact of the Properties on A-REIT's lease expiry profile by gross rental income as at 30 June 2005:



#### 4. Competitive Strengths of the Properties

The Manager believes that the Properties will 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 Profiles:** More than 56.0% of the Properties (in terms of net property income) have tenants on long-term leases of five years or more. The lease terms for each major tenant in each of the Properties are set out in **Appendix 2** of this Offer Information Statement.

#### 5. Enhanced Tenant Base

The Acquisitions will strengthen A-REIT's tenant base and further enhance its income diversification through the addition of more than 90 tenants, increasing A-REIT's tenant base to more than 620 tenants. The addition of these tenants will also further enhance the quality of its tenant base.

In addition, A-REIT's tenancy profile after the Acquisitions is made up of tenants that are exposed to a considerable range of industries, and whose countries of origin are widespread globally. This provides further diversification benefits.

#### 6. Improved Income Diversification

The Acquisitions will reduce A-REIT's reliance on any one property in its portfolio such that no single property will account for more than 7.7% of A-REIT's total net property income based on the Enlarged Portfolio (as compared to 9.0% based on the Existing Properties). A-REIT's portfolio is well diversified between the following asset classes: Business Park, Hi-Tech Industrial, Light Industrial, and Logistics and Distribution Centres. The Manager believes that such asset class diversification mitigates the risk of adverse impact from economic cycles as each of these assets classes may react in different ways to fluctuations in the economy and may be at different stages of economic performance.



The top 10 tenants in the Enlarged Portfolio (based on pro forma gross rental income for the Existing Properties and the Properties) account for 36.3% of the total pro forma gross rental income of the Enlarged Portfolio as compared to 42.1% of the total gross rental income accounted for by the top 10 tenants in the Existing Properties.

| <b>Tenant</b>                               | <b>Percentage of total pro forma gross rental income</b> |
|---|--|
| Singapore Telecommunications Limited        | 9.5%   |
| C & P Holdings Pte Ltd                      | 8.5%   |
| Siemens Pte Ltd                             | 3.3%   |
| TT International Limited                    | 2.9%   |
| Infineon Technologies Asia Pacific Pte Ltd  | 2.3%   |
| Freight Links Express Holdings Ltd          | 2.2%   |
| Institute of High Performance Computing     | 2.0%   |
| Honeywell Pte Ltd                           | 2.0%   |
| Hewlett-Packard Singapore (Private) Limited | 1.8%   |
| IDS Logistics Services Pte. Ltd.            | 1.8%   |
| <b>Total</b>                                | <b>36.3%</b>   |

## **7. Optimised Capital Structure**

The FY2005/06 Acquisitions are proposed to be funded through a mix of debt and equity financing that will reduce Gearing from the expected base case level of approximately 31.5% to approximately 30.2% following the completion of the Equity Fund Raising and the FY2005/06 Acquisitions. This ensures that A-REIT will have the capacity to acquire additional properties with debt financing when opportunities arise in the future. Given the maximum gearing limit for real estate investment trusts of 35.0% under the Property Funds Guidelines, A-REIT will have an additional debt capacity of up to S\$193.0 million after the FY2005/06 Acquisitions, which if invested at a net property yield of 7.0% and an average borrowing cost of 2.8%, would result in an annualised DPU accretion of 0.57 cents.

## **8. Increased Market Capitalisation**

Following the successful completion of the Equity Fund Raising and the Acquisitions, the market capitalisation of A-REIT is expected to increase to between S\$2.68 billion and S\$2.74 billion (based on the Issue Price range of S\$2.10 to S\$2.15) and given the 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 to generate cost synergies for A-REIT.

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. The following sections set out selected information in respect of the Properties. Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding. Unless otherwise stated, the occupancy rates stated in this Appendix 2 are as at 30 June 2005.*

### A. THE PROPERTIES

- (i) **138 Depot Road:** 138 Depot Road is owned by Ascendas (Tuas) Pte Ltd ("**Ascendas Tuas**") and is located along Depot Road, close to the AYE.

The property will comprise a seven-storey hi-tech industrial building with two basement car parks, and a total net lettable area of approximately 26,008 sqm (subject to survey).

The building is being developed by Ascendas Tuas and construction is expected to be completed in April 2006. Hewlett-Packard Singapore (Private) Limited will occupy the majority of the space with an option to take up additional space to be exercised within six months from date of lease commencement.

- (ii) **Hamilton Sundstrand Building:** Hamilton Sundstrand Building is owned by Ascendas Tuas and is located along Changi North Rise, adjacent to Thales Building.

Developed by Ascendas Tuas, the building is under construction and will be made up of a single-storey factory with a mezzanine and a single-storey ancillary office. Hamilton Sundstrand Building will be leased to Hamilton Sundstrand Pacific Aerospace Pte Ltd upon completion of construction which is expected to be in October 2005. Hamilton Sundstrand Pacific Aerospace Pte Ltd, a subsidiary of United Technologies Corporation, is among the largest global suppliers of technologically advanced aerospace and industrial products.

The total gross floor area of Hamilton Sundstrand Building is 17,737 sqm on a land area of 30,965 sqm (subject to survey).

- (iii) **Hoya Building:** Hoya Building is owned by Ascendas Land. Hoya Building is located at 455A Jalan Ahmad Ibrahim and is well served by the AYE. Hoya Building is leased to Hoya Medical Singapore Pte. Ltd., which is part of Hoya Group, Japan's first specialty manufacturer of optical glass established in 1941.

The Hoya Group has continued to grow as a global enterprise through the expansion of its diverse business activities, which encompass electro-optics, photonics, vision care, healthcare and crystal products.

The property comprises a two-storey light industrial building, with a total net lettable area of approximately 5,092 sqm (subject to survey).

- (iv) **LogisHub@Clementi:** LogisHub@Clementi is owned by Ascendas Tuas. LogisHub@Clementi is located at 2 Clementi Loop and is in close proximity to the PIE. The property comprises a four-storey warehouse, with a total net lettable area of approximately 22,419 sqm (subject to survey).

This multi-tenanted property, with an occupancy rate of 52.7%, has existing tenants which include John Wiley & Sons (Asia) Pte Ltd, Arrow Electronics Asia (S) Pte. Ltd. and Hub Distributors Services Pte Ltd.

Ascendas Tuas has informed A-REIT that a prospective tenant has accepted its offer on 25 July 2005 to take up some of the vacant space and possession is expected to take place in September 2005, which will then bring the property's occupancy rate to approximately 71.0%.

- (v) **Techquest:** Techquest is owned by Ascendas Land. Techquest is located at 7 International Business Park, which is in close proximity to the AYE and is set within the neighbourhood of buildings tenanted by companies like Creative, Acer and M1.

The property comprises a five-storey business park building, with a total net lettable area of approximately 6,266 sqm (subject to survey). This multi-tenanted building, with an occupancy rate of 71.6%, has existing tenants which include Scandent Group Pte. Ltd., Sonic Singapore Pte Ltd, Blueprint Impex Pte Ltd and YKK AP Singapore Pte Ltd.

- (vi) **Techview:** Techview is owned by Ascendas (KBV View) Pte Ltd. Techview is located at 1 Kaki Bukit View and is easily accessible by the PIE. Completed in 1998, the property comprises a five-storey hi-tech industrial building, with a total net lettable area of approximately 36,912 sqm (excluding non-production areas) and a parking capacity of approximately 500 parking lots. The total gross floor area is 50,985 sqm on a land area of 22,516 sqm (subject to survey).

This multi-tenanted property, with an occupancy rate of 87.0%, has existing tenants which include IBM Singapore Pte Ltd, Amkor Technology Singapore Pte. Ltd. and Rohde & Schwarz Systems & Communications Asia Pte. Ltd.

- (vii) **Thales Building:** Thales Building is being constructed by Ascendas Tuas along Changi North Rise, and is adjacent to Hamilton Sundstrand Building.

Thales Building will comprise a three-storey light industrial building and its sole tenant will be Thales Avionics Asia Pte Ltd, which is one of the world's largest professional electronics groups, serving the defence, aerospace and security markets. The total gross floor area of the property is 6,248 sqm on a land area of 10,159 sqm (subject to survey). The construction of the property is expected to be completed in January 2006.

- (viii) **1 Changi South Lane:** 1 Changi South Lane is owned by Accord Famous Logistics Pte Ltd. It is located in Changi South and is readily accessible by the PIE and ECP from the city centre.

The property comprises a three-storey warehouse building, and is currently leased to a number of tenants including SKF South East Asia & Pacific Pte Ltd and FPS Global Logistics Pte Ltd.

The total gross floor area of the property is 25,583 sqm on a land area of 16,005 sqm (subject to survey).

- (ix) **1 Jalan Kilang:** 1 Jalan Kilang is owned by Dynasty House Investment Pte Ltd. It is easily accessible via Jalan Bukit Merah and the AYE.

The property comprises a six-storey multi-tenanted hi-tech industrial building, 27 parking lots for cars, two loading bays and two cargo lifts with a capacity of 3,000 kg each. Its tenants include Transtel Engineering Pte Ltd, Quintiles East Asia Pte Ltd and Ushio Singapore Pte Ltd.

The total gross floor area is 7,158 sqm on a land area of 2,863 sqm (subject to survey).

- (x) **11 Tampines Street 92:** The property at 11 Tampines Street 92 is owned by Trivec Singapore Pte Ltd. It is in the eastern part of Singapore and is readily accessible by the PIE and the ECP. It is also located in close proximity to Singapore Expo, Changi Business Park and Changi Airport.

This property comprises a four-storey light industrial building, 125 parking lots for cars and four loading bays. Its anchor tenants include George Fischer Pte Ltd and Capitol Gravure Industries Pte. Ltd.

The total gross floor area is 18,086 sqm on a land area of 15,006 sqm (subject to survey).

- (xi) **Cityneon Design Centre:** Cityneon Design Centre is owned by Cityneon Displays (S) Pte Ltd ("**Cityneon**") and is located at 84 Genting Lane within the Kallang/MacPherson Industrial Area. It is well served by MacPherson Road and enjoys close proximity to the PIE.

The property comprises a seven-storey (including one level covered carparks) light industrial building. The building has an occupancy rate of 97.8%. Its anchor tenants include Cityneon, Peak Resources Pte Ltd and Pigeon Singapore Pte. Ltd. These tenants occupy approximately 60.1% of the total net lettable area.

The total gross floor area is 11,917 sqm on a land area of 4,776 sqm (subject to survey).

- (xii) **NESS Building:** NESS Building is owned by Freight Links Fabpark Pte. Ltd. It is located at 30 Tampines Industrial Avenue 3 and comprises a two-storey hi-tech building. It is accessible to other parts of Singapore via PIE and is in close proximity to the Tampines Town Centre. It is fully leased to Ness Display Singapore Pte. Ltd. for 15 years expiring in September 2019. The tenant is wholly owned by Ness Display Co., Ltd, a Korean company which is one of the world's leading manufacturing companies in the development of innovative organic light emitting diode (OLED) technology for the future generations of flat panel displays.

The total gross floor area is 9,593 sqm on a land area of 15,201 sqm.

- (xiii) **NNB Industrial Building:** NNB Industrial Building is owned by Ng Nam Bee Marketing Pte Ltd ("**NNB**") and is located at 10 Woodlands Link, in the northern part of Singapore and within the Woodlands East Industrial Estate. It is readily accessible to the city by the Bukit Timah Expressway, Kranji Expressway and SLE.

The property comprises a three-storey warehouse within a designated food zone. The sole tenant is NNB, a local company involved in the processing of rice, trading and distribution of rice and other edible products.

The total gross floor area is 11,537 sqm on a site area of 8,282 sqm (subject to survey).

- (xiv) **SENKEE Logistics Hub:** SENKEE Logistics Hub is owned by SenKee Logistics Pte Ltd ("**SenKee**"). Stage 1 of the SENKEE Logistics Hub is located at 21 Pandan Avenue and stage 2, which is an asset enhancement, will be sited at 19 Pandan Avenue. Pandan Avenue is served by the nearby AYE. Stage 1 of the property comprises a five-storey ramp up logistics facility with direct loading and unloading facilities at its doorstep and a total gross floor area of 41,658 sqm (subject to survey).

Construction of the stage 2 asset enhancement will commence within 24 months from the completion of the acquisition of stage 1 and will comprise an additional ramp up warehouse facility. The estimated gross floor area will be 43,000 sqm (subject to survey). It is expected to be completed within 12 months from commencement of construction.

SenKee, the sole tenant of SENKEE Logistics Hub, was first established as a sole proprietorship in 1958 and was converted into a private company in 1970. The principal activities of the company are to provide third party land and sea logistics.

The following table sets out a summary of selected information for the Properties:

| Property                      | Appraised Value<br>(S\$ million) | Purchase Price<br>(S\$ million) | Deferred Amount<br>(S\$ million) | Forecast Net Property Income <sup>(1)</sup><br>(S\$ million) | Property Yield Before Costs <sup>(1)</sup><br>(%) | Forecast Gross Revenue <sup>(1)</sup><br>(S\$ million) | Rental Escalation                  | Lease Tenure<br>(Years) | Land Area<br>(sqm) | Net Lettable Area <sup>(2)</sup><br>(sqm) | Weighted Average Lease Term to Expiry<br>(Years) | Major Tenants  | Age of Building<br>(Years) | Land Lease Expiry |
|-------------------------------|----------------------------------|---------------------------------|----------------------------------|--|---|--|------------------------------------|-------------------------|--------------------|---|--|--|----------------------------|-------------------|
| 138 Depot Road <sup>(3)</sup> | 42.3                             | 42.3                            | —                                | 3.5  | 8.2 <sup>(4)</sup>                                | 5.8  | Rent review at the end of 5th year | 10.0                    | 10,000             | 26,008                                    | 10.0   | Hewlett-Packard Singapore (Private) Limited  | N.A.                       | 30-Nov-2064       |
| Hamilton Sundstrand Building  | 31.0                             | 31.0                            | —                                | 1.9  | 7.7 <sup>(5)</sup>                                | 1.9  | Stepped rental increases           | 12.0                    | 30,965             | 16,837                                    | 12.0   | Hamilton Sundstrand Pacific Aerospace Pte Ltd  | N.A.                       | 28-Feb-2065       |
| Hoya Building                 | 5.3                              | 5.3                             | —                                | 0.6  | 11.2  | 0.7  | N.A.                               | 10.0                    | 6,451              | 5,092                                     | 8.8  | Hoya Medical Singapore Pte. Ltd.   | 1                          | 15-May-2033       |
| LogisHub@ Clementi            | 18.1                             | 18.1                            | —                                | 1.4  | 8.0   | 3.1  | N.A.                               | Multi-tenanted building | 23,529             | 22,419                                    | 1.6  | John Wiley & Sons (Asia) Pte Ltd, Arrow Electronics Asia (S) Pte. Ltd., Hub Distributors Services Pte Ltd  | 10                         | 15-May-2053       |
| Techquest                     | 7.5                              | 7.5                             | —                                | 0.6  | 7.4   | 1.3  | N.A.                               | Multi-tenanted building | 6,506              | 6,266                                     | 1.6  | Scandent Group Pte. Ltd., Sonic Singapore Pte Ltd, Blueprint Impex Pte Ltd, YKK AP Singapore Pte Ltd   | 9                          | 15-Jun-2055       |
| Techview                      | 76.0                             | 76.0                            | —                                | 5.5  | 7.2   | 9.4  | N.A.                               | Multi-tenanted building | 22,516             | 36,912                                    | 2.8  | Amkor Technology Singapore Pte. Ltd., IBM Singapore Pte Ltd, Edwards Lifesciences (Singapore) Pte. Ltd., Rohde & Schwarz Systems & Communications Asia Pte. Ltd. | 7                          | 08-Jul-2056       |
| Thales Building               | 5.7                              | 5.7                             | —                                | 0.5  | 8.1   | 1.0  | Stepped rental increases           | 10.0                    | 10,159             | 6,049                                     | 10.0   | Thales Avionics Asia Pte Ltd   | N.A.                       | 30-Jun-2047       |
| 1 Jalan Kilang                | 18.7                             | 18.7                            | 1.9 <sup>(6)</sup>               | 1.3  | 8.0   | 1.8  | N.A.                               | Multi-tenanted building | 2,863              | 6,075                                     | 1.7  | Transtel Engineering Pte Ltd, Quintiles East Asia Pte Ltd, Ushio Singapore Pte Ltd   | 8                          | 31-Dec-2062       |

| Property                            | Appraised Value<br>(S\$ million) | Purchase Price<br>(S\$ million) | Deferred Amount<br>(S\$ million) | Forecast Net Property Income <sup>(1)</sup><br>(S\$ million) | Property Yield Before Costs <sup>(1)</sup><br>(%) | Forecast Gross Revenue <sup>(1)</sup><br>(S\$ million) | Rental Escalation        | Lease Tenure<br>(Years) | Land Area<br>(sqm) | Net Lettable Area <sup>(2)</sup><br>(sqm) | Weighted Average Lease Term to Expiry<br>(Years) | Major Tenants  | Age of Building<br>(Years) | Land Lease Expiry          |
|-------------------------------------|----------------------------------|---------------------------------|----------------------------------|--|---|--|--------------------------|-------------------------|--------------------|---|--|--|----------------------------|----------------------------|
| 11 Tampines Street 92               | 16.8                             | 16.8                            | 4.2 <sup>(7)</sup>               | 1.0  | 7.7   | 2.2  | N.A.                     | Multi-tenanted building | 15,006             | 14,545                                    | 2.4  | George Fischer Pte Ltd, Capitol Gravure Industries Pte Ltd                           | 12                         | 30-Nov-2049                |
| 1 Changi South Lane                 | 34.8                             | 34.8                            | —                                | 2.6  | 7.6   | 4.1  | N.A.                     | Multi-tenanted building | 16,005             | 23,146                                    | 4.2  | SKF South East Asia & Pacific Pte Ltd, FPS Global Logistics Pte Ltd                  | 5                          | 31-Aug-2058                |
| Cityneon Design Centre              | 10.0                             | 10.0                            | —                                | 0.8  | 8.4   | 1.6  | N.A.                     | Multi-tenanted building | 4,776              | 9,773                                     | 3.7  | Cityneon Displays (S) Pte Ltd, Peak Resources Pte Ltd and Pigeon Singapore Pte. Ltd. | 7                          | 30-Nov-2039                |
| NESS Building                       | 22.0                             | 22.0                            | —                                | 2.2  | 10.0  | 2.2  | N.A.                     | 15.0                    | 15,201             | 9,593                                     | 14.2   | Ness Display Singapore Pte. Ltd.   | 1                          | 31-Dec-2063                |
| NNB Industrial Building             | 12.0                             | 12.0                            | —                                | 1.0  | 8.3   | 1.5  | Stepped rental increases | 10.0                    | 8,282              | 9,794                                     | 10.0   | Ng Nam Bee Marketing Pte Ltd   | 8                          | 15-Jan-2056                |
| SENKEE Logistics Hub <sup>(8)</sup> | 42.3                             | 42.3                            | —                                | 3.0  | 7.2   | 3.1  | Stepped rental increases | 10.0                    | 30,874             | 28,421                                    | 10.0   | SenKee Logistics Pte Ltd   | 1                          | 31-Jan-2049 <sup>(9)</sup> |
| <b>Total/ Average</b>               | <b>342.5</b>                     | <b>342.5</b>                    | <b>6.1</b>                       | <b>25.9</b>  | <b>7.8</b>  | <b>39.8</b>  |                          |                         |                    |   |  |  |                            |                            |

**Notes:**

- (1) In the first year of acquisition and taking into account rental guarantees where appropriate. The property yield has been calculated based on the purchase price excluding any deferred settlement amount and the specialised air-conditioning M&E equipment of Hamilton Sundstrand Building.
- (2) The 138 Depot Road, Hamilton Sundstrand Building and Thales Building are currently under construction.
- (3) The purchase price of the 138 Depot Road Acquisition is on the basis that the tenant exercises option 2 of the 138 Depot Road Option Agreement between 2 November 2005 and the Lease Commencement Date (as defined therein) to take two additional floors in the building which would bring the occupancy rate up to 100% and the rental guarantee would no longer be applicable.
- (4) The property yield for 138 Depot Road is calculated based on the assumption that the tenant exercises the option that results in the lowest property yield.
- (5) The specialised air-conditioning M&E equipment of Hamilton Sundstrand Building (\$5.95 million) has not been included in this computation as it will be recorded in the balance sheet as a fixed asset and depreciated in line with tax depreciation rates, which will offset the rental income received.
- (6) The deferred amount will be paid two years after the date of completion when all the outstanding obligations of Dynasty House Investment Pte Ltd (as vendor) have been fulfilled.
- (7) The deferred amount will be paid after completion of the asset enhancement works.
- (8) Excludes stage 2 asset enhancement as it has not been constructed yet.
- (9) Conditional upon JTC granting a 15-year option.



## B. EFFECTS OF THE ACQUISITIONS ON A-REIT'S PORTFOLIO

The following table sets out a summary of selected information about the Existing Properties and the Properties as at 30 June 2005.

|   | Existing Properties | The Properties      | The Enlarged Portfolio |
|---|---------------------|---------------------|------------------------|
| Net Lettable Area (sqm)                     | 902,084             | 220,930             | 1,123,014              |
| Occupancy Rate (%)                          | 94.6                | 88.4 <sup>(1)</sup> | 93.4                   |
| Number of Tenants                           | 530                 | 90                  | 620                    |
| Weight Average Lease Term to Expiry (years) | 7.1                 | 6.0                 | 7.0                    |

**Note:**

(1) This committed occupancy rate does not include the benefit of rental guarantees on certain properties.

### Top 10 Tenants of the Enlarged Portfolio

The top 10 tenants in the Enlarged Portfolio (based on pro forma gross rental income for the Existing Properties and the Properties) account for 36.3% of the total pro forma gross rental income of the Enlarged Portfolio as compared to 42.1% of the total gross rental income accounted for by the top 10 tenants in the Existing Properties.

The following table sets out the top 10 tenants of A-REIT after the Acquisitions and their respective contributions to the total pro forma gross rental income of the Enlarged Portfolio.

| Tenant                                      | Percentage of total pro forma gross rental income |
|---|---|
| Singapore Telecommunications Limited        | 9.5%  |
| C & P Holdings Pte Ltd                      | 8.5%  |
| Siemens Pte Ltd                             | 3.3%  |
| TT International Limited                    | 2.9%  |
| Infineon Technologies Asia Pacific Pte Ltd  | 2.3%  |
| Freight Links Express Holdings Ltd          | 2.2%  |
| Institute of High Performance Computing     | 2.0%  |
| Honeywell Pte Ltd                           | 2.0%  |
| Hewlett-Packard Singapore (Private) Limited | 1.8%  |
| IDS Logistics Services Pte. Ltd.            | 1.8%  |
| Total                                       | 36.3%   |

### C. 2005 PRO FORMA FINANCIAL INFORMATION

The purpose of the pro forma financial information is to show the pro forma results of A-REIT for the financial year ended 31 March 2005, the net asset value ("NAV") and capitalisation of A-REIT as at 31 March 2005.

The pro forma financial information has been compiled based on (i) A-REIT's audited financial statements for the financial year ended 31 March 2005 and adjusted to include A-REIT's distribution in respect of the period from 1 January 2005 to 31 March 2005, which was paid on 31 May 2005, (ii) income and expense forecast which assumes that all of the FY2005/06 Acquisitions had been completed on 1 April 2004, and had been held and operated by A-REIT for the financial period from 1 April 2004 to 31 March 2005, (iii) the Equity Fund Raising and the issue of the Techview Consideration Units are completed on 1 April 2004 at an assumed Issue Price of S\$2.10 (i.e. at the bottom end of the Issue Price range), (iv) S\$63.3 million is drawn down from available bank debt facilities to partly finance the FY2005/06 Acquisitions and (v) the accounting policies normally adopted by A-REIT as disclosed in the annual report for the financial year ended 31 March 2005.

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 FY2005/06 Acquisitions been made earlier.

#### Pro Forma Results and NAV

The pro forma financial effects of the FY2005/06 Acquisitions on the DPU for the financial year ended 31 March 2005 and NAV as at 31 March 2005, are as follows:

#### Pro Forma effects on results for the year ended 31 March 2005

|  | Before the<br>FY2005/06<br>Acquisitions | After the<br>FY2005/06<br>Acquisitions |
|--|---|--|
| Net investment income (S\$'000)                            | 75,217                                  | 94,519                                 |
| Net investment income available for distribution (S\$'000) | 84,165                                  | 103,467                                |
| Weighted average no. of Units on issue ('000)              | 880,438                                 | 994,724                                |
| DPU (cents)  | 9.56                                    | 10.40                                  |

#### Pro Forma effects on the NAV Per Unit as at 31 March 2005

|                       | Before the<br>FY2005/06<br>Acquisitions | After the<br>FY2005/06<br>Acquisitions |
|-----------------------|---|--|
| NAV (S\$'000)         | 1,396,077                               | 1,631,552                              |
| Units on issue ('000) | 1,160,557                               | 1,274,843                              |
| NAV (S\$)             | 1.20                                    | 1.28                                   |

### Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of A-REIT as at 31 March 2005:

|                       | As at 31 March 2005                                |   |
|-----------------------|--|---|
|                       | Before the<br>FY2005/06<br>Acquisitions<br>S\$'000 | After the<br>FY2005/06<br>Acquisitions<br>S\$'000 |
| Short-term debt:      |  |   |
| Secured debt          | —  | —   |
| Unsecured debt        | —  | —   |
| Total short-term debt | —  | —   |
| Long-term debt:       |  |   |
| Secured debt          | 300,000  | 300,000   |
| Unsecured debt        | 285,383  | 348,654   |
| Total long-term debt  | 585,383  | 648,654   |
| Total debt            | 585,383  | 648,654   |
| Unitholders' funds    | 1,396,077  | 1,631,552   |
| Total capitalisation  | 1,981,460  | 2,280,206   |

## PROFIT FORECAST

*Statements contained in this section that 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 the forecast. 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 A-REIT, the Manager, the Lead Manager and Underwriter, the Trustee or any other person, nor that these results will be achieved or are likely to be achieved. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as at the date of this Offer Information Statement.*

The following table sets out A-REIT's forecast net investment income and distributable income for the financial year ending 31 March 2006. The Forecast has been reviewed by KPMG 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 STATEMENT OF NET INVESTMENT INCOME AND DISTRIBUTABLE INCOME FOR THE FINANCIAL YEAR ENDING 31 MARCH 2006

|  | Existing<br>properties | The<br>FY2005/06<br>Acquisitions | After the FY2005/06<br>Acquisitions |               |
|--|------------------------|----------------------------------|-------------------------------------|---------------|
|  | (\$'000)               | (\$'000)                         | (\$'000)                            |               |
| Gross revenue from the Existing Properties                   | 203,772                | –                                | 203,772                             |               |
| Gross revenue from the FY2005/06 Properties                  | –                      | 15,954                           | 15,954                              |               |
| Gross Revenue  | 203,772                | 15,954                           | 219,726                             |               |
| Property services fees                                       | (5,697)                | –                                | (5,697)                             |               |
| Property tax   | (12,528)               | –                                | (12,528)                            |               |
| Other property operating expenses                            | (27,742)               | –                                | (27,742)                            |               |
| Property operating expenses from the<br>FY2005/06 Properties | –                      | (5,722)                          | (5,722)                             |               |
| Property operating expenses                                  | (45,967)               | (5,722)                          | (51,689)                            |               |
| Net property income  | 157,805                | 10,232                           | 168,037                             |               |
| Manager's management fee                                     | (15,982)               | (1,373)                          | (17,355)                            |               |
| Trust expenses   | (1,399)                | (46)                             | (1,445)                             |               |
| Borrowing costs  | (20,691)               | (843)                            | (21,534)                            |               |
| Non property expenses  | (38,072)               | (2,262)                          | (40,334)                            |               |
| Net investment income  | 119,733                | 7,970                            | 127,703                             |               |
| Non-tax deductible expenses                                  | 10,474                 | 661                              | 11,135                              |               |
| Net investment income available for distribution             | 130,207                | 8,631                            | 138,838                             |               |
| <b>Issue price range</b>                                     |                        |                                  | <b>\$2.10</b>                       | <b>\$2.15</b> |
| Weighted average Units on Issue ('000) <sup>(1)</sup>        | 1,163,793              |                                  | 1,220,961                           | 1,219,775     |
| Units on issue ('000) <sup>(1)(2)</sup>                      | 1,166,457              |                                  | 1,281,035                           | 1,278,486     |
| Earnings per Unit (cents) <sup>(1)(2)</sup>                  | 10.28                  |                                  | 10.47                               | 10.48         |
| DPU (cents) <sup>(1)(2)</sup>                                | 11.18                  |                                  | 11.37                               | 11.38         |

**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 2006 as the New Units are only entitled to distributable income from the date of issue.
- (2) Assuming that the New Units under the Equity Fund Raising and the Techview Consideration Units are issued on 1 October 2005, the EFR Acquisitions are completed on 15 October 2005, the Thales Acquisition is completed on 1 January 2006, Gearing is reduced to approximately 30.2% upon the completion of the Equity Fund Raising and the FY2005/06 Acquisitions and that there is no change to the current mode of payment of the Management Fee (i.e. the Base Fee in the form of Units and cash in equal proportions for the first 19 of the Existing Properties and in the form of cash for all the subsequent acquisitions, and the Performance Fee in the form of Units in respect of the Enlarged Portfolio).

## Assumptions

The major assumptions that the Manager has made in preparing the Forecast are detailed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Offer Information Statement<sup>1</sup>.

### (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 Existing Properties and the Properties (collectively, the “**Enlarged 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 any 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 the usual market practice in Singapore. A number of A-REIT’s leases also include stepped-up provisions, 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 any 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. Rental guarantees are provided on certain properties on terms and conditions as set out in the Purchase Agreements.

Following the expiry of a committed lease, in order to forecast the gross rental income, the Manager has assessed the market rent in respect of the lettable area of each property in the Enlarged Portfolio as at 31 July 2005. The market rent is the rent which the Manager believes could be achieved if each lease is re-negotiated as at 31 July 2005 and is estimated with reference to rents payable pursuant to comparable leases for tenancies that have been recently negotiated, the effect of competing properties, 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.

#### (B) Other Income

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

#### Notes:

- (1) Assuming that the New Units under the Equity Fund Raising and the Techview Consideration Units are issued on 1 October 2005, the EFR Acquisitions are completed on 15 October 2005, the Thales Acquisition is completed on 1 January 2006, Gearing is reduced to approximately 30.2% upon the completion of the Equity Fund Raising and the FY2005/06 Acquisitions and that there is no change to the current mode of payment of the Management Fee (*i.e.* the Base Fee in the form of Units and cash in equal proportions for the first 19 of the Existing Properties and in the form of cash for all the subsequent acquisitions, and the Performance Fee in the form of Units in respect of the Enlarged Portfolio).

**(C) Renewals and Vacancy Allowance**

It has been assumed that leases up for renewal during the period between 1 August 2005 and 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 retention rate and vacancy allowance for all renewals over the forecast period are 50.0% to 75.0% and between two to ten 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 annual value less vacancy refunds for multi-tenanted properties and 10.0% of the annual value for single-tenanted properties.

**(C) Other Property Operating Expenses**

An individual assessment of other property operating expenses has been made for each property in the Enlarged Portfolio for the financial year ending 31 March 2006.

**(D) Bad and Doubtful Debts**

No provision has been made for bad and doubtful debts during the period from 1 August 2005 to 31 March 2006.

**(iii) Manager's Management Fees**

The Manager is entitled under the Trust Deed to a Management Fee comprising the Base Fee and the Performance Fee.

The Manager's Base Fee is 0.50% per annum of the Deposited Property. The Base Fee in respect of the first 19 properties will be paid in equal proportions in the form of Units and cash. The Base fee in respect of the 25 properties acquired since November 2004 and the FY2005/06 Acquisitions will be paid entirely in cash. The change to the payment method of the Base Fee was approved by Unitholders at the EGM held in November 2004 and was implemented with effect from 1 April 2005.

A Performance Fee of 0.20% of A-REIT's Deposited Property has been included for the financial year ending 31 March 2006, being a fee of 0.10% payable if DPU growth exceeds 2.5% and an additional fee of 0.10% payable if DPU growth exceeds 5.0% (as defined in the Trust Deed). The Performance Fee is payable to the Manager in Units.

The number of Units issued to the Manager will be based on the market price (as determined pursuant to the Trust Deed) of the Units at the time of payment. In preparation of the financial forecast, Units issued to the Manager in payment of the Management Fee are assumed to be issued at an issue price of S\$2.10 per Unit.

**(iv) Acquisition Fees**

An acquisition fee of 1.0% of the purchase price of the Properties is payable in cash to the Manager.

**(v) Trust Expenses**

Trust expenses include recurring operating expenses such as the Trustee's fees, 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.

**(vi) Borrowing Costs**

A-REIT has raised S\$650.0 million by issuing CMBS. S\$300.0 million was raised in August 2004 and S\$350.0 million was raised in May 2005. A-REIT also has an aggregate of S\$700.0 million in available standby bank debt facilities with Oversea-Chinese Banking Corporation Limited, BNP Paribas, United Overseas Bank Ltd and DBS Bank Ltd. As at the Latest Practicable Date, S\$74.2 million had been drawn from these facilities. The Manager has fixed the interest rate in respect of an aggregate amount of S\$522.5 million of A-REIT's borrowings through interest rate swaps with a remaining weighted average term of 4.18 years at an average fixed interest rate of 2.57% per annum exclusive of all margins and S\$127.5 million fixed for 2 years through an interest rate cap. These result in an all-in current interest rate of 2.96% including margins and amortised/annual costs of the CMBS programme. The Manager has assumed an average interest rate of 2.79% per annum inclusive of all margins for the eight months ending 31 March 2006 after taking into account the additional borrowings to be incurred by the Manager for the FY2005/06 Acquisitions.

**(vii) Capital Expenditure**

An allowance for forecast capital expenditure has been included based on the Manager's budget. It has been assumed that capital expenditure will be funded from available bank borrowings. Capital expenditure incurred is capitalised as part of A-REIT's 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 that the Manager is entitled to and the Trustee's fees.

Capital expenditure of S\$11.1 million has been forecast for the eight months ending 31 March 2006.

**(viii) Equity Raising**

The Forecast has been prepared based on an Issue Price range of S\$2.10 to S\$2.15 on the assumption that the proceeds from the issue of the New Units and Techview Consideration Units will be used to partly finance the EFR Acquisitions in accordance with the terms of the Purchase Agreements.

The costs associated with the Equity Fund Raising are expected to be S\$4.5 million and will be paid for by A-REIT on completion of the Equity Fund Raising. These costs are charged against the issued capital in the balance sheet and have no impact on the net investment income or distributable income.

(ix) **The FY2005/06 Acquisitions**

A-REIT will be entitled to income from the FY2005/06 Acquisitions from the day of completion (which is assumed to be 15 October 2005 for the EFR Acquisitions and 1 January 2006 for the Thales Acquisition). However, the actual completion dates may vary.

The FY2005/06 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 which include acquisition fees and legal fees, etc are capitalised to the cost of the FY2005/06 Properties and accordingly have no impact on the forecast net investment income or distributable income for the financial year ending 31 March 2006.

For the purpose of forecasting the Manager's Management Fee and Trustee's fee for the financial year ending 31 March 2006, the Manager has made an assumption that the value of the Existing Properties and the FY2005/06 Properties will increase by the extent of the budgeted capital expenditure set out in paragraph (vii) above and the estimated acquisition costs of the FY2005/06 Properties.

(x) **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 net investment income and distributable income.

(xi) **Other Assumptions**

The Manager has made the following additional assumptions in preparing the Forecast:

- that the property portfolio remains unchanged after the FY2005/06 Properties are acquired;
- that no further capital will be raised during the forecast period;
- 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 forecast distributions included in this Offer Information Statement 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 in this Offer Information Statement are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Forecast, the sensitivity of DPU to changes in the main key assumptions are set out below.

The sensitivity analysis below is intended to provide a guide only and variations in actual performance could exceed or fall below 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 Forecast DPU for the financial year ending 31 March 2006 is as follows:

|  | DPU based on an Issue<br>Price of S\$2.10<br>(cents) | DPU based on an Issue<br>Price of S\$2.15<br>(cents) |
|--|--|--|
| 5.0% above estimate                        | 12.05  | 12.06  |
| Base case after the FY2005/06 Acquisitions | 11.37  | 11.38  |
| 5.0% below estimate                        | 10.68  | 10.69  |

### **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 Forecast DPU for the financial year ending 31 March 2006 is as follows:

|  | DPU based on an Issue<br>Price of S\$2.10<br>(cents) | DPU based on an Issue<br>Price of S\$2.15<br>(cents) |
|--|--|--|
| 5.0% above estimate                        | 11.20  | 11.21  |
| Base case after the FY2005/06 Acquisitions | 11.37  | 11.38  |
| 5.0% below estimate                        | 11.53  | 11.54  |

### **Borrowing Costs**

Changes in interest rates will impact 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 CMBS amortised/annual establishment costs) on Forecast DPU for the financial year ending 31 March 2006 is as follows:

|  | DPU based on an Issue<br>Price of S\$2.10<br>(cents) | DPU based on an Issue<br>Price of S\$2.15<br>(cents) |
|--|--|--|
| 5.0% above estimate                        | 11.30  | 11.31  |
| Base case after the FY2005/06 Acquisitions | 11.37  | 11.38  |
| 5.0% below estimate                        | 11.43  | 11.44  |

## INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST

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

20 September 2005

Dear Sirs

### **Letter from the Reporting Accountants on the Profit Forecast for the Financial Year Ending 31 March 2006**

This letter 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 Statement of Net Investment Income and Distributable Income for the financial year ending 31 March 2006 (the "**Profit Forecast**") as set out on page A-38 of the Offer Information Statement, which has been prepared on the basis of the assumptions set out on pages A-39 to A-42 of the Offer Information Statement.

We have examined the Profit Forecast as set out on page A-38 of the Offer Information Statement in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast including the assumptions set out on pages A-39 to A-42 of the Offer Information Statement (the "**Assumptions**") on which the Profit Forecast is based.

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 applicable presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (but not all the required disclosures for the purposes of this letter), which is the framework adopted by A-REIT in the preparation of its financial statements.

Actual results are likely to be different from the Profit Forecast since anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast. For the reasons set out above, we do not express any opinion as to the possibility of the achievement of the Profit Forecast.

Attention is drawn, in particular, to the sensitivity analysis of the Profit Forecast as set out on pages A-42 and A-43 of the Offer Information Statement.

Yours faithfully

**KPMG**  
Certified Public Accountants  
Singapore  
(Partner-in-charge: Eng Chin Chin)

## NAMES AND ADDRESSES OF THE DIRECTORS

The names and addresses of the Directors are as follows:

| <b>Name</b>   | <b>Address</b>   |
|---|--|
| Mr Lew Syn Pau<br>(Chairman)                        | 20 Leonie Hill<br>#02-26 Block B<br>Leonie Tower<br>Singapore 239222 |
| Mr Gregory Goodman<br>(Deputy Chairman)             | 5 Bradleys Road<br>Mosman NSW 2088<br>Australia                      |
| Ms Chong Siak Ching                                 | 1 Matlock Rise<br>Singapore 358561                                   |
| Mr James T Hodgkinson                               | 17 Middle Head Road<br>Mosman NSW 2088<br>Australia                  |
| Mr Swee Kee Siong                                   | 1 Capricorn Drive<br>Singapore 579555                                |
| Mr David Wong Cheong Fook<br>(Independent Director) | 14 Joan Road<br>Singapore 298892                                     |
| Mr Benedict Kwek Gim Song<br>(Independent Director) | 30 Mount Elizabeth #06-34<br>Singapore 228519                        |
| Mr Thai Chee Ken<br>(Independent Director)          | 118 Coronation Road West<br>Singapore 269342                         |

## 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 or such other indicated date are as follows:

| Substantial Unitholder                           | Direct interest | Percentage of issued and outstanding Units | Deemed interest | Percentage of issued and outstanding Units |
|--|-----------------|--|-----------------|--|
| Ascendas Land (Singapore) Pte Ltd                | 231,559,613     | 19.90%                                     | —               | —  |
| Ascendas Pte Ltd                                 | —               | —  | 240,264,211     | 20.65%                                     |
| MGM Singapore Pte. Ltd.                          | 75,895,696      | 6.52%                                      | —               | —  |
| The Capital Group Companies, Inc. <sup>(1)</sup> | 89,718,000      | 7.71%                                      | —               | —  |

**Note:**

(1) As at 17 August 2005

## 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, being the day immediately 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   | 33,593,000    |
| 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    |
| November 2004  | 1.82                       | 1.55   | 39,929,000    |
| December 2004  | 1.74                       | 1.67   | 49,340,000    |
| January 2005   | 1.97                       | 1.69   | 30,484,000    |
| February 2005  | 1.98                       | 1.85   | 28,709,000    |
| March 2005   | 1.97                       | 1.88   | 46,829,000    |
| April 2005   | 2.04                       | 1.87   | 49,800,000    |
| May 2005   | 2.17                       | 1.98   | 38,703,000    |
| June 2005  | 2.31                       | 2.08   | 49,988,000    |
| July 2005  | 2.37                       | 2.24   | 42,516,000    |
| August 2005  | 2.38                       | 2.20   | 59,105,000    |
| 1 September 2005 up till the Latest Practicable Date | 2.29                       | 2.23   | 19,623,000    |

Source: Bloomberg

## LAST AUDITED BALANCE SHEET OF A-REIT

Balance Sheet as at 31 March 2005

|                                       | S\$ | '000             |
|---------------------------------------|-----|------------------|
| <b>Non-current assets</b>             |     |                  |
| Investment properties                 |     | <u>2,076,893</u> |
| <b>Current assets</b>                 |     |                  |
| Trade and other receivables           |     | 32,335           |
| Cash and cash equivalents             |     | <u>5,164</u>     |
|                                       |     | <u>37,499</u>    |
| <b>Current liabilities</b>            |     |                  |
| Trade and other payables              |     | <u>(65,602)</u>  |
| <b>Net current liabilities</b>        |     | <u>(28,103)</u>  |
| <b>Non-current liabilities</b>        |     |                  |
| Other payables                        |     | (67,330)         |
| Interest-bearing borrowings           |     | <u>(556,000)</u> |
|                                       |     | <u>(623,330)</u> |
| <b>Net assets</b>                     |     | <u>1,425,460</u> |
| Represented by:                       |     |                  |
| Unitholders' funds                    |     | <u>1,425,460</u> |
| <b>Units on issue ('000)</b>          |     | <u>1,160,557</u> |
| <b>Net asset value per Unit (S\$)</b> |     | <u>1.23</u>      |

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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 19 September 2005 and whose addresses registered with CDP were in Singapore as at 19 September 2005, who had a rights mailing address or who had prior to 19 September 2005 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 Lead Manager and Underwriter reserves 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 Lead Manager and Underwriter 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 Lead Manager and Underwriter 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 Lead Manager and Underwriter 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 one New Unit for every 20 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, 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 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 29 September 2005**. 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 29 SEPTEMBER 2005 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH CDP; OR**
- (B) 9:30 P.M. ON 29 SEPTEMBER 2005 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 29 September 2005** or through any ATM of the Participating Banks by **9:30 p.m. on 29 September 2005** 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 29 September 2005. 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 Lead Manager and Underwriter (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 29 September 2005 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 Lead Manager and Underwriter (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 Lead Manager and Underwriter 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 Lead Manager and Underwriter 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 Lead Manager and Underwriter, the Participating Banks and the Unit Registrar and other events beyond the control of CDP, the Manager, the Lead Manager and Underwriter, the Participating Banks and the Unit Registrar and if, in any such event, CDP and/or the Manager and/or the Lead Manager and Underwriter, 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 Lead Manager and Underwriter, 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 23 September 2005 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 29 September 2005 or such other time as the Lead Manager and Underwriter (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 Lead Manager and Underwriter 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 Lead Manager and Underwriter 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 29 September 2005 or such other time or date as the Lead Manager and Underwriter (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 Lead Manager and Underwriter 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 Lead Manager and Underwriter and not otherwise, notwithstanding any payment received by or on behalf of the Lead Manager and Underwriter.

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 Lead Manager and Underwriter (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 Lead Manager and Underwriter and CDP are entitled and the Applicant hereby authorises the Lead Manager and Underwriter 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 Lead Manager and Underwriter shall be conclusive and binding on him.**
18. The Applicant irrevocably requests and authorises CDP to accept instructions from the Lead Manager and Underwriter in respect of the number of New 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 PREF 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.



**LIST OF PARTICIPATING BANKS**

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

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# THE PROPERTIES



## ASCENDAS PROPERTIES

- 1 138 Depot Road
- 2 Hamilton Sundstrand Building
- 3 Hoya Building
- 4 LogisHub@Clementi
- 5 Techquest
- 6 Techview
- 7 Thales Building

## OTHER PROPERTIES

- 8 1 Changi South Lane
- 9 1 Jalan Kilang
- 10 11 Tampines Street 92
- 11 Cityneon Design Centre
- 12 NESS Building
- 13 NNB Industrial Building
- 14 SENKEE Logistics Hub





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