

**CIRCULAR DATED 18 FEBRUARY 2004**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Approval in-principle has been obtained from Singapore Exchange Securities Trading Limited (the "SGX-ST") for the Equity Fund Raising (as defined herein) and for the listing and quotation of the 160,500,000 New Units (as defined below) on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the Equity Fund Raising, the Acquisitions (as defined herein), Ascendas Real Estate Investment Trust ("A-REIT"), Ascendas-MGM Funds Management Limited (as the manager of A-REIT) (the "Manager"), or the New Units.

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



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

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

Macquarie Goodman



OFFER AND PLACEMENT OF 160,500,000 NEW UNITS IN A-REIT ("NEW UNITS") AT AN ISSUE PRICE OF S\$1.16 FOR EACH NEW UNIT (THE "ISSUE PRICE") BY WAY OF:

- (A) A PREFERENTIAL OFFERING OF 82,006,076 NEW UNITS TO SINGAPORE REGISTERED UNITHOLDERS (AS DEFINED HEREIN) ON A NON-RENOUNCEABLE BASIS OF THREE NEW UNITS FOR EVERY TWENTY OF THE EXISTING UNITS (AS DEFINED HEREIN) HELD AS AT 5.00 P.M. ON 16 FEBRUARY 2004 (THE "BOOKS CLOSURE DATE"), FRACTIONS OF A UNIT TO BE DISREGARDED (THE "PREFERENTIAL OFFERING");
- (B) AN OFFERING OF 16,050,000 NEW UNITS TO RETAIL INVESTORS IN SINGAPORE THROUGH THE AUTOMATED TELLER MACHINES ("ATMS") OF THE PARTICIPATING BANKS (AS DEFINED HEREIN) (THE "ATM OFFERING"); AND
- (C) A PLACEMENT OF 62,443,924 NEW UNITS (THE "PRIVATE PLACEMENT") TO RETAIL AND INSTITUTIONAL INVESTORS.

**JOINT LEAD MANAGERS AND UNDERWRITERS FOR THE EQUITY FUND RAISING**



**IMPORTANT DATES AND TIMES**

Opening date and time for the Preferential Offering and the ATM Offering	: 19 February 2004 at 9.00 a.m.
Closing date and time for the ATM Offering	: 26 February 2004 at 12.00 noon
Closing date and time for the Preferential Offering	: Acceptance Form (as defined herein) – 26 February 2004 at 4.45 p.m. ATM - 26 February 2004 at 9.30 p.m.

*The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossaries on pages 18 to 20 and 37 to 40 of this Circular.*

## **OVERVIEW**

### **PLACEMENT OF 160,500,000 NEW UNITS IN ASCENDAS REAL ESTATE INVESTMENT TRUST**

At the Extraordinary General Meeting ("EGM") of the Unitholders of A-REIT held on 10 February 2004, resolutions relating to the Equity Fund Raising to partly fund the proposed acquisitions of five properties, as set out in the Notice of EGM dated 19 January 2004, were duly passed.

Accordingly, the Manager is issuing 160,500,000 New Units at the Issue Price of S\$1.16 for each New Unit for placement by the Joint Lead Managers and Underwriters by way of the Preferential Offering, the ATM Offering and the Private Placement.

## **PARTICIPATION IN THE EQUITY FUND RAISING**

Existing Unitholders and investors can participate in the Equity Fund Raising through the following ways:

### **PREFERENTIAL 3-FOR-20 OFFERING TO EXISTING UNITHOLDERS**

Singapore Registered Unitholders have the opportunity to participate in the Preferential Offering of 82,006,076 New Units at the Issue Price, on a non renounceable basis, of three New Units for every twenty of the Existing Units held as at the Books Closure Date (fractions of a Unit to be disregarded).

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

- \* ATMs of DBS Bank (including POSB ATMs), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited, using cash; or
- \* Acceptance Forms accompanied by cashier's orders or banker's drafts.

Singapore Registered Unitholders who have used their CPF funds to purchase their Existing Units can only accept their provisional allocations of New Units by instructing the relevant banks in which they hold their CPF Investment Accounts to do so on their behalf.

### **THE ATM OFFERING**

Retail investors can subscribe for 16,050,000 New Units offered in Singapore through:

- \* ATMs of DBS Bank (including POSB ATMs), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited, using cash and/or CPF funds.

In the event of an over-subscription for the New Units offered under the ATM Offering as at the close of the ATM Offering, the successful applicants for the New Units under the ATM Offering shall be determined by ballot.

### **THE PRIVATE PLACEMENT**

Retail and institutional investors can also subscribe for the 62,443,924 New Units offered under the Private Placement.

## **INDICATIVE TIMETABLE**

### **EVENT**

### **DATE AND TIME**

Commencement of the Preferential Offering and the ATM Offering	: 19 February 2004 at 9.00 a.m.
Close of the ATM Offering	: 26 February 2004 at 12.00 noon
Close of the Preferential Offering	: Acceptance Form – 26 February 2004 at 4.45 p.m. ATM – 26 February 2004 at 9.30 p.m.
Commencement of trading of the New Units	: 4 March 2004 at 2.00 p.m.
Date of payment of the Advance Distribution	: On or about 26 April 2004

## CHANGI INTERNATIONAL LOGISTICS CENTRE



19 Loyang Way

*Description* A multi-tenanted distribution facility with a four-storey office building and a two-storey warehouse in the front block and an eight-storey office building and a four-storey warehouse in the rear block.

*Net lettable area (sqm)* 39,787

*Title* Leasehold of 30 years commencing 16 October 1990, with an option to renew for a further 30 years.

*Average occupancy<sup>(1)</sup>* 81%

*Major tenant* Zuellig Pharma Pte Ltd

*Valuation (S\$M)* 45.6

*Purchase price (S\$M)* 45.6

*Net property income<sup>(2)</sup> (S\$M)* 3.9

*Property yield before costs (%)* 8.6

## IDS LOGISTICS CORPORATE HEADQUARTERS



279 Jalan Ahmad Ibrahim

*Description* A four-storey logistics centre with an ancillary office building, and a single-storey rack clad building which incorporates an automated storage and retrieval system.

*Net lettable area (sqm)* 21,883

*Title* Leasehold of 30 years commencing 1 September 1998, with an option to renew for a further 28 years.

*Average occupancy<sup>(1)</sup>* 100%

*Major tenant* IDS Logistics Services Pte. Ltd.

*Valuation (S\$M)* 50.0

*Purchase price (S\$M)* 50.0

*Net property income<sup>(2)</sup> (S\$M)* 4.1

*Property yield before costs (%)* 8.2

## SIEMENS CENTRE



60 Macpherson Road

*Description* An industrial building comprising a total of 15 storeys and eight levels of parking, as well as a two-storey office building with amenities.

*Net lettable area (sqm)* 100,000

*Title* Leasehold of 30 years commencing 16 December 2001, with an option to renew for a further 30 years (subject to the approval of the relevant authorities on the further term).

*Average occupancy<sup>(1)</sup>* 100%

*Major tenant* Siemens Pte Ltd

*Valuation (S\$M)* 66.0

*Purchase price (S\$M)* 66.0

*Net property income<sup>(2)</sup> (S\$M)* 6.0

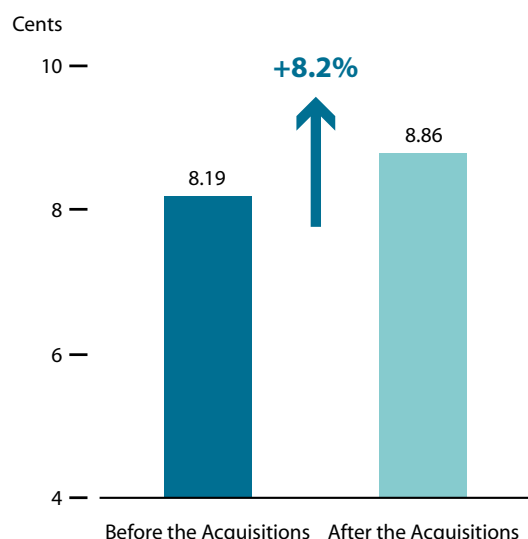
*Property yield before costs (%)* 9.1

<sup>(1)</sup> For the month ended 31 December 2003.

<sup>(2)</sup> In the first year of ownership.

## INCREASED EARNINGS AND DISTRIBUTIONS

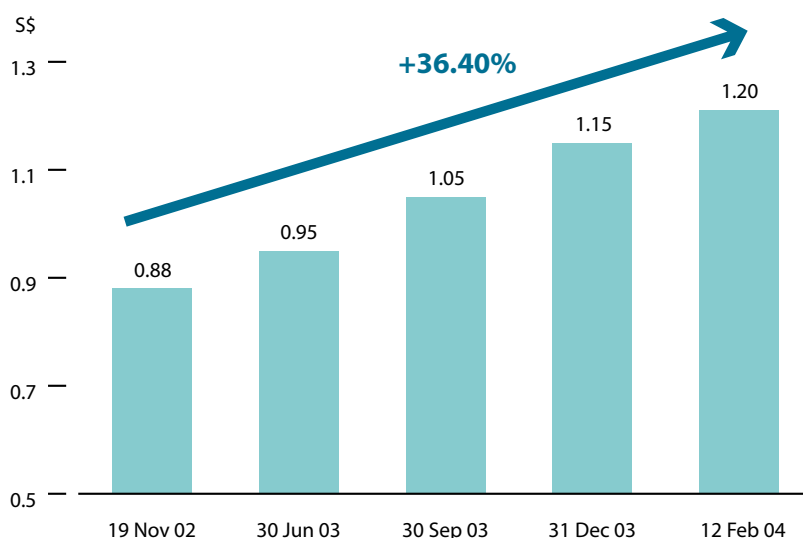
FY2005 FORECAST DPU<sup>(1)</sup>



<sup>(1)</sup> Based on the assumptions set out herein.

## CAPITAL GROWTH

UNIT PRICE PERFORMANCE TO DATE





oad  
 Industrial office/research facility  
 of three buildings, two towers  
 eight storeys respectively as  
 ey annex building with

No.3 Changi North Street 2  
*Description* A part three-storey and part four-storey multi-tenanted industrial cum logistics building.

10 Toh Guan Road  
*Description* A 10-storey office building and a six-storey warehouse with an automated storage and retrieval system.

m) 28,377  
 30 years commencing  
 1, with an option to renew for a  
 subject to confirmation by JTC

*Net lettable area (sqm)* 22,817  
*Title* Leasehold of 60 years commencing 16 November 1996.

*Net lettable area (sqm)* 44,835  
*Title* Leasehold of 30 years commencing 16 October 1995, with an option to renew for a further 30 years.

m).  
 (1) 82%  
 ens Pte Ltd

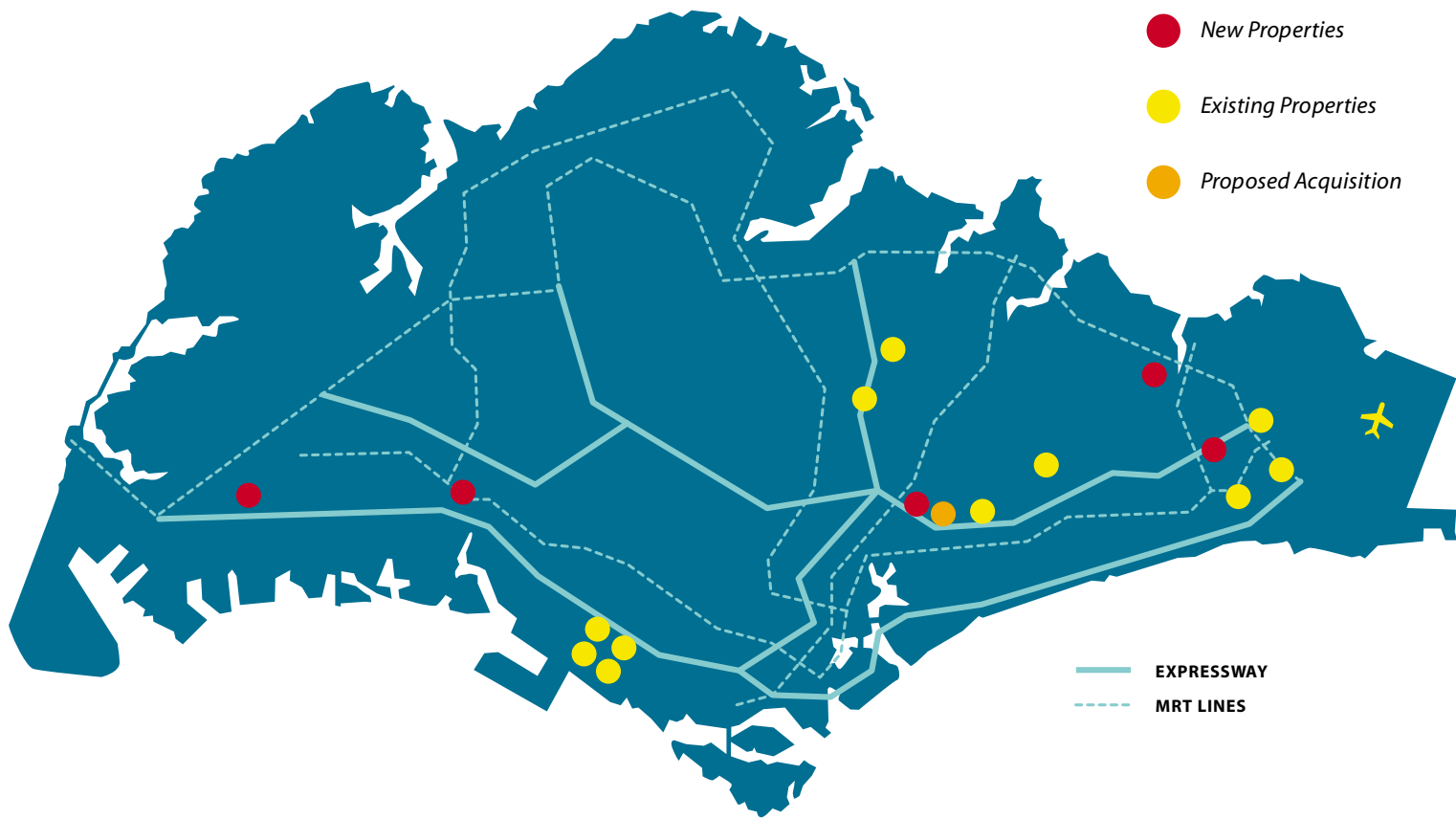
*Average occupancy* <sup>(1)</sup> 100%  
*Major tenants* Trivec (Singapore) Pte Ltd and 3Com Asia Pacific Rim Pte Ltd

*Average occupancy* <sup>(1)</sup> 100%  
*Major tenant* TT International Tradepark Limited

.0  
 ) 65.8  
 e<sup>(2)</sup> (\$M) 4.4  
 e costs (%) 8.3

*Valuation (\$M)* 32.0  
*Purchase price (\$M)* 32.0  
*Net property income* <sup>(2)</sup> (\$M) 2.7  
*Property yield before costs (%)* 8.4

*Valuation (\$M)* 92.0  
*Purchase price (\$M)* 92.0  
*Net property income* <sup>(2)</sup> (\$M) 6.5  
*Property yield before costs (%)* 7.9



## 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, the Manager, the Trustee or the Joint Lead Managers and Underwriters. Save as expressly stated in this Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of A-REIT or the Manager. Neither the delivery of this Circular nor the issue of the New Units shall, under 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 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. 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.

The Joint Lead Managers and Underwriters make no representation, warranty or recommendation whatsoever as to the merits of the Equity Fund Raising, the Acquisitions, the New Units, 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 (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).

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

The financial statements of A-REIT for the period from 9 October 2002 (being the date of A-REIT’s inception) to 31 March 2003 and the unaudited interim financial statements of A-REIT for the period ended 31 December 2003, in each case prepared under Singapore Statements of Accounting Standards and in the English language (the “**Financial Statements**”) 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 in the Financial Statements 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.

The Manager will provide, without charge, to each person to whom a copy of this Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Manager at its registered office set out in 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.

## DISCLAIMERS

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), 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 of S\$1.16 per New Unit and on the Manager's assumptions as explained in Appendix 4 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 under the Equity Fund Raising. 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 any of it can be achieved. You should read the whole of this Circular for details of the forecasts, consider the assumptions used and make your own assessment of the future performance of A-REIT before deciding whether to subscribe for or purchase the New Units.

## CORPORATE INFORMATION

<b>Directors of Ascendas-MGM Funds Management Limited (the Manager of Ascendas Real Estate Investment Trust)</b>	Mr Lew Syn Pau (Chairman) Mr David Clarke (Deputy Chairman) Ms Chong Siak Ching Mr Gregory Goodman Mr Swee Kee Siong Mr David Wong Cheong Fook (Independent Director) Mr Benedict Kwek Gim Song (Independent Director) Mr Thai Chee Ken (Independent Director) Mr James T Hodgkinson (Alternate Director to Mr David Clarke)
<b>Registered Office of Ascendas-MGM Funds Management Limited</b>	75 Science Park Drive #01-03 CINTECH II Singapore Science Park I Singapore 118255
<b>Trustee of Ascendas Real Estate Investment Trust</b>	Bermuda Trust (Singapore) Limited 20 Raffles Place #13-01/05 Ocean Towers Singapore 048620
<b>Joint Lead Managers and Underwriters</b>	Citigroup Global Markets Singapore Pte. Ltd. 1 Temasek Avenue #39-02 Millenia Tower Singapore 039192  DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809  J.P. Morgan (S.E.A.) Limited 168 Robinson Road 17 <sup>th</sup> Floor Capital Tower Singapore 068912
<b>Legal Adviser for the Acquisitions and the Equity Fund Raising, and to the Manager</b>	Allen & Gledhill 36 Robinson Road #18-01 City House Singapore 068877
<b>Legal Adviser to the Trustee</b>	Shook Lin & Bok 1 Robinson Road #18-00 AIA Tower Singapore 048542
<b>Unit Registrar and Unit Transfer Office</b>	Lim Associates (Pte) Ltd 10 Collyer Quay #19-08 Ocean Building Singapore 049315
<b>Independent Accountants</b>	KPMG Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581



**Expert for the Review of Profit  
Forecast Assumptions**

KPMG Corporate Finance Pte Ltd  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

**Independent Valuers**

CB Richard Ellis (Pte) Ltd  
6 Battery Road #32-01  
Singapore 049909

Colliers International Consultancy and Valuation  
(Singapore) Pte Ltd  
50 Raffles Place  
#18-01 Singapore Land Tower  
Singapore 048623

Jones Lang LaSalle Property Consultants Pte Ltd  
9 Raffles Place  
#39-00 Republic Plaza  
Singapore 048619

## TABLE OF CONTENTS

	<i>Page</i>
Summary of the Equity Fund Raising . . . . .	1
Introduction . . . . .	4
Terms of the Equity Fund Raising . . . . .	5
Foreign Selling Restrictions . . . . .	8
Adjustment to the Distribution Period . . . . .	11
Purpose of the Equity Fund Raising and Use of the Net Proceeds . . . . .	12
Offer Information Statement . . . . .	13
Quotation and Dealings . . . . .	14
Consents . . . . .	15
Responsibility Statements . . . . .	16
Documents on Display . . . . .	17
Glossary . . . . .	18

### **ANNEXURES**

Annexure A — Offer Information Statement . . . . .	21
Annexure B — Procedures for Acceptance of and Payment for New Units Under the Preferential Offering by Singapore Registered Unitholders . . . . .	73
Annexure C — Terms, Conditions and Procedures for Application for New Units Under the ATM Offering . . . . .	83
Annexure D — List of Participating Banks and Authorised Trading Centres . . . . .	93

## 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 at pages 18 to 20 of this Circular.*

- Equity Fund Raising : The offer and placement of 160,500,000 New Units by the Joint Lead Managers and Underwriters by way of the Preferential Offering, the ATM Offering and the Private Placement.
- Issue Price : S\$1.16 for each New Unit<sup>1</sup>, payable in full on acceptance and/or application.
- Preferential Offering : 82,006,076 New Units offered to Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date (fractions of a Unit to be disregarded) for subscription at the Issue Price.

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

Acceptance 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.

- Eligibility of Unitholders to participate in the Preferential Offering : Only Singapore Registered Unitholders have been provisionally allocated New Units under the Preferential Offering.
- ATM Offering : 16,050,000 New Units offered to retail investors in Singapore through the ATMs of the Participating Banks at the Issue Price.

All applications under the ATM Offering must be made in accordance with the “Terms, Conditions and Procedures for Application for New Units under the ATM Offering” set out in Annexure C of this Circular. The minimum application under the ATM Offering is for 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000 New Units.

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<sup>1</sup> The Trust Deed provides that the issue price of the New Units must not comprise more than a 5.0% discount to the weighted average price for trades done on the SGX-ST on the day the Placement Agreement is signed. The weighted average price shall be calculated based on the trades done for a full market day or, if trading in the Units is not available for a full market day, the weighted average price shall be calculated based on the trades done on the preceding market day up to the time the Placement Agreement is signed. The Issue Price of S\$1.16 for each New Unit complies with the Trust Deed requirement described herein.

Private Placement : The placement of 62,443,924 New Units to retail and institutional investors at the Issue Price.

Temporary counter for the trading of board lots of 50 Units : The New Units are traded in board lots of 1,000 Units. However, approval has been obtained from the SGX-ST for the setting up of a temporary counter to allow Unitholders and investors to trade in board lots of 50 Units. This temporary counter will be maintained for one calendar month from the date of listing of the New Units. Based on the expected listing date of 4 March 2004 for the New Units, this temporary counter is expected to be available from 4 March 2004 to 3 April 2004, both dates inclusive. After 3 April 2004, Unitholders and investors can trade in odd lots of Units in the SGX-ST's Unit Share Market.

**This measure is strictly of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Units after 3 April 2004 may find difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Units.**

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

In the event that the New Units offered under the ATM Offering are not fully taken up, the number of such New Units that are not taken up will be made available to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand and *vice versa*.

Status of the New Units : The New 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 day the New Units are issued to 30 September 2004 as well as all distributions thereafter. **For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.**

Underwriting : Save in respect of the provisional allocations of New Units under the Preferential Offering to Ascendas Land (Singapore) Pte Ltd ("**Ascendas**"), MGM Singapore Pte. Ltd. ("**MGM Singapore**") and the Manager, and the placement of New Units under the Private Placement to Ascendas and MGM Singapore, the Equity Fund Raising is underwritten by the Joint Lead Managers and Underwriters at the Issue Price.

## INDICATIVE TIMETABLE

<u>Event</u>	<u>Date and Time</u>
Commencement of the Preferential Offering and the ATM Offering	: 19 February 2004 at 9.00 a.m.
Close of the ATM Offering	: 26 February 2004 at 12.00 noon
Close of the Preferential Offering	: Acceptance Form — 26 February 2004 at 4.45 p.m. ATM — 26 February 2004 at 9.30 p.m.
Balloting of applications under the ATM Offering (if necessary)	: 2 March 2004
Commencement of trading of the New Units	: 4 March 2004 at 2.00 p.m.
Date of payment of the Advance Distribution	: On or about 26 April 2004

## INTRODUCTION

### 1. The Equity Fund Raising

Ascendas-MGM Funds Management Limited, as manager of A-REIT, is issuing 160,500,000 New Units for placement by the Joint Lead Managers and Underwriters at the Issue Price (the “**Equity Fund Raising**”). The Equity Fund Raising will consist of:

- (i) the Preferential Offering of 82,006,076 New Units to Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date (fractions of a Unit to be disregarded), for subscription at the Issue Price;
- (ii) the ATM Offering of 16,050,000 New Units to retail investors in Singapore through the ATMs of the Participating Banks at the Issue Price; and
- (iii) the Private Placement of 62,443,924 New Units to retail and institutional investors at the Issue Price.

### 2. Unitholders' Approval

At the Extraordinary General Meeting of Unitholders held on 10 February 2004, the Unitholders passed, *inter alia*, an extraordinary resolution approving the issue and offer of 160,500,000 New Units by A-REIT for the purposes of the Equity Fund Raising.

### 3. Underwriting

Save in respect of the provisional allocations of New Units under the Preferential Offering to Ascendas, MGM Singapore and the Manager, and the placement of New Units under the Private Placement to Ascendas and MGM Singapore, the Equity Fund Raising is underwritten by the Joint Lead Managers and Underwriters at the Issue Price pursuant to the Placement Agreement.

## TERMS OF THE EQUITY FUND RAISING

### 1. The Preferential Offering

The 82,006,076 New Units under the Preferential Offering are being offered to Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date (fractions of a Unit to be disregarded) for subscription at the Issue Price.

Singapore Registered Unitholders, including the Restricted Placees (such as the directors of the Manager (“**Directors**”), their immediate family<sup>2</sup> and Substantial Unitholders), 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(1) of the Listing Manual.

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

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

The making of the Preferential Offer 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 CDP-registered addresses, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore 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.

Subject to the exceptions described below, Singapore Registered Unitholders (except those who are Restricted Placees) may also, in addition to accepting their provisional allocations of New Units under the Preferential Offering, apply for New Units under the ATM Offering and the Private Placement. Notwithstanding the foregoing:

- (i) as approved at A-REIT’s EGM held on 10 February 2004, each of Ascendas, MGM Singapore, The Capital Group of Companies, Inc. (“**Capital Group**”) and Prudential Asset Management (Singapore) Limited (“**Prudential**”) (all of which are Substantial Unitholders) may apply for up to such number of New Units under the Private Placement as would be required to maintain its proportionate unitholding at its pre-placement level (in percentage terms) as at 15 January 2004; and
- (ii) Directors and their immediate family may apply for New Units under the ATM Offering as the SGX-ST’s waiver of the requirements under Rule 812(1) of the Listing Manual (as referred to above) also extends to allowing such applications by the Directors and their immediate family.

### 2. The ATM Offering

16,050,000 New Units will be offered to applicants under the ATM Offering at the Issue Price. All applications under the ATM Offering must be made in accordance with the “Terms, Conditions and Procedures for Application for New Units under the ATM Offering” set out in Annexure C of this Circular. The minimum application under the ATM Offering is for 1,000 New Units. An applicant may apply for a larger number of New Units under the ATM Offering in integral multiples of 1,000 New Units.

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<sup>2</sup> The spouse, children, adopted children, step-children, siblings and parents of the Directors of the Manager.

In the event of an over-subscription for the New Units offered under the ATM Offering as at the close of the ATM Offering, the successful applicants for the New Units under the ATM Offering shall be determined by ballot.

### **3. Private Placement**

The 62,443,924 New Units under the Private Placement will be placed by the Joint Lead Managers and Underwriters to retail and institutional investors at the Issue Price.

### **4. Temporary Counter for the Trading of Board Lots of 50 Units**

The Units are traded in board lots of 1,000 Units. However, approval has been obtained from the SGX-ST for the setting up of a temporary counter to allow Unitholders and investors to trade in board lots of 50 Units. This temporary counter will be maintained for one calendar month from the date of listing of the New Units. Based on the expected listing date of 4 March 2004 for the New Units, this temporary counter is expected to be available from 4 March 2004 to 3 April 2004, both dates inclusive. After 3 April 2004, Unitholders and investors can trade in odd lots of Units in the SGX-ST's Unit Share Market.

**This measure is strictly of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Units after 3 April 2004 may find difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Units.**

### **5. Re-allocations**

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

In the event that the New Units offered under the ATM Offering are not fully taken up, the number of such New Units that are not taken up will be made available to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand and *vice versa*.

### **6. Undertakings by Ascendas, MGM Singapore and the Manager**

Ascendas, MGM Singapore and the Manager, who own an aggregate of 153,332,175 Units as at the Latest Practicable Date (comprising approximately 28.1% of the Existing Units), have each given an undertaking to the Joint Lead Managers and Underwriters, the Trustee and (in the case of Ascendas and MGM Singapore) the Manager to take up their respective provisional allocations of 16,106,250, 6,637,500 and 256,076 New Units under the Preferential Offering. Ascendas and MGM Singapore have also given an undertaking to the Joint Lead Managers and Underwriters, the Trustee and the Manager to take up 15,416,452 and 6,353,229 New Units respectively under the Private Placement to maintain their proportionate unitholdings following the completion of the Equity Fund Raising at their pre-placement levels of 19.64% and 8.09% (both as at 15 January 2004), respectively.



The following table sets out the unitholdings of each of the identified Substantial Unitholders in the event that they each subscribe for their provisional allocation of New Units under the Preferential Offering and subscribe for and are allocated the maximum number of New Units they are permitted to subscribe for under the Private Placement:

	Unitholdings as at 15 January 2004		Unitholdings as at the Latest Practicable Date		Unitholdings Assuming Subscriptions Under the Preferential Offering Only <sup>(1)</sup>		Unitholdings Assuming Subscriptions Under Both the Preferential Offering and the Private Placement <sup>(2)</sup>	
Ascendas	107,375,000	19.64%	107,375,000	19.64%	123,481,250	17.46%	138,897,702	19.64%
MGM Singapore	44,250,000	8.09%	44,250,000	8.09%	50,887,500	7.20%	57,240,729	8.09%
Capital Group	40,860,000	7.47%	40,860,000	7.47%	46,989,000	6.64%	52,855,507	7.47%
Prudential	38,463,000	7.04%	40,425,000	7.39%	46,488,750	6.57%	49,787,385	7.04%

Notes:

- (1) Assuming each of the identified Substantial Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering only.
- (2) Assuming each of the identified Substantial Unitholders subscribes for its provisional allocation of New Units under the Preferential Offering and subscribes for and is allocated the maximum number of New Units it is permitted to subscribe for under the Private Placement.

## 7. Status of the New Units

The New Units will, upon issue, rank *pari passu* in all respects with the then existing Units, including the right to any distribution which may be paid for the period from the day the New Units are issued to 30 September 2004 as well as all distributions thereafter. **For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.**

## FOREIGN SELLING RESTRICTIONS

### 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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each of the Joint Lead Managers and Underwriters has agreed that, except as permitted by the Placement Agreement, it will not offer or sell the New Units (i) as part of their distribution at any time or (ii) otherwise until 40 days after the latter of the commencement of the Equity Fund Raising and the closing of the Equity Fund Raising, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells New Units during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the New Units within the United States or to, or for the account or benefit of, U.S. persons. 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 to non-U.S. persons 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 a dealer that is not participating in the Equity Fund Raising may violate the registration requirements of the Securities Act.

### United Kingdom

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

Rather the communication of this Circular is only being made by persons authorised to carry on regulated activities under the Financial Services and Markets Act 2000 (“**Authorised Persons**”) to (or if to an unrestricted audience of recipients, directed only at) (a) overseas persons; (b) those persons falling within both Articles 14 or 22 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (“**CIS Exemption Order**”) and Articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (“**Financial Promotion Exemptions Order**”); or (c) any person to whom it may otherwise lawfully be made.

By way of explanation, the following persons fall within Articles 14 and 22 of the CIS Exemptions Order and Articles 19 and 49 of the Financial Promotions Exemptions Order:

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

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.

### **Australia**

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

Each person who receives this Circular in Australia warrants that they are a wholesale client within the meaning of section 761G of the Corporations Act 2001, being a person to whom one or more of paragraphs 761G(7)(a), 761G(7)(b), 761G(7)(c) or 761G(7)(d) of the Corporations Act 2001 (Cth) applies.

The offer contained in this Circular is not made to, and is not capable of acceptance by, a person who is a retail client within the meaning of section 761G of the Corporations Act 2001 (Cth).

### **Hong Kong**

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

### **France**

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

### **Italy**

Each Joint Lead Manager and Underwriter and/or 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.

### **Germany**

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

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

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

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

### **Netherlands**

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

## ADJUSTMENT TO THE DISTRIBUTION PERIOD

The prospectus dated 5 November 2002 issued by the Manager in connection with the initial public offering of Units in November 2002 (the “**IPO Prospectus**”) states that A-REIT’s policy is to distribute its distributable income (if any) on a semi-annual basis to Unitholders. The next distribution originally scheduled to take place was to be in respect of A-REIT’s distributable income for the period from 1 October 2003 to 31 March 2004 (the “**Scheduled Distribution**”). However, in conjunction with the Equity Fund Raising, the Manager proposed, and has obtained Unitholders’ approval, to declare a distribution of A-REIT’s distributable income for the period from 1 October 2003 to the day immediately prior to the expected date of issue of the New Units (the “**Advance Distribution**”), in lieu of the Scheduled Distribution. The New Units are expected to be issued on 4 March 2004. The next distribution thereafter will comprise A-REIT’s distributable income for the period from the day the New Units are issued to 30 September 2004. Semi-annual distributions will resume subsequently.

The Advance Distribution is being implemented as a means to ensure fairness to holders of the Existing Units. Under the Advance Distribution, A-REIT’s distributable income up till the day immediately preceding the issue of the New Units (which, at that point, would have been entirely derived from the investments acquired before the New Units are issued) will only be distributed in respect of the Existing Units.

**For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.**

**The Manager currently estimates that the quantum of the distribution per Unit under the Advance Distribution will be between 3.45 cents and 3.55 cents per Unit, and no less than 3.45 cents per Unit.**

## **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 acquisition of all or some of the Properties but may, at its absolute discretion, use the proceeds for acquiring any other suitable property or properties for A-REIT. While the Manager currently intends to apply the proceeds towards partially funding the acquisition of all or some of the Properties, the Equity Fund Raising is not subject to or conditional upon completion of the Acquisitions. The Manager will make periodic announcements of the utilisation of the proceeds of the Equity Fund Raising as and when such funds are disbursed.

The current estimated costs of the Acquisitions (excluding the estimated fees and expenses to be borne by A-REIT in respect of the Equity Fund Raising) are approximately S\$298.3 million, which comprises the purchase prices of the Properties, stamp duty and certain transactional costs relating to the Acquisitions. (See paragraph (f) of the Offer Information Statement in Annexure A of this Circular for a more detailed breakdown of the estimated costs of the Acquisitions.)

At the Issue Price of S\$1.16 per New Unit, the net proceeds to be derived by A-REIT from the Equity Fund Raising, after deducting expenses of up to S\$5.5 million pertaining to the Equity Fund Raising, are estimated to be approximately S\$180.7 million. The Manager intends to finance the balance of the acquisition costs of the Properties as well as certain other cost and expenses related thereto through additional borrowings to be incurred by A-REIT.

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

## **OFFER INFORMATION STATEMENT**

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

## QUOTATION AND DEALINGS

Upon listing and quotation on 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.

The Units are traded in board lots of 1,000 Units. However, approval has been obtained from the SGX-ST for the setting up of a temporary counter to allow Unitholders and investors to trade in board lots of 50 Units. This temporary counter will be maintained for one calendar month from the date of listing of the New Units. Based on the expected listing date of 4 March 2004 for the New Units, this temporary counter is expected to be available from 4 March 2004 to 3 April 2004, both dates inclusive. After 3 April 2004, Unitholders and investors can trade in odd lots of Units in the SGX-ST's Unit Share Market.

**This measure is strictly of a provisional nature. Investors who continue to hold odd-lots of less than 1,000 Units after 3 April 2004 may find difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Units.**



## **CONSENTS**

Each of KPMG, KPMG Corporate Finance Pte Ltd and the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, in the case of KPMG and KPMG Corporate Finance, the Independent Accountants' Report on the Profit Forecast and the Expert's Report on the Profit Forecast Assumptions, respectively, 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 reproduced in this Circular.

The forecast financial information set out in Appendix 4 of the Offer Information Statement have been stated by the Directors of the Manager after due and careful enquiry.

### **2. Responsibility Statement of the Joint Lead Managers and Underwriters**

The Joint Lead Managers and Underwriters confirm that, having made all reasonable enquires and to the best of their 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 contained in this Circular misleading in any material respect.

## DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the 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 Trust Deed;
- (ii) the Placement Agreement dated 18 February 2004;
- (iii) the audited financial statements of A-REIT for the period from 9 October 2002 (being its date of inception) to 31 March 2003;
- (iv) the Independent Accountants' Report on the Profit Forecast;
- (v) the Expert's Report on the Profit Forecast Assumptions;
- (vi) the letter of undertaking dated 16 January 2004 issued by Ascendas setting out the undertakings by Ascendas described in the section of this Circular entitled "Terms of the Equity Fund Raising";
- (vii) the letter of undertaking dated 16 January 2004 issued by MGM Singapore setting out the undertakings by MGM Singapore described in the section of this Circular entitled "Terms of the Equity Fund Raising";
- (viii) the letter of undertaking dated 16 January 2004 issued by the Manager setting out the undertakings by the Manager described in the section of this Circular entitled "Terms of the Equity Fund Raising";
- (ix) the written consents of KPMG, KPMG Corporate Finance Pte Ltd and the Independent Valuers referred to in the section of this Circular entitled "Consents";
- (x) the valuation reports on Changi International Logistics Centre, IDS Logistics Corporate Headquarters and Siemens Center dated 1 December 2003, 1 November 2003 and 10 December 2003, respectively, issued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd;
- (xi) the valuation report on Trivec Building dated 1 December 2003 and issued by Jones Lang Lasalle; and
- (xii) the valuation report on TT International Tradepark dated 14 November 2003 and issued by CB Richard Ellis (Pte) Ltd.

## GLOSSARY

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

“Acceptance Form”	:	The official printed acceptance forms to be used for the purpose of the Preferential Offering and which forms part of this Circular
“Acquisitions”	:	The proposed acquisition by A-REIT of the Properties
“Advance Distribution”	:	The intended distribution of A-REIT’s distributable income for the period from 1 October 2003 to the day immediately prior to the date the New Units are issued under the Equity Fund Raising, in lieu of the Scheduled Distribution. The New Units are expected to be issued on 4 March 2004
“A-REIT”	:	Ascendas Real Estate Investment Trust
“Ascendas”	:	Ascendas Land (Singapore) Pte Ltd
“ATM”	:	Automated teller machine
“ATM Offering”	:	The offering of 16,050,000 New Units to retail investors in Singapore through the ATMs of the Participating Banks at the Issue Price
“Books Closure Date”	:	5.00 p.m. on 16 February 2004, being the time and date on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering
“Capital Group”	:	The Capital Group of Companies, Inc.
“CDP”	:	The Central Depository (Pte) Limited
“Directors”	:	The directors of the Manager
“EGM”	:	The Extraordinary General Meeting of A-REIT held on Tuesday, 10 February 2004
“Equity Fund Raising”	:	The placement of 160,500,000 New Units by the Joint Lead Managers and Underwriters by way of the Preferential Offering, the ATM Offering and the Private Placement
“Existing Units”	:	The 546,707,175 Units in issue as at the Latest Practicable Date
“IPO Prospectus”	:	The prospectus dated 5 November 2002 issued by the Manager in connection with the initial public offering of Units
“Issue Price”	:	S\$1.16, being the issue price per Unit of the New Units to be issued under the Equity Fund Raising
“Joint Lead Managers and Underwriters”	:	Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd and J.P. Morgan (S.E.A.) Limited

“Latest Practicable Date”	:	12 February 2004, being the latest practicable date prior to the issue of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Manager”	:	Ascendas-MGM Funds Management Limited, as manager of A-REIT
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MGM Singapore”	:	MGM Singapore Pte. Ltd.
“New Units”	:	The 160,500,000 new Units to be issued by A-REIT for placement through the Joint Lead Managers and Underwriters under the Equity Fund Raising
“Offer Information Statement”	:	The offer information statement dated 18 February 2004 included in this Circular as Annexure A
“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited, and “Participating Bank” refers to any one of them
“Placement Agreement”	:	The placement agreement dated 18 February 2004 entered into between the Joint Lead Managers and Underwriters and the Manager in connection with the Equity Fund Raising
“Preferential Offering”	:	The preferential offering by the Joint Lead Managers and Underwriters of 82,006,076 New Units to the Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date for subscription at the Issue Price
“Private Placement”	:	The placement of 62,443,924 New Units by the Joint Lead Managers and Underwriters to retail and institutional investors at the Issue Price
“Properties”	:	Changi International Logistics Centre, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building and TT International Tradepark, and “Property” refers to any one of them
“Prudential”	:	Prudential Asset Management (Singapore) Limited
“Regulation S”	:	Regulation S under the Securities Act
“Restricted Places”	:	<ul style="list-style-type: none"> <li>(a) Substantial Unitholders and the Directors of the Manager</li> <li>(b) The spouse, children, adopted children, step-children, siblings and parents of (i) the Directors of the Manager and (ii) 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> </ul>

		(d) Corporations in which the Substantial Unitholders and the Directors of the Manager have an aggregate interest of at least 10.0%
		(e) Any person who, in the opinion of the SGX-ST, falls within categories (a) to (d)
“Scheduled Distribution”	:	The original scheduled distribution of A-REIT’s distributable income for the period from 30 September 2003 to 31 March 2004
“Securities Act”	:	The U.S. Securities Act of 1933
“Securities Account”	:	Securities account maintained by a Depositor (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) with CDP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Singapore Registered Unitholders”	:	Unitholders as at the Books Closure Date other than those whose registered addresses with CDP are outside Singapore 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
“Substantial Unitholder”	:	A person with an interest in one or more Units constituting not less than 5.0% of all Units in issue
“Trust Deed”	:	The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)
“Trustee”	:	Bermuda Trust (Singapore) Limited, as trustee of A-REIT
“Unit”	:	A unit representing an undivided interest in A-REIT
“Unitholder”	:	A holder of Units
“S\$” and “cents”	:	Singapore dollars and cents
“%”	:	Per centum or percentage

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.

## ANNEXURE A

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

#### **OFFER INFORMATION STATEMENT**

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

#### **ASCENDAS REAL ESTATE INVESTMENT TRUST**

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

Date of lodgment: 18 February 2004

***In this Offer Information Statement, capitalised terms not otherwise defined herein have the meaning given to them in the Glossary on pages 37 to 40 of this Offer Information Statement.***

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*

A-REIT is a business and industrial REIT (real estate investment trust) listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). It has a diversified portfolio of eleven properties in Singapore, namely The Alpha, The Aries, The Capricorn, The Gemini, Techplace I, Techplace II, Techlink, Honeywell Building, OSIM Headquarters Building, Ghim Li Building and Ultro Building (the “**Existing Properties**”).

The Manager aims to achieve income stability and long-term growth in the portfolio with the objective of delivering consistent and growing returns to the Unitholders. 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 asset and funds management, including the active management of A-REIT’s properties in order to maintain or improve occupancy levels and net property income.
- **Acquisition growth strategy.** Premium properties that meet the Manager’s investment criteria such as strategic locations and quality tenants will be acquired in order to grow and enhance the portfolio. In this regard, the Manager is continually identifying properties that meet its investment criteria and is currently evaluating a number of properties for acquisition in the near future. Future acquisitions may be financed by debt or equity or a combination of both.
- **Financing growth strategy.** Employing appropriate debt and equity financing policies.

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>
9 October 2002	: A-REIT declared as an authorised unit trust under the Trustees Act, Chapter 337 of Singapore.
5 November 2002	: A-REIT launched initial public offering of Units.
13 November 2002	: A-REIT initial public offering closed five times oversubscribed.
15 November 2002	: Confirmation from the Ministry of Finance that Central Provident Fund (“ <b>CPF</b> ”) members who use CPF funds to purchase Units will be entitled to tax-free distributions.
19 November 2002	: A-REIT commenced trading on the SGX-ST.



<u>Date</u>	<u>Significant Developments</u>
9 December 2002	: Tax transparency extended to Singapore permanent residents who are tax residents in Singapore and non-corporate Singapore constituted or registered entities (e.g. town councils and statutory boards).
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 distributable income had exceeded the distribution 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 distributable income had exceeded the distribution forecast for the same period by 7.8%.  A distribution to Unitholders of 2.78 cents per Unit for the period from 19 November 2002 to 31 March 2003 was announced. The distribution was paid on 26 May 2003.
19 June 2003	: Acquisition of OSIM Headquarters Building for S\$35.0 million.
22 September 2003	: A-REIT entered into a conditional put and call option agreement to acquire a building currently being developed by Ascendas Land (Singapore) Pte Ltd for Infineon Technologies Asia Pacific Ltd for S\$50.9 million.
13 October 2003	: Acquisition of Ghim Li Building for S\$13.5 million.
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 distributable income had exceeded the distribution forecast for the same period by 14.0%.  A distribution to Unitholders of 4.05 cents per Unit for the period from 1 April 2003 to 30 September 2003 was announced. The distribution was paid on 21 November 2003.
30 October 2003	: Acquisition of Ultro Building for S\$18.0 million.
20 November 2003	: A-REIT entered into a conditional put and call option agreement to acquire IDS Logistics Corporate Headquarters for S\$50.0 million.
21 November 2003	: A-REIT entered into a conditional put and call option agreement to acquire TT International Tradepark for S\$92.0 million.
5 December 2003	: A-REIT entered into a conditional put and call option agreement to acquire Trivec Building for S\$32.0 million.
23 December 2003	: A-REIT entered into a conditional put and call option agreement to acquire Changi International Logistics Centre (" <b>CILC</b> ") for S\$45.6 million.
9 January 2004	: A-REIT entered into a conditional put and call option agreement to acquire Siemens Center for S\$65.75 million.
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 distributable income had exceeded the distribution forecast for the same period by 17.1%.

<u>Date</u>	<u>Significant Developments</u>
19 January 2004	: Circular issued to Unitholders seeking approval for, <i>inter alia</i> , the issue of 160,500,000 new units in A-REIT (the “ <b>Proposed Issue</b> ”).
10 February 2004	: Unitholders’ approval obtained for, <i>inter alia</i> , the Proposed Issue.

A-REIT has an opportunity to enlarge its portfolio with the purchase of the Properties (the “**Acquisitions**”). The Manager believes that the inclusion of the Properties in A-REIT’s real estate portfolio will be beneficial to A-REIT and its Unitholders. Subject to securing the necessary financing, the Manager plans to complete the Acquisitions before April 2004 and, in the case of IDS Logistics Corporate Headquarters, may do so before the completion of the Equity Fund Raising through additional borrowings by A-REIT.

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

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

Save as disclosed herein, there have been no material changes in the affairs of A-REIT since its annual report for the financial period ended 31 March 2003.

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

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The Manager is issuing 160,500,000 New Units to partly finance the acquisition of all or some of the Properties. Information on the distribution entitlements and status of the New Units is set out below:

*Consequential Adjustment to the Distribution Period*

The IPO Prospectus states that A-REIT’s policy is to distribute its distributable income (if any) on a semi-annual basis to Unitholders. The next distribution originally scheduled to take place was to be in respect of A-REIT’s distributable income for the period from 1 October 2003 to 31 March 2004 (the “**Scheduled Distribution**”). However, in conjunction with the Equity Fund Raising, the Manager proposed, and has obtained Unitholders’ approval to declare, in lieu of the Scheduled Distribution, a distribution in respect of A-REIT’s distributable income for the period from 1 October 2003 to the day immediately prior to the expected date of issue of the 160,500,000 New Units (the “**Advance Distribution**”). The New Units are expected to be issued on 4 March 2003. The next distribution following the Advance Distribution will comprise A-REIT’s distributable income for the period from the day the New Units are issued to 30 September 2004. Semi-annual distributions will resume subsequently.

The Advance Distribution is being implemented as a means to ensure fairness to holders of the Existing Units. Under the Advance Distribution, A-REIT’s distributable income up till the day immediately preceding the issue of the New Units (which, at that point, would have been entirely derived from the investments acquired before the New Units are issued) will only be distributed in respect of the Existing Units.

**The Manager currently estimates that the quantum of the distribution per Unit under the Advance Distribution will be between 3.45 cents and 3.55 cents per Unit, and no less than 3.45 cents per Unit.**

*Status of the New Units*

The New 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 day the New Units are issued to 30 September 2004 as well as all distributions thereafter. **For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.**

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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	:	S\$1.16 for each New Unit (the “Issue Price”)
Underwriting and selling commission	:	Approximately S\$3.6 million <sup>1</sup>
Professional and other fees and expenses	:	Approximately S\$1.9 million
Estimated net proceeds (being the estimated gross proceeds less the estimated underwriting and selling commission as well as the professional and other fees and expenses incurred by A-REIT in connection with the Equity Fund Raising)	:	Approximately S\$180.7 million

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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 (14 November 2003 to 11 February 2004)	:	Between S\$1.01 per Unit and S\$1.23 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 to use the proceeds of the Proposed Issue for partly financing the acquisition of all or some of the Properties but may, at its absolute discretion, use the proceeds for acquiring any other suitable property or properties for A-REIT. While the Manager

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<sup>1</sup> This figure comprises the underwriting and selling commission payable to the Joint Lead Managers and Underwriters in relation to the Equity Fund Raising. No underwriting and selling commission will be payable to the Joint Lead Managers and Underwriters in respect of New Units taken up by Ascendas, MGM Singapore and the Manager under their respective provisional allocations of New Units under the Preferential Offering and by Ascendas and MGM Singapore under the Private Placement.

currently intends to apply the proceeds towards partially funding the acquisition of all or some of the Properties, the Equity Fund Raising is not subject to or conditional upon completion of the Acquisitions.

The current estimated aggregate acquisition costs of the Properties are approximately S\$298.3 million, comprising:

- (i) the aggregate purchase price of the Properties amounting to S\$285.4 million;
- (ii) stamp duty of S\$8.5 million;
- (iii) the Acquisition Fee of S\$2.8 million (being 1.0% of the aggregate purchase price of the Properties under the Purchase Agreements, payable to the Manager pursuant to the Trust Deed); and
- (iv) estimated professional and other fees and expenses of S\$1.6 million incurred by A-REIT in connection with the Acquisitions.

The Manager intends to finance the remaining costs of the Acquisitions as well as certain other related costs and expenses through additional borrowings, as described below.

*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*

A-REIT has a three-year S\$150.0 million unsecured credit facility (the “**First Facility**”) from Oversea-Chinese Banking Corporation Limited, comprising a S\$80.0 million transferable term loan facility, a S\$65.0 million revolving credit facility and a S\$5.0 million banker’s guarantee facility, of which S\$145.0 million has been drawn down (S\$80.0 million from the transferable term loan facility and S\$65.0 million from the revolving credit facility).

A-REIT has obtained an additional S\$300.0 million unsecured credit facility (the “**Second Facility**”) from Oversea-Chinese Banking Corporation Limited, comprising a S\$200.0 million term loan facility and a S\$100.0 million uncommitted revolving credit facility. As at the Latest Practicable Date, S\$27.8 million has been drawn down from the term loan facility. A-REIT currently intends to borrow up to an additional S\$117.7 million under the term loan facility in the Second Facility to partially fund the Acquisitions.

The actual amount to be borrowed by A-REIT<sup>2</sup> will represent the difference between (a) the acquisition costs of the Properties and the costs and expenses of the Equity Fund Raising, and (b) the gross proceeds of the Equity Fund Raising.

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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 on 9 October 2002 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 are set out in Appendix 3 of this Offer Information Statement.

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<sup>2</sup> The Code on Collective Investment Schemes issued by the Authority permits property funds such as A-REIT to incur additional borrowings of up to 35.0% of their deposited property. The Code on Collective Investment Schemes also provides that if (i) all the borrowings of a property fund are rated at least A (including any sub-categories or gradations therein) by Fitch, Moody’s or Standard & Poor’s or (ii) the credit rating of the fund is at least A (including any sub-categories or gradations therein) as rated by Fitch, Moody’s or Standard & Poor’s, the property fund may borrow more than 35.0% of the fund’s deposited property.

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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;**
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(i) Unitholders' Fund

As at the Latest Practicable Date, there were 546,707,175 Units issued and outstanding.

(ii) Borrowings

As at the Latest Practicable Date, A-REIT has drawn down an aggregate amount of S\$145.0 million from the First Facility, comprising S\$80.0 million from the transferable term loan facility and S\$65.0 million from the revolving credit facility, and has drawn down S\$27.8 million from the term loan facility portion of the Second Facility. The average interest rate in relation to A-REIT's total borrowings is 1.51% excluding margins and 2.27% including margins. This average interest rate is a combination of both fixed interest rates and floating interest rates.

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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 following have been appointed as the Joint Lead Managers and Underwriters for the Equity Fund Raising:

- (i) Citigroup Global Markets Singapore Pte. Ltd.  
1 Temasek Avenue  
#39-02 Millenia Tower  
Singapore 039192
- (ii) DBS Bank Ltd  
6 Shenton Way  
DBS Building Tower One  
Singapore 068809; and
- (iii) J.P. Morgan (S.E.A.) Limited  
168 Robinson Road  
17th Floor Capital Tower  
Singapore 068912

In accordance with the terms and conditions of the placement agreement dated 18 February 2004 entered into between the Manager and the Joint Lead Managers and Underwriters, the Manager will issue 160,500,000 New Units for placement by the Joint Lead Managers and Underwriters by way of the Equity Fund Raising. The Equity Fund Raising will consist of:

- (i) a preferential offering of 82,006,076 New Units to Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date (fractions of a Unit to be disregarded) for subscription at the Issue Price (the "**Preferential Offering**");
- (ii) an offering of 16,050,000 New Units to retail investors in Singapore through the ATMs of the Participating Banks at the Issue Price (the "**ATM Offering**"); and
- (iii) a placement by the Joint Lead Managers and Underwriters of 62,443,924 New Units to retail and institutional investors at the Issue Price (the "**Private Placement**").

**Save in respect of the New Units offered to Ascendas, MGM Singapore and the Manager under the Preferential Offering and to Ascendas and MGM Singapore under the Private Placement, the Equity Fund Raising is underwritten by the Joint Lead Managers and Underwriters at the Issue Price.**

Singapore Registered Unitholders, including the Restricted Placees (such as the Directors of the Manager, their immediate family<sup>3</sup> and Substantial Unitholders), 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(1) of the Listing Manual.

**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.**

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.

Subject to the exceptions described below, Singapore Registered Unitholders (except those who are Restricted Placees) may also, in addition to accepting their provisional allocations of New Units under the Preferential Offering, apply for New Units under the ATM Offering and the Private Placement. Notwithstanding the foregoing:

- (i) as approved at A-REIT's Extraordinary General Meeting held on 10 February 2004, each of Ascendas, MGM Singapore, Capital Group and Prudential (all of which are Substantial Unitholders) may apply for up to such number of New Units under the Private Placement as would be required to maintain its proportionate unitholdings at its pre-placement level (in percentage terms) as at 15 January 2004; and
- (ii) the Directors of the Manager and their immediate family may apply for New Units under the ATM Offering as the SGX-ST's waiver of the requirements under Rule 812(1) of the Listing Manual (as referred to above) also extends to allowing such applications by the Directors and their immediate family.

The making of the Preferential Offer 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 CDP-registered addresses, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore 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.

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

In the event that the New Units offered under the ATM Offering are not fully taken up, the number of New Units that are not taken up will be made available to satisfy excess demand for New Units under the Private Placement to the extent that there is such excess demand and *vice versa*.

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<sup>3</sup> The spouse, children, adopted children, step-children, siblings and parents of the Directors of the Manager.

**(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 (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 2003 (the date on which the last audited balance sheet of the Fund was made up) in the following format:**

<b>Year Ended or Period</b>	<b>Net Investment Income Before Tax (S\$'000)</b>	<b>Taxable Income Available For Distribution To Unitholders<sup>(1)</sup> (S\$'000)</b>	<b>Extraordinary Items (S\$'000)</b>	<b>Distribution Per Unit (cents)</b>
19 November 2002 to 31 March 2003	14,290	15,182	Nil	2.78

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 2003 to 31 December 2003 based on the unaudited accounts of A-REIT for the said period:

<b>Year Ended or Period</b>	<b>Net Investment Income Before Tax (S\$'000)</b>	<b>Taxable Income Available For Distribution To Unitholders<sup>(1)</sup> (S\$'000)</b>	<b>Extraordinary Items (S\$'000)</b>	<b>Distribution Per Unit (cents)</b>
1 April 2003 to 31 December 2003	31,350	33,675	Nil	6.16

Note:

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

**(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**

Average occupancy levels in A-REIT's portfolio have remained stable (83.1% for the three months between 1 October 2003 and 31 December 2003). In addition, the level of gross revenue from committed leases for the forecast period from 1 January 2004 to 31 March 2004 has increased to 98.4% (up from 96.0% announced in October 2003).

The Manager believes that the outlook for A-REIT is positive. Based on the performance of A-REIT's Existing Properties and the financials prepared for the period ended 31 December 2003, the Manager expects that A-REIT will exceed the profit projection outlined in the IPO Prospectus. This outperformance has been primarily due to two important factors:

- A-REIT's properties are situated in preferred locations; and
- the pro-active and professional approach to the management of A-REIT's property portfolio by the Manager.

These two factors, among others, have assisted A-REIT in achieving a distribution of 6.16 cents per Unit for the period from 1 April 2003 to 31 December 2003, which exceeded the original forecast distribution of 5.35 cents<sup>4</sup> per Unit for the same period. Both these factors are similarly expected to position A-REIT well for the financial year ending 31 March 2005.

Having evaluated the Properties, the Manager believes that the acquisition of the Properties for A-REIT will further improve the net property income and distributable income for A-REIT.

#### *Profit Forecast*

The following table summarises A-REIT's forecast income and distributable income for the financial year ending 31 March 2005.

The forecast has been reviewed by KPMG and KPMG Corporate Finance Pte Ltd and should be read together with their reports contained in Appendices 5 and 6 of this Offer Information Statement as well as the assumptions and sensitivity analysis which accompany the detailed forecast income statement in Appendix 4 of this Offer Information Statement.

#### **Forecast Income Statement**

	<b>Year ending 31 March 2005</b>		
	<b>Before the Acquisitions</b>	<b>The Properties</b>	<b>After the Acquisitions<sup>(1)</sup></b>
<b>(\$ million)</b>			
Gross revenue	67.9	31.3	99.2
Property operating expenses	(17.2)	(9.7)	(26.9)
Net property income	50.7	21.6	72.3
Non-property expenses	(10.0)	(5.0)	(15.0)
Net profit	40.7	16.5	57.3
Non-tax deductible expenses	4.3	1.3	5.6
Available for distribution	45.0	17.9	62.9
Weighted average number of Units ('000) <sup>(2)</sup>	549,575		709,991
Units in issue ('000) <sup>(2)</sup>	551,342		712,172
DPU (cents)	8.19		8.86

#### Notes:

- (1) Assuming that 160,500,000 New Units are issued pursuant to the Equity Fund Raising at the Issue Price of S\$1.16 and that the additional borrowings incurred by A-REIT to partly fund the Acquisitions increase A-REIT's Gearing from 24.2% to 25.6% on completion of the Acquisitions and 25.9% as at 31 March 2005.
- (2) Includes Units issued to the Manager in part payment of its management fees, comprising the Base Fee (as defined in the Trust Deed) and the Performance Fee (as defined in the Trust Deed).

In summary, the Manager remains optimistic about the business and financial prospects of A-REIT for the year 2005.

<sup>4</sup> The extrapolated forecast for the nine months from 1 April 2003 to 31 December 2003 has been derived on a best estimate basis by the Manager from the forecast stated in the IPO Prospectus.



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

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

Related party transactions entered into by A-REIT, depending on the materiality of such transactions, may need to be publicly announced and/or approved by Unitholders as the case may be, and will be reviewed by the independent directors of the Manager, the Manager's Audit Committee and subsequently by the Trustee (in accordance with, among other things, the Property Funds Guidelines).

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

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

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

Under the Code on Collective Investment Schemes issued by the Authority, A-REIT is generally only permitted to borrow up to 35.0% of its Deposited Property. 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 at least A (including any sub-categories or gradations therein) as rated by Fitch Inc., Moody's or Standard and Poor's, the property 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\$172.8 million, which represents a Gearing of 24.2%. To partly finance the Acquisitions, the Manager may increase A-REIT's Gearing to up to approximately 25.9%. A-REIT's ability to incur further borrowings thereafter may therefore be limited.

Adverse business consequences of this limitation on borrowings may include:

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

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

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

**Most of the leases for the Existing Properties are for periods of up to three years, which exposes the properties owned by A-REIT to significant rates of lease expiries each year**

Many of the lease agreements for the Existing Properties 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, each of the Existing Properties experiences lease cycles in which a significant number of leases expire each year. The high concentration of expiry rates exposes A-REIT to risks that vacancies following expiry of leases may lead to reduced occupancy levels, which will in turn reduce A-REIT's gross revenue. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases. If a large number of tenants do not renew their leases in a year with a high rate of lease expiries, or if new tenants do not enter into leases on terms that are as or more favourable to the terms of the expiring leases, it could have a material adverse effect on the relevant property, and could affect A-REIT's financial performance and distributions.

The weighted average lease terms to expiry of three out of the five Properties are 10 years or more and the aggregate weighted average lease term of the Properties is 8.1 years. This results in an overall increase in A-REIT's overall weighted average lease term to expiry to 4.6 years as compared to a term of 2.9 years for the Existing Properties.

**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 service charges;
- the Manager's ability to provide adequate management, maintenance or insurance;
- the Manager's ability to collect rent on a timely basis or at all;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, or which could hinder or delay the sale of a property, or inability to collect rentals at all or the termination of the tenant's lease;
- tenants failing to comply with the terms of their leases or commitments to lease;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- 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 the 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 the city planning laws, or the enactment of new laws relating to condemnation and redevelopment.

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

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

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

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

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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;**

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

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**(i) 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;**

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The number of Units owned by each Substantial Unitholder (as recorded in the Register of Substantial Unitholders of A-REIT) at the Latest Practicable Date is set out in Appendix 7 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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- (i) 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.
- (ii) 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 8 of this Offer Information Statement.
- (iii) 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, 899,640 Units were issued at an issue price of S\$0.8674 on 20 June 2003 and 807,535 Units were issued at an issue price of S\$1.0337 per Unit on 5 December 2003.
- (iv) The Units listed in (iii) above were issued as payment of the Base Fee which is payable to Ascendas-MGM Funds Management Limited (in its capacity as the manager of A-REIT) under the Trust Deed for the provision of asset management services to A-REIT for the periods from 19 November 2002 to 18 May 2003 and 19 May 2003 to 18 November 2003, respectively. The values represented by these 899,640 and 807,535 Units are S\$780,347.74 and S\$834,748.90, respectively. The address of Ascendas-MGM Funds Management Limited is 75 Science Park Drive, #01-03 CINTech II, Singapore Science Park I, Singapore 118255.

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**(o) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee of the Fund (in its capacity as trustee of the Fund) is a party, for the period commencing after the Fund was listed on the Singapore Exchange Securities Trading Limited until the Latest Practicable Date, including the date of, parties to and general nature of the contract, and the amount of any consideration passing to or from the Fund;**

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Save for the loan documents entered into by the Trustee (in its capacity as trustee of A-REIT) in connection with the borrowings described in paragraph (f) above and the placement agreement dated 18 February 2004 entered into between the Joint Lead Managers and Underwriters and the Manager in connection with the Equity Fund Raising, there were no material contracts entered into by the Trustee (in its capacity as trustee of A-REIT) or the Manager (in its capacity as manager of A-REIT), 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 18 February 2004.

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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 9 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 per unit of the Fund as of the date on which the last audited balance sheet was made up; and**

The net tangible asset (“**NTA**”) per Unit at 31 March 2003, being the date on which the last audited balance sheet of A-REIT was made up, was S\$0.91. After the distributable income for the period from 1 April 2003 to 30 September 2003 had been distributed to Unitholders on 21 November 2003, the NTA per Unit immediately following the distribution was S\$0.88.

**(ii) the effect of the issue on the net tangible asset per unit.**

The pro forma financial effects of the Proposed Issue and the Acquisitions on the NTA per Unit as at 31 March 2003 (on the basis that the purpose of the Proposed Issue is to partly finance the Acquisitions), as if A-REIT had purchased the Properties on 1 April 2002, and held and operated the Properties through to 31 March 2003, are as follows:

	<b>Completion of the Proposed Issue and the Acquisitions<sup>(1)</sup></b>	
	<b>Before<sup>(2)</sup></b>	<b>After<sup>(2)</sup></b>
NTA (S\$'000)	483,009	663,604
Units in issue ('000)	545,900	706,400
NTA per Unit (S\$)	0.88	0.94

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Notes:

(1) The financial effects are based on the assumptions that the Gearing of A-REIT is increased to 25.9%, that 160,500,000 New Units are issued to partly finance the Acquisitions and that the Properties are recorded in A-REIT's balance sheet at their respective purchase price (including the costs of acquisition).

(2) After distribution of 100.0% of the pro forma distributable income for the period ended 31 March 2003.

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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 18 February 2004

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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:

“Acceptance Forms”	:	The official printed acceptance forms to be used for the purpose of the Preferential Offering and which forms part of this Circular
“Acquisitions”	:	The proposed acquisition by A-REIT of the Properties
“Acquisition Fee”	:	The acquisition fee of S\$2.8 million (being 1.0% of the purchase price of the Properties) which the Manager will be entitled, under Clause 15.2.1 of the Trust Deed, to receive from A-REIT upon the completion of the Acquisitions
“Advance Distribution”	:	The intended distribution of A-REIT’s distributable income for the period from 1 October 2003 to the day immediately prior to the date the New Units are issued under the Equity Fund Raising, in lieu of the Scheduled Distribution. The New Units are expected to be issued on 4 March 2004
“A-REIT” or the “Fund”	:	Ascendas Real Estate Investment Trust
“ASRS”	:	Automated Storage and Retrieval System
“Ascendas”	:	Ascendas Land (Singapore) Pte Ltd
“ATM”	:	Automated teller machine
“ATM Offering”	:	The offering of 16,050,000 New Units to retail investors in Singapore through the ATMs of the Participating Banks at the Issue Price
“Audited Financial Statements of A-REIT”	:	The last audited financial statements of A-REIT for the period from 9 October 2002 (being its date of inception) to 31 March 2003
“Authority”	:	The Monetary Authority of Singapore
“Books Closure Date”	:	5.00 p.m. on 16 February 2004, being the time and date on which the Transfer Books and Register of Unitholders of A-REIT were closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering
“Capital Group”	:	The Capital Group of Companies, Inc.
“CDP”	:	The Central Depository (Pte) Limited
“CILC”	:	The leasehold interest for 30 years commencing 16 October 1990 with an option to renew for a further term of 30 years commencing from the expiry of the initial term (on and subject to the terms and conditions in the lease of the property registered as instrument of lease I/66398M with the Singapore Land Authority) in respect of the whole of Lot 2079X Mukim 31 together with the building erected thereon held by Changi International Logistics Centre Ltd under the lease of the Property and includes certain mechanical and electrical equipment therein or thereon or relating thereto
“Deposited Property”	:	The value of all the gross assets of A-REIT, including all its authorised investments held or deemed to be held upon the trusts under the Trust Deed

“Directors”	:	The directors of the Manager
“DPU”	:	Distribution per Unit (on an annualised basis)
“Equity Fund Raising”	:	The placement of 160,500,000 New Units by the Joint Lead Managers and Underwriters by way of the Preferential Offering, the ATM Offering and the Private Placement
“Existing Properties”	:	The Alpha, The Aries, The Capricorn, The Gemini, Techplace I, Techplace II, Techlink, Honeywell Building, OSIM Headquarters Building, Ghim Li Building and Ultro Building
“Existing Units”	:	The 546,707,175 Units in issue as at the Latest Practicable Date
“First Facility”	:	The S\$150.0 million unsecured credit facility, comprising a S\$80.0 million transferable term loan facility, a S\$65.0 million revolving credit facility and a S\$5.0 million banker’s guarantee facility, granted to A-REIT by Oversea-Chinese Banking Corporation Limited
“Gearing”	:	The ratio of A-REIT’s borrowings to its Deposited Property
“IDS Logistics Corporate Headquarters”	:	The leasehold interest for 30 years commencing 1 September 1998 with an option to renew for a further term of 28 years commencing from the expiry of the initial term in respect of Private Lot A19962 (formerly known as Private Lot A17657) comprised in Lot 2877W (derived from part of Lot 2282C) Mukim 7 as shown on the plan annexed to the building agreement relating to the property together with the building erected thereon held by IDS Logistics Services Pte. Ltd. under the lease of the property
“IPO Prospectus”	:	The prospectus dated 5 November 2002 issued by the Manager in connection with the initial public offering of Units
“Issue Price”	:	S\$1.16, being the price per Unit of the New Units to be issued under the Equity Fund Raising
“Joint Lead Managers and Underwriters”	:	Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd and J.P. Morgan (S.E.A.) Limited
“JTC”	:	Jurong Town Corporation
“Latest Practicable Date”	:	12 February 2004, being the latest practicable date prior to the lodgment of this Offer Information Statement
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Manager”	:	Ascendas-MGM Funds Management Limited, as manager of A-REIT
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MGM Singapore”	:	MGM Singapore Pte. Ltd.
“New Units”	:	The 160,500,000 new Units to be issued by A-REIT for placement through the Joint Lead Managers and Underwriters under the Proposed Issue
“NLA”	:	Net lettable area



“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“Preferential Offering”	:	The preferential offering by the Joint Lead Managers and Underwriters of 82,006,076 New Units to the Singapore Registered Unitholders on a non-renounceable basis of three New Units for every twenty of the Existing Units held as at the Books Closure Date for subscription at the Issue Price
“Private Placement”	:	The placement of 62,443,924 New Units by the Joint Lead Managers and Underwriters to retail and institutional investors at the Issue Price
“Properties”	:	CILC, IDS Logistics Corporate Headquarters, Siemens Center, Trivec Building and TT International Tradepark, and “Property” refers to any one of them
“Property Funds Guidelines”	:	The Property Funds Guidelines in the Code on Collective Investment Schemes issued by the Authority
“Proposed Issue”	:	The issue of 160,500,000 New Units by A-REIT in connection with the Equity Fund Raising
“Prudential”	:	Prudential Asset Management (Singapore) Limited
“Restricted Placees”	:	<ul style="list-style-type: none"> <li>(a) Substantial Unitholders and the Directors of the Manager</li> <li>(b) The spouse, children, adopted children, step-children, siblings and parents of (i) the Directors of the Manager and (ii) 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 Substantial Unitholders and the Directors of the Manager 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>
“Scheduled Distribution”	:	The original scheduled distribution of A-REIT’s distributable income for the period from 1 October 2003 to 31 March 2004
“Second Facility”	:	The S\$300.0 million unsecured credit facility comprising a S\$200.0 million term loan facility and a S\$100.0 million uncommitted revolving credit facility, granted to A-REIT by Oversea-Chinese Banking Corporation Limited
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Siemens Center”	:	The leasehold interest for 30 years commencing 16 December 2001 with an option to renew for a further term of 30 years (subject to confirmation by JTC) in respect of Private Lot A21234 comprised in Government Resurvey Lot 9167T Mukim 24 together with the building erected thereon held by Cobalt Asset Management Ltd under the lease of the Property and includes certain mechanical and electrical equipment in the Property

“Singapore Registered Unitholders”	:	Unitholders as at the Books Closure Date other than those whose registered addresses with CDP are outside Singapore 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
“Substantial Unitholder”	:	A person with an interest in one or more Units constituting not less than 5.0% of all Units in issue
“sqm”	:	Square metre(s)
“Trust Deed”	:	The trust deed constituting A-REIT dated 9 October 2002 entered into between the Trustee and the Manager (as amended)
“Trustee”	:	Bermuda Trust (Singapore) Limited, as trustee of A-REIT
“Trivec Building”	:	The leasehold interest for 60 years commencing 16 November 1996 in respect of Private Lot A21524 formerly known as Private Lot A16688 comprised in Government Survey Lot 3971T (formerly known as Government Survey Lot 2568) Mukim 31 as shown on the plan annexed to the building agreement held by Trivec Singapore Pte Ltd under the lease of the Property
“TT International Tradepark”	:	The leasehold interest for 30 years commencing 16 October 1995 with an option to renew for a further term of 30 years commencing from the expiry of the initial term in respect of Private Lot A17841 (previously known as Private Lot A15506) comprised in Lot 7908 T (derived from Lot 6689K) Mukim 5 as shown on the plan annexed to the building agreement relating to the Property together with the building erected thereon held by T.T. International Tradepark Pte Ltd under the lease of the Property
“Unit”	:	A unit representing an undivided interest in A-REIT
“Unitholder”	:	A holder of Units
“S\$” and “cents”	:	Singapore dollars and cents
“%”	:	Per centum or percentage

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 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.

## APPENDIX 1

### RATIONALE FOR THE ACQUISITIONS

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

#### 1. Increased Earnings and Distributions

The Manager believes that the Acquisitions will improve the earnings and distributions enjoyed by Unitholders because:

- (i) the Properties will be acquired at an attractive price relative to the cash flows they generate. Based on the Manager's forecasts, the Properties will generate a property yield (before acquisition costs and deferred settlement components) of approximately 8.2%, which is higher than the consolidated property yield for the Existing Properties; and
- (ii) the additional borrowings to be incurred to partly finance the Acquisitions will facilitate the enhancement of A-REIT's mix of equity and debt financing by increasing the Gearing of A-REIT from 24.2% to approximately 25.6% (on completion of the Acquisitions) and thereby improve returns to Unitholders.

The Acquisitions are expected to be completed by 31 March 2004 and therefore will have no material impact on A-REIT's results for the financial year ending 31 March 2004. Including the Acquisitions, A-REIT's forecast DPU for the financial year ending 31 March 2005 is 8.86 cents, representing an increase of 8.18% over the forecast distribution of 8.19 cents per Unit for the Existing Properties.

With the above forecast distribution, the New Units will provide a yield to investors of 7.64% compared to the implied yield per Unit on the Existing Properties of 7.06% (based in each case on the Issue Price of S\$1.16 per New Unit).

The following tables set out A-REIT's forecast DPU and indicative distribution yields for the financial year ending 31 March 2005. The forecast has been reviewed by KPMG and KPMG Corporate Finance Pte Ltd and should be read together with their reports contained in Appendices 5 and 6 of this Offer Information Statement as well as the assumptions and sensitivity analysis which accompany the detailed forecast income statement in Appendix 4 of this Offer Information Statement.

#### Forecast DPU

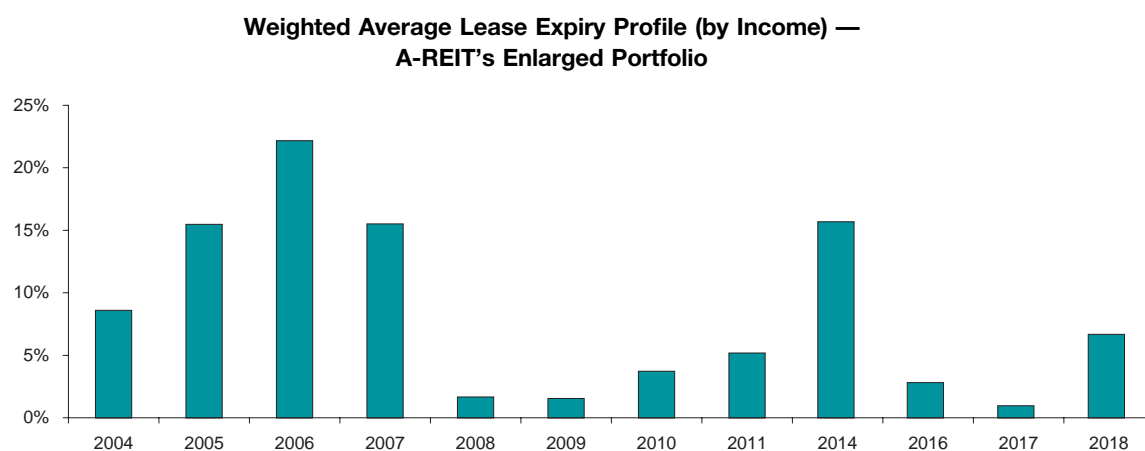
	Year ending 31 March 2005		
	Existing Properties	After the Acquisitions but Without Increased Gearing <sup>(1)(2)</sup>	After the Acquisitions and With Increased Gearing <sup>(1)(3)</sup>
DPU (cents)	8.19	8.76	8.86
DPU improvement over Existing Properties	—	6.96%	8.18%

#### Notes:

- (1) Based on the Issue Price of S\$1.16 per New Unit and the issue of 160,500,000 New Units in the Equity Fund Raising.
- (2) Assuming that the additional borrowings incurred by A-REIT to partly fund the Acquisitions do not alter A-REIT's existing Gearing of 24.2%.
- (3) Assuming that the additional borrowings incurred by A-REIT to partly fund the Acquisitions increases A-REIT's Gearing to 25.6% on completion of the Acquisitions and 25.9% as at 31 March 2005. The assumed increased Gearing of 25.6% is the ratio of total borrowings of S\$257.9 million to A-REIT's Deposited Property of S\$1,009.3 million as at 31 March 2004 (assuming the completion of all of the Properties by this date).

## 2. Enhanced Stability of Earnings and Distributions

The Properties weighted average lease term to expiry of 8.1 years will result in an overall increase in A-REIT's overall weighted average lease term to expiry to 4.6 years as compared to a term of 2.9 years for the Existing Properties. The Manager believes that this improved lease expiry profile will help underpin the stability of A-REIT's earnings and distributions going forward.



## 3. Competitive Strengths

The Manager believes that the Properties benefit from the following 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:
  - (a) CILC is located in Changi and is well serviced by the East Coast Parkway as well as the Pan Island Expressway. It is also within a short drive of Changi International Airport and Singapore Expo.
  - (b) IDS Logistics Corporate Headquarters is located within the Jurong Industrial Estate in the western part of Singapore. It can easily be reached via the Ayer Rajah Expressway and the Pan Island Expressway.
  - (c) Siemens Center is situated in MacPherson Road near the centre of Singapore, fronting the Pan Island Expressway. It is well serviced by major expressways such as the Ayer Rajah Expressway, the Central Expressway and the Pan Island Expressway.
  - (d) Trivec Building is situated within the Changi North Industrial Estate in the eastern part of Singapore and is accessible from both the East Coast Parkway and the Pan Island Expressway. Public transport facilities are readily available along Upper Changi Road East and Upper Changi Road North and it is within 5 minutes' drive of Changi International Airport and Singapore Expo.
  - (e) TT International Tradepark is located at the junction of Toh Guan Road and Boon Lay Way, within the Jurong Industrial Estate sited in the western part of Singapore. Public transportation is available along the main thoroughfare and accessibility is enhanced by its close proximity to the Ayer Rajah Expressway and the Pan Island Expressway as well as the Jurong East MRT station and bus interchange.
- (ii) **Strong Tenancy Profile:** The Properties are mainly occupied by tenants on relatively long leases, as detailed below:
  - (a) Zuellig Pharma Pte Ltd has a number of leases over approximately 45.0% of the space in CILC with varying lease terms, the last of which runs until March 2010.

- (b) IDS Logistics Corporate Headquarters is fully occupied by IDS Logistics Services Pte. Ltd. Upon the acquisition of IDS Logistics Corporate Headquarters by A-REIT, IDS Logistics Services Pte. Ltd. will lease back the Property for a term of 10 years commencing from the date of such acquisition.
- (c) Siemens Pte Ltd occupies 23,233 sqm or 82.0% of Siemens Center on a lease that runs until 30 June 2018.
- (d) TT International Tradepark is currently fully occupied by TT International Limited. Upon the acquisition of TT International Tradepark, T.T. International Tradepark Pte Ltd (a wholly-owned subsidiary of TT International Limited) will lease back the Property for a term of 10 years commencing from the date of such acquisition.

The current weighted average lease term to expiry for the Properties is shown in the table below:

	<b>Weighted Average Lease Term to Expiry</b>
	<b>(Years)</b>
CILC	3.5
IDS Logistics Corporate Headquarters	10.0
Siemens Center	14.6
Trivec Building	2.3
TT International Tradepark	10.0
<b>Total</b>	<b>8.1</b>

- (iii) Quality Tenant Base: The major tenants in the Properties are well-established companies, as detailed below:
- (a) Zuellig Pharma Pte Ltd, the major tenant at CILC, is a leading multinational pharmaceutical and healthcare logistics distribution company with over 80,000 customers.
- (b) IDS Logistics Services Pte. Ltd., the sole occupier of IDS Logistics Corporate Headquarters, is a wholly-owned subsidiary of Li & Fung (Distribution) Ltd. IDS Logistics Services Pte. Ltd. owns and operates over three million square feet of space spread over 40 warehouses and depots and has over 1,500 employees.
- (c) Siemens Pte Ltd is a diversified multinational company. It conducts business in seven segments — automation and control, information and communications, lighting, medical, power, transportation, financing and real estate.
- (d) T.T. International Tradepark Pte Ltd (a subsidiary of TT International Limited, a company listed on the SGX-ST) is the sole occupier of TT International Tradepark. TT International Limited has four areas of business:
- trading and distribution of consumer electronic products;
  - sale of its own “AKIRA” brand of consumer electronics;
  - localised assembly and original design manufacturing activities; and
  - third-party warehousing and logistics services, which include handling, sorting, storing and labelling of inventory, inventory and warehouse monitoring and management, cargo transportation between port and warehouse and preparation of all necessary trade and customs documentation and permits.

#### 4. Improved Income Diversification

The Acquisitions will provide an improvement to A-REIT's diversification by income by reducing A-REIT's reliance on any one particular property in its portfolio. Following completion of the Acquisitions, not more than 13.1% of A-REIT's net property income will be derived from any single property (as compared to 18.6% based on A-REIT's current portfolio comprising the Existing Properties).

#### 5. Enhanced Tenant Base

The Acquisitions are expected to benefit Unitholders through further diversification of A-REIT's income by tenant and an increase in the number of long-term tenants in A-REIT's properties. A-REIT enjoys a diverse income stream because of its broad tenant base which, after the Acquisitions, will consist of more than 350 tenants. The Acquisitions will increase A-REIT's tenant base and further enhance its income diversification through the addition of tenants such as IDS Logistics Services Pte. Ltd., Siemens Pte Ltd, T.T. International Tradepark Pte Ltd and Zuellig Pharma Pte Ltd. These new tenants also add to A-REIT's core of blue chip tenants that already include multi-national corporations such as Honeywell Pte Ltd as well as companies listed on the SGX-ST such as OSIM International Ltd, Ultron Technologies Limited and Venture Corporation Ltd.

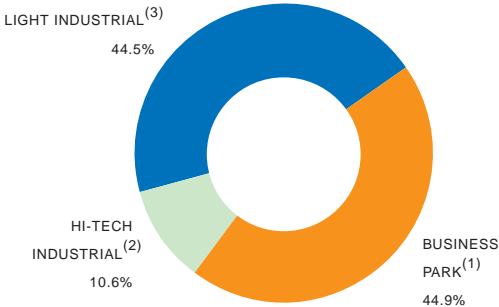
Following completion of the Acquisitions, A-REIT's top 10 tenants in terms of gross rental income will make up 38.5% of the portfolio income with the majority on long-term leases compared with 28.6% before the Acquisitions. The table below lists the top 10 tenants of A-REIT after the Acquisitions.

Tenant	Percentage by Net Property Income
	(%)
T.T. International Tradepark Pte Ltd	6.4
Siemens Pte Ltd	6.1
Honeywell Pte Ltd	4.4
Zuellig Pharma Pte Ltd	3.9
IDS Logistics Services Pte. Ltd.	3.8
Trivec Singapore Pte Ltd	3.8
Institute of High Performance Computing	3.7
OSIM International Ltd	2.4
Venture Corporation Ltd	2.3
Ultron Technologies Limited	1.7
<b>Total</b>	<b>38.5</b>

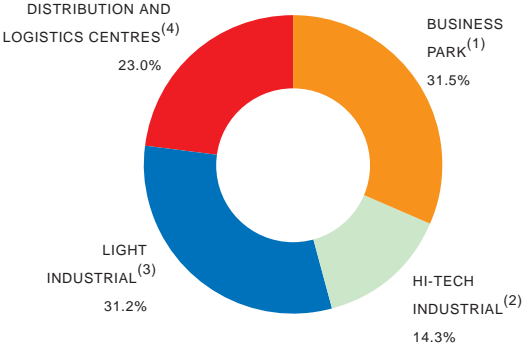
**6. Asset Class Diversification**

The Acquisitions will introduce a new asset class, “Distribution and Logistics Centres”, to A-REIT’s portfolio. The additional asset class further diversifies and enhances A-REIT’s portfolio thus providing current and future tenants with a wider variety of industrial space.

**Asset Class Diversification by Value  
— Existing Properties**



**Asset Class Diversification by Value  
— A-REIT’s Enlarged Portfolio**



**Notes:**

- (1) The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building and Ultro Building.
- (2) Techlink Building.
- (3) Techplace I, Techplace II, OSIM HQ Building and Ghim Li Building.

**Notes:**

- (1) The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building and Ultro Building.
- (2) Techlink Building and Siemens Center.
- (3) Techplace I, Techplace II, OSIM HQ Building and Ghim Li Building.
- (4) CILC, IDS Logistics Corporate Headquarters, Trivec Building and TT International Tradepark.

**7. Growth**

The Acquisitions provide for growth through stepped rental increase incorporated into the long-term leases at IDS Logistics Corporate Headquarters, Siemens Center and TT International Tradepark. The stepped rental increases, combined with the Manager’s ability to continue to improve cash flows as leases expire, underpin future growth in earnings and distributions for Unitholders.

The rent escalation for the relevant Properties is shown in the table below:

	<b>Rent Escalation</b>
IDS Logistics Corporate Headquarters	Three-yearly market reviews with a ratchet clause and a cap of 15.0% on rental increases for first review and a cap of 20.0% for subsequent reviews
Siemens Center	Years 3 to 8: 3.0% every two years Years 9 to 15: 1.5% per annum
TT International Tradepark	Stepped rental increases of 9.0% (year 4), 6.0% (year 7) and 9.0% (year 10)

## **8. Capital Management**

The Acquisitions are proposed to be funded by a mix of funds from the issue of new Units and additional borrowings as A-REIT intends to take advantage of the cheaper cost of debt funding to enhance returns to Unitholders. Following completion of the Acquisitions and the Equity Fund Raising, A-REIT's Gearing is expected to increase from 24.2% to approximately 25.6% on completion of the Acquisitions and 25.9% as at 31 March 2005 (based on the Issue Price of S\$1.16 per New Unit), which is still well below the maximum gearing level of 35.0% permitted under the Code on Collective Investment Schemes issued by the Authority. By maintaining additional gearing capacity, the Manager believes that A-REIT will therefore have the ability to make further property acquisitions as the opportunities arise and to fund the acquisitions using debt.

## **9. Increased Market Capitalisation**

Following the successful completion of the Equity Fund Raising and the Acquisitions, based on the market price of the Units as at the Latest Practicable Date, the market capitalisation of A-REIT is expected to increase from approximately S\$656.0 million to S\$848.6 million given the 707,207,175 Units that would then be in issue. Unitholders are therefore expected to benefit from the anticipated increase in trading liquidity.

## **10. 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 the Manager will enjoy in their dealings with suppliers, as well as the resulting ability of the Manager to generate cost synergies.



## APPENDIX 2

### 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. Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.*

#### (A) THE PROPERTIES

##### (i) CILC

CILC is owned by Changi International Logistics Centre Ltd and is a multi-tenanted distribution facility with a gross floor area of 51,747 sqm and a net lettable area of 39,787 sqm. Constructed in two stages between the mid and late-1990s, the front block of the building incorporates a four-storey office facility and a two-storey warehouse while the rear block incorporates an eight-storey office facility and a four-storey warehouse. The building also possesses 32 loading bays, six cargo lifts, 80 car park lots and 56 lorry lots.

CILC is geared towards meeting the total needs of users of logistics services, such as consolidation/deconsolidation of freight, storage, inventory control, procurement, delivery, distribution and freight forwarding.

##### (ii) IDS Logistics Corporate Headquarters

IDS Logistics Corporate Headquarters is owned and fully occupied by IDS Logistics Services Pte. Ltd. It comprises a four-storey logistics centre with an ancillary office building and a single-storey rack clad building which incorporates an ASRS. The net lettable area of IDS Logistics Corporate Headquarters is 21,883 sqm situated on a land area of 32,647 sqm.

The building will be leased back to IDS Logistics Services Pte. Ltd. for a period of 10 years following its acquisition by A-REIT.

##### (iii) Siemens Center

Siemens Center is an industrial office/research facility comprising a total of three buildings; two towers of 15 storeys and eight storeys respectively as well as a two-storey annex building with amenities. The net lettable area of Siemens Center is 28,377 sqm situated on land area of 17,386 sqm (subject to survey). There are 244 car park lots located in the basement. The main building is serviced by five passenger lifts and the ancillary building is serviced by two passenger lifts.

Siemens Pte Ltd occupies 82.0% or 23,233 sqm of the total net lettable area in Siemens Center and is the anchor tenant. The lease under which Siemens Pte Ltd occupies its premises within the building expires on 30 June 2018.

##### (iv) Trivec Building

Trivec Building is owned by Trivec Singapore Pte Ltd and is a part three-/part four-storey industrial cum logistics building with a net lettable area of 22,817 sqm situated on a land area of 30,239 sqm (subject to survey). The building is fully supported by a central air-conditioning system and has an air-conditioned cafeteria, four cargo lifts, two passenger lifts, 18 loading bays as well as 101 car park lots.

Trivec Singapore Pte Ltd will lease back approximately 22,112 sqm of Trivec Building (constituting approximately 96.9% of the Property by lettable area) for two years upon A-REIT's acquisition of the Property and 3Com Asia Pacific Rim Pte Ltd, an existing tenant, will lease the remainder of the Property. The area to be leased by Trivec

Singapore Pte Ltd is currently occupied by third party tenants who will, following the acquisition of the Property by A-REIT, continue to occupy their premises as sub-tenants of Trivec Singapore Pte Ltd. The Manager intends to work closely with Trivec Singapore Pte Ltd to renew the leases with the sub-tenants.

There is potential to increase the gross floor area of Trivec Building as its existing plot ratio of 1.03 is below the allowable plot ratio of 1.60 for the Property. As part of the acquisition of Trivec Building, A-REIT has entered into an asset enhancement agreement dated 15 December 2003 with Trivec Singapore Pte Ltd under which Trivec Singapore Pte Ltd will construct approximately a minimum additional gross floor area of 58,584 square feet by way of additions and alterations to the existing Trivec Building and provide an income guarantee in respect of such additional area of S\$55,000 per month for 24 months. Trivec Singapore Pte Ltd will be responsible for all construction work and securing a tenant(s) for the additional space. A-REIT will be liable to pay S\$4.85 million (to be funded by debt) for the asset enhancement works at Trivec Building. Based on the income guarantee of S\$55,000 per month, the asset enhancements are expected to generate a net property yield of 8.4% in the first year after completion of the construction work.

(v) **TT International Tradepark**

TT International Tradepark is owned by T.T. International Tradepark Pte Ltd and comprises a six-storey conventional warehouse which is partially air-conditioned and a fully air-conditioned circular 10-storey glass tower used as office space. The warehouse has an adjoining 30-metre high ASRS and provides approximately 14,500 pallet slots for storage purposes. The net lettable area of TT International Tradepark is 44,835 sqm situated on a land area of 20,444 sqm.

Completed in 1998, TT International Tradepark is designed to be a “One-stop Tradelogsistics Centre” incorporating warehousing, logistics and freight forwarding services.

The building will be leased to T.T. International Tradepark Pte Ltd for a period of 10 years following its acquisition by A-REIT.

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

	<b>CILC</b>	<b>IDS Logistics Corporate Headquarters</b>	<b>Siemens Center</b>	<b>Trivec Building</b>	<b>TT International Tradepark</b>
<b>Acquisition price (S\$ million)</b>	45.6	50.0	65.75	32.0	92.0
<b>Net property income (S\$ million)</b>	3.9	4.1	4.4	2.7	6.5
<b>Property yield<sup>(1)</sup> before costs</b>	8.6%	8.2%	8.3% <sup>(2)</sup>	8.4%	7.9% <sup>(3)</sup>

	<b>CILC</b>	<b>IDS Logistics Corporate Headquarters</b>	<b>Siemens Center</b>	<b>Trivec Building</b>	<b>TT International Tradepark</b>
<b>Rent escalation</b>	N/A	Three-yearly market reviews with a ratchet clause and a cap of 15.0% on rental increases for first review and a cap of 20.0% for subsequent reviews	Years 3 to 8: 3.0% every two years Years 9 to 15: 1.5% per annum	N/A	Stepped rental increases of 9.0% (year 4), 6.0% (year 7) and 9.0% (year 10)
<b>Net lettable area (sqm)</b>	39,787	21,883	28,377	22,817	44,835
<b>Weighted average lease term to expiry (years)</b>	3.5	10.0	14.6	2.3	10.0
<b>Major tenant</b>	Zuellig Pharma Pte Ltd	IDS Logistics Services Pte. Ltd.	Siemens Pte Ltd	3Com Asia Pacific Rim Pte Ltd and Trivec Singapore Pte Ltd	T.T. International Tradepark Pte Ltd
<b>Asset class</b>	Distribution and Logistics Centres	Distribution and Logistics Centres	Hi-Tech Industrial	Distribution and Logistics Centres	Distribution and Logistics Centres
<b>Land lease title</b>	Leasehold of 30 years commencing 16 October 1990, with an option to renew for a further 30 years	Leasehold of 30 years commencing 1 September 1998, with an option to renew for a further 28 years	Leasehold of 30 years commencing 16 December 2001, with an option to renew for a further 30 years (subject to confirmation by JTC on the further term)	Leasehold of 60 years commencing 16 November 1996	Leasehold of 30 years commencing 16 October 1995, with an option to renew for a further 30 years

Notes:

- (1) The property yield is calculated based on the net property income over the property value of the property, except that when it is first acquired, it is based on the relevant acquisition costs of the property.
- (2) The property yield for Siemens Center is based on a property value of S\$53.5 million, being its acquisition price of S\$65.75 million excluding the deferred settlement component of an aggregate of S\$12.25 million. Under the provisions of the lease agreement entered into by Siemens Pte Ltd for the area it occupies in Siemens Center, the rent payable by Siemens Pte Ltd increases contemporaneously with A-REIT's payment of the deferred settlement component.
- (3) The property yield for TT International Tradepark is based on a property value of S\$83.2 million, being its acquisition price of S\$92.0 million excluding the deferred settlement component of S\$8.8 million. The rent payable by T.T. International Tradepark Pte Ltd under the lease agreement which it will enter into with A-REIT upon A-REIT's acquisition of TT International Tradepark increases contemporaneously with A-REIT's payment of the deferred settlement component.

## (B) THE EXISTING PROPERTIES

The following table sets out the net property income for the Existing Properties for the nine months ended 31 December 2003:

Properties	Actual S\$ million	Forecast in IPO Prospectus S\$ million	Variance S\$ million
<b><u>Business Park</u></b> <sup>(1)</sup>			
Gross revenue	23.5	24.5	(1.0)
Property operating expenses	5.9	7.4	1.5
Net property income	17.6	17.1	0.5
<b><u>Hi-Tech Industrial</u></b> <sup>(2)</sup>			
Gross revenue	6.4	6.2	0.2
Property operating expenses	2.0	2.6	0.6
Net property income	4.4	3.6	0.8
<b><u>Light Industrial</u></b> <sup>(3)</sup>			
Gross revenue	18.3	16.8	1.5
Property operating expenses	3.8	4.3	0.5
Net property income	14.4	12.5	2.0
<b><u>Total</u></b>			
<b>Gross revenue</b>	<b>48.3</b>	<b>47.5</b>	<b>0.8</b>
<b>Property operating expenses</b>	<b>11.8</b>	<b>14.2</b>	<b>2.4</b>
<b>Net property income</b>	<b>36.5</b>	<b>33.3</b>	<b>3.2</b>

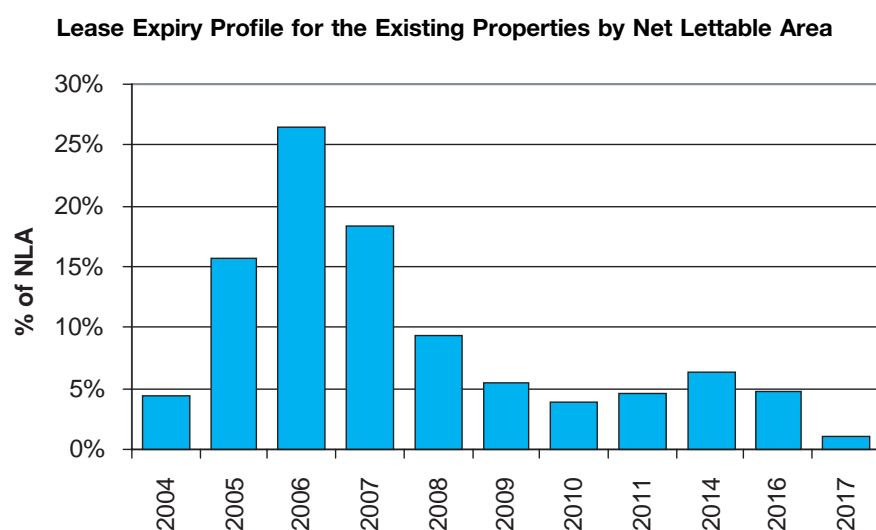
Notes:

(1) The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building and Ultro Building.

(2) Techlink Building.

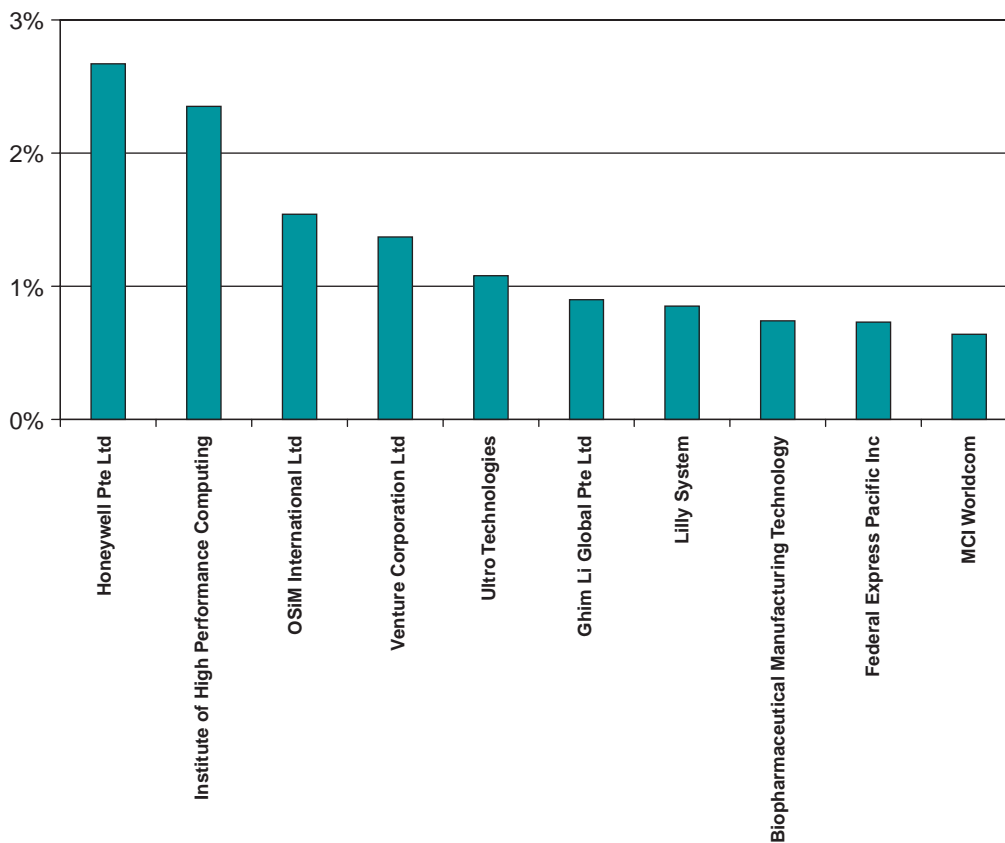
(3) Techplace I, Techplace II, OSIM HQ Building and Ghim Li Building.

The following diagram illustrates the lease expiry profile for the Existing Properties by net lettable area (as at 31 December 2003):



The following diagram sets out the top 10 tenants in the Existing Properties by gross rental income (for the month ended 31 December 2003):

**Top 10 Tenants in the Existing Properties by Gross Rental Income<sup>(1)</sup>**

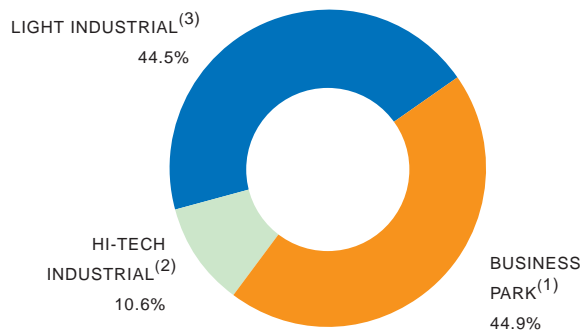


Note:

(1) Calculated on the basis of each tenant's percentage contribution to total gross rental income for the month ended 31 December 2003.

The following pie chart sets out the asset class diversification of the Existing Properties in A-REIT's portfolio as at 1 December 2003<sup>5</sup>:

**Asset Class Diversification by Value — Existing Properties**



Notes:

(1) The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building and Ultron Building.

(2) Techlink Building.

(3) Techplace I, Techplace II, OSIM HQ Building and Ghim Li Building.

<sup>5</sup> Includes Ghim Li Building and Ultron Building as their acquisitions were completed before 1 December 2003.

**(C) ENLARGED A-REIT PORTFOLIO (COMPRISING THE PROPERTIES AND THE EXISTING PROPERTIES)**

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

	Existing Properties	The Properties	A-REIT's Enlarged Portfolio
Net Lettable Area (sqm)	276,768	157,699	434,467
Occupancy rate <sup>(1)</sup>	82.2%	94.8%	87.5%
Number of tenants	321	36	357

Note:

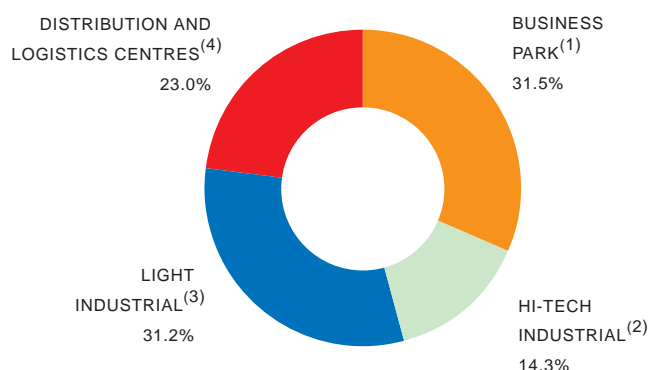
(1) Calculated as at 31 December 2003.

The Acquisitions will introduce a new asset class, "Distribution and Logistics Centres", to A-REIT's portfolio. The additional asset class further diversifies and enhances A-REIT's portfolio by broadening A-REIT's ability to offer space to other industry sectors.

On completion of the Acquisitions, A-REIT's weighting in relation to the Business Park asset class will decrease from 44.9% to 31.5%.

The following pie chart sets out the asset class diversification of A-REIT after the Acquisitions:

**Asset Class Diversification by Value — A-REIT's Enlarged Portfolio**

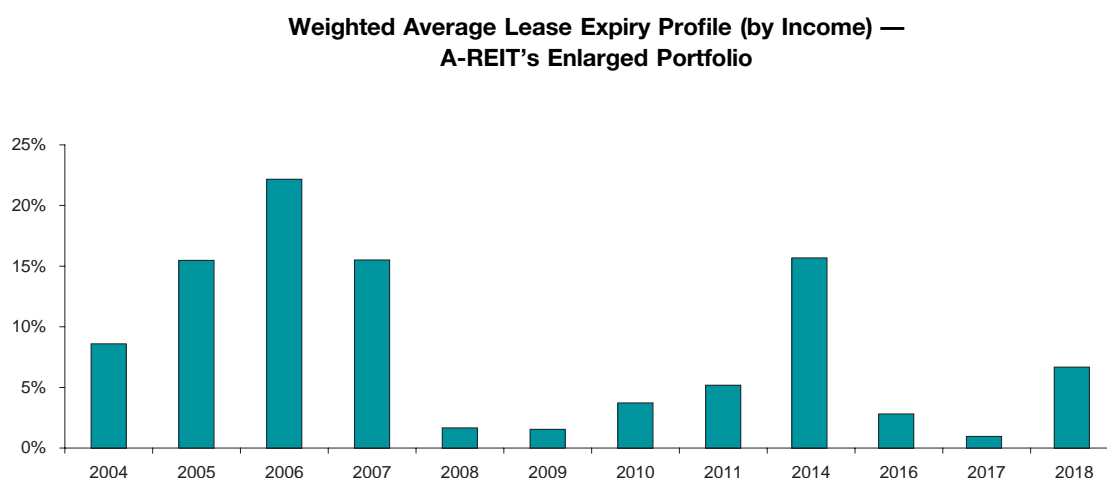


Notes:

- (1) The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building and Ulro Building.
- (2) Techlink Building and Siemens Center.
- (3) Techplace I, Techplace II, OSIM HQ Building and Ghim Li Building.
- (4) CILC, IDS Logistics Corporate Headquarters, Trivec Building and TT International Tradepark.

The Acquisitions will extend the weighted average lease term to expiry of A-REIT's portfolio to 4.6 years from 2.9 years currently. The Manager believes this improvement in the lease expiry profile of A-REIT will enhance the stability of A-REIT's income and distributions going forward.

The following chart sets out the weighted average lease expiry for A-REIT after the Acquisitions:



Diversification of the income stream results from A-REIT's broad tenancy base, which will be in excess of 350 tenants after the Acquisitions. Earnings are enhanced with an increase in the number of long-term tenants through the Acquisitions.

Following completion of the Acquisitions, A-REIT's top 10 tenants in terms of gross rental income make up 38.5% of the portfolio income with a majority on long-term leases as compared with 28.6% before the Acquisitions.

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

Tenant	Percentage by Net Property Income
	(%)
T.T. International Tradepark Pte Ltd	6.4
Siemens Pte Ltd	6.1
Honeywell Pte Ltd	4.4
Zuellig Pharma Pte Ltd	3.9
IDS Logistics Services Pte. Ltd.	3.8
Trivec Singapore Pte Ltd	3.8
Institute of High Performance Computing	3.7
OSIM International Ltd	2.4
Venture Corporation Ltd	2.3
Ultron Technologies Limited	1.7
<b>Total</b>	<b>38.5</b>

## **(D) 2003 PRO FORMA FINANCIAL INFORMATION**

### **Basis of Preparation of the Pro Forma Financial Information**

The pro forma financial information of A-REIT set out in this Appendix 2 reflects the pro forma results of A-REIT for the year ended 31 March 2003 and the pro forma balance sheet as at 31 March 2003.

The pro forma results and pro forma balance sheet for the Existing Properties have been compiled based on the Audited Financial Statements of A-REIT. The pro forma information on the Properties have been based on income and expense forecasts which assume that all of the Properties were purchased on 1 April 2002 and held and operated for the whole year through to 31 March 2003. The pro forma information has been prepared on the basis of the accounting policies normally adopted by A-REIT as disclosed in the annual report for the period ended 31 March 2003.

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

### **Pro Forma Results**

The pro forma results have been prepared on the basis that A-REIT purchased the Properties on 1 April 2002 and held and operated them through to 31 March 2003. The pro forma adjustments made to the above audited financial statements as at 31 March 2003 are summarised below:

- (i) adjustments to align to A-REIT's revenue recognition policy;
- (ii) adjustment to expenses to base them on A-REIT's property services fees, other property operating expenses, the Manager's management fees, trust expenses and borrowing costs;
- (iii) addition of the buildings purchased during the current financial year, namely OSIM HQ Building, Ghim Li Building and Ultro Building, as if they were purchased and operated for the whole financial year; and
- (iv) adjustments to reflect the Manager's management fees paid in the form of Units for the six months ended 30 September 2002.



## Pro Forma Statement of Total Return (for the year ended 31 March 2003)

	Existing Properties S\$'000	The Properties S\$'000	Total S\$'000
Total revenue	67,087	31,291	98,378
Property services fees	(2,263)	(677)	(2,940)
Property tax	(5,104)	(1,600)	(6,704)
Other property operating expenses	(10,011)	(7,463)	(17,474)
<b>Property operating expenses</b>	<b>(17,378)</b>	<b>(9,740)</b>	<b>(27,118)</b>
<b>Net property income</b>	<b>49,709</b>	<b>21,551</b>	<b>71,260</b>
Manager's management fees	(3,493)	(1,967)	(5,460)
Trust expenses	(805)	(82)	(887)
Borrowing costs	(3,963)	(2,970)	(6,934)
<b>Non-property expenses</b>	<b>(8,261)</b>	<b>(5,020)</b>	<b>(13,281)</b>
<b>Net profit</b>	<b>41,448</b>	<b>16,532</b>	<b>57,979</b>
Non-tax deductible expenses	2,066	1,363	3,429
<b>Available for distribution</b>	<b>43,514</b>	<b>17,894</b>	<b>61,408</b>
Units in issue ('000)	545,900	160,500	706,400
DPU (cents)	7.97	11.15	8.69
Property yield <sup>(1)</sup>	7.45% <sup>(2)</sup>	7.78% <sup>(3)</sup>	7.55% <sup>(4)</sup>

### Notes:

- (1) The property yield is calculated based on the net property income over the property value of the property, except that when it is first acquired, it is based on the relevant acquisition costs of the property.
- (2) Based on total valuation of S\$607.5 million for the Existing Properties (excluding OSIM HQ Building, Ghim Li Building and Ultro Building) as at 31 March 2003 plus OSIM HQ Building (S\$26.5 million after excluding the S\$10.0 million deferred settlement component), Ghim Li Building (S\$14.1 million) and Ultro Building (S\$18.8 million), for a total property value of S\$666.9 million.
- (3) Based on total acquisition costs of S\$298.3 million for the Properties proposed to be acquired less the amount of deferred settlements, being S\$8.8 million for TT International Tradepark and S\$12.25 million for Siemens Centre.
- (4) Based on the pro forma asset portfolio of S\$944.2 million comprising the sum of the amounts in notes (2) and (3) above.

## Pro Forma Balance Sheet

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

- (i) the Properties to be acquired have been included at their respective purchase prices plus the costs of acquisition;
- (ii) it is assumed that S\$96.5 million is drawn down from available debt facilities as the aggregate deferred settlement of S\$21.05 million for TT International Tradepark and Siemens Center does not require immediate debt funding;
- (iii) 160,500,000 New Units will be issued for a total gross consideration of S\$186.2 million to partly finance the acquisition of the Properties;
- (iv) distribution of 100.0% of A-REIT's distributable income for the period from 19 November 2002 (the day A-REIT was listed on the SGX-ST) to 31 March 2003 has been made to Unitholders at 31 March 2003;
- (v) the balance sheet as at 31 March 2003 has been adjusted to include the acquisition of OSIM HQ Building, Ghim Li Building and Ultro Building funded using available cash and debt capacity; and

- (vi) adjustments to reflect the Manager's management fees paid in the form of Units for the six months ended 30 September 2002.

**Pro Forma Balance Sheet (as at 31 March 2003)**

	<b>Actual (per Audited Financial Statements of A-REIT) S\$'000</b>	<b>Pro Forma Adjusted for 2003 Distributable Income and Recent Acquisitions<sup>(1)</sup> S\$'000</b>	<b>Pro Forma Adjusted for the Properties S\$'000</b>
Non-current assets	607,540	677,040	975,224
Current assets			
Trade and other receivables	1,271	1,271	1,271
Cash and cash equivalents	27,558	1,307	1,307
<b>Total assets</b>	<b>636,369</b>	<b>679,618</b>	<b>977,802</b>
Other liabilities	(13,209)	(23,809)	(44,859) <sup>(2)</sup>
Borrowings	(125,000)	(172,800)	(269,339) <sup>(3)</sup>
<b>Net assets</b>	<b>498,160</b>	<b>483,009</b>	<b>663,604</b>
Represented by:			
Unitholders funds	<b>498,160</b>	<b>483,009</b>	<b>663,604</b>
Units in issue ('000)	545,000	545,900	706,400
<b>NAV per Unit (S\$)</b>	<b>0.91</b>	<b>0.88</b>	<b>0.94</b>

Notes:

- (1) The pro forma balance sheet has been adjusted for the distribution made in respect of distributable income for the period ended 31 March 2003. The acquisitions of OSIM HQ Building, Ghim Li Building and Ultro Building have also been included. Capital expenditure incurred after 31 March 2003 and property revaluations on 31 December 2003 in respect of the Existing Properties have not been included. Revaluation of the Existing Properties on 31 December 2003 has resulted in an increase of S\$7.9 million over the book value thereof as at 31 December 2003.
- (2) The deferred settlement amounts for TT International Tradepark (S\$8.8 million) and Siemens Center (S\$12.25 million) are aggregated as part of other liabilities.
- (3) Based on the Issue Price of S\$1.16 per New Unit issued under the Equity Fund Raising, additional borrowings of S\$96.5 million are required to partly finance the acquisitions (debt drawdowns are not immediately required for the deferred settlement amounts of S\$8.8 million and S\$12.2 million for TT International Tradepark and Siemens Center, respectively).

### APPENDIX 3

#### NAMES AND ADDRESSES OF THE DIRECTORS OF THE MANAGER

The names and addresses of the directors of the Manager are as follows:

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

## APPENDIX 4

### PROFIT FORECAST

*Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those in the forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, the Joint Lead Managers and Underwriters or any other person, or that these results will be achieved or are likely to be achieved.*

The following table sets out A-REIT's forecast income and distributable income for the financial year ending 31 March 2005. The forecast has been reviewed by KPMG and KPMG Corporate Finance Pte Ltd and should be read together with their reports contained in Appendices 5 and 6 of this Offer Information Statement as well as the assumptions and sensitivity analysis set out below.

	YEAR ENDING 31 MARCH 2005		
	Existing Properties S\$'000	The Properties S\$'000	After the Aquisitions <sup>(1)</sup> S\$'000
Gross revenue — the Existing Properties	64,853	—	64,853
Other revenue — the Existing Properties	3,101	—	3,101
Gross revenue — the Properties	—	31,291	31,291
Gross revenue	67,954	31,291	99,245
Property operating expenses	(17,173)	(9,740)	(26,913)
Net property income	50,781	21,551	72,332
Manager's management fees	(5,020)	(1,967)	(6,987)
Trust expenses	(910)	(82)	(992)
Borrowing costs	(4,104)	(2,970)	(7,074)
Non-property expenses	(10,034)	(5,019)	(15,053)
Net profit	40,747	16,532	57,279
Non-tax deductible expenses	4,268	1,363	5,631
Available for distribution	45,015	17,895	62,910
Weighted average number of Units in issue <sup>(2)</sup> ('000)	549,575		709,991
Units in issue <sup>(2)</sup> ('000)	551,342		712,172
Earnings per Unit (cents)	7.41		8.07
DPU (cents)	8.19		8.86

Notes:

- (1) Assuming that 160,500,000 New Units are issued pursuant to the Equity Fund Raising at the Issue Price of S\$1.16 and that the additional borrowings incurred by A-REIT to partly fund the Acquisitions increase A-REIT's Gearing from 24.2% to 25.6% on completion of the Acquisitions and 25.9% as at 31 March 2005.
- (2) Includes Units issued to the Manager in part payment of its management fees, comprising the Base Fee and the Performance Fee.

## Assumptions

The major assumptions that the Manager has made in preparing the financial forecast for the financial year ending 31 March 2005 are detailed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular.

### (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 “**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 (after rent rebates) 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 step-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 net 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 they have indicated otherwise.

The percentage of forecast net rental income attributed to committed leases as at 30 November 2003 is as follows:

#### Year Ending 31 March 2005

	Before the Acquisitions	After the Acquisitions
Percentage of rental income attributable to committed leases <sup>(1)</sup>	76.8%	82.1%

Note:

(1) All current leases in respect of the Properties as at 30 November 2003 or leases which will be entered into between the Trustee and a tenant pursuant to a signed commitment to lease.

Following the expiry of a committed lease, the Manager has used the following process to forecast the net rental income for the property following the expiry:

The Manager has assessed the market rent for the lettable area of each of the properties in the Portfolio as at 30 November 2003. The market rent is the rent which the Manager believes could be achieved if each lease is re-negotiated as at 30 November 2003 and is estimated with reference to net rents payable pursuant to comparable leases for tenancies that have been recently negotiated, the effect of competing business and industrial parks, assumed tenant retention rate on lease expiry (provided the tenant has not specified the intention not to renew), likely market conditions, inflation levels and tenant demand levels. For committed leases which expire in the year ending 31 March 2005, the Manager has applied market annual growth rates.

**(B) Other Income**

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

**(C) Renewals and Vacancy Allowance**

It has been assumed that leases up for renewal will be renewed (provided the tenant has not specified its intention not to renew). The weighted average vacancy allowance for all premises in respect of which existing leases will not be renewed over the forecast year is assumed to be an average of four months.

**(ii) Property Operating Expenses**

**(A) Property Services Fees**

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

**(B) Property Tax**

It has been assumed that property tax will be 10.0% of the net rental income for multi-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 of the properties in the Portfolio for the year ending 31 March 2005, on the basis of actual historical operating costs.

**(D) Bad and Doubtful Debts**

No provision has been made for bad and doubtful debts in the year ending 31 March 2005.

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

The Manager is entitled under the Trust Deed to management fees comprising the Base Fee and the Performance Fee.

The Manager's Base Fee is 0.5% per annum of the Deposited Property.

A Performance Fee of 0.20% of A-REIT's Deposited Property has been included for the financial year ending 31 March 2005 being a fee of 0.10% as DPU growth exceeds 2.5% and an additional fee of 0.10% as DPU growth exceeds 5.0% (as provided for in the Trust Deed).

50.0% of the Base Fee and 100.0% of the Performance Fee payable to the Manager will be paid in the form of Units.

The number of Units issued to the Manager will be based on the market price of the Units (as determined pursuant to the Trust Deed) at the time of payment.

**(iv) Trust Expenses**

Trust expenses include recurring operating expenses such as the Trustee's fee, 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 fee is 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 in accordance with the Trust Deed.

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

(v) **Borrowing Costs**

A-REIT has in place two debt facilities with Oversea-Chinese Banking Corporation Limited: a three-year S\$150.0 million facility comprising a S\$80.0 million transferable loan facility, a S\$65.0 million revolving credit facility and a S\$5.0 million letter of guarantee; and a two-year S\$300.0 million facility comprising a S\$200.0 million term loan facility and a S\$100.0 million uncommitted revolving credit facility. The Manager has fixed the interest rate in respect of S\$100.0 million in aggregate amount of A-REIT's borrowings through interest rates swaps at an average interest rate of 2.0% per annum exclusive of all margins. The Manager has assumed an average interest rate of 2.75% per annum inclusive of all margins for the year ending 31 March 2005.

(vi) **Interest Income**

It has been assumed that the amount of interest earned on cash deposits will be 0.5% per annum.

(vii) **Capital Expenditure**

An allowance for the forecast capital expenditure has been included based on the Manager's budget. It has been assumed that the capital expenditure will be funded by bank borrowings. Capital expenditure incurred is capitalised as part of Deposited Property and has no impact on the income statement or distributions other than the interest incurred on bank borrowings, the Base Fee that the Manager is entitled to and the Trustee's fee.

Capital expenditure of S\$4.2 million has been forecast for the year ending 31 March 2005.

(viii) **Equity Raising**

The forecasts have been prepared based on the Issue Price of S\$1.16 per New Unit on the assumption that the proceeds from the issue of the New Units will be used to partly finance the Acquisitions in accordance with the terms of the relevant sale and purchase agreements for the Properties.

The costs associated with the Equity Fund Raising are expected to be S\$5.5 million and will be paid for by A-REIT on completion of the issue. These costs are charged against the issued capital in the balance sheet and have no impact on the income statement or distributions.

(ix) **The Properties**

A-REIT will be entitled to income from the Properties from the day of completion of the Acquisitions (assumed to be on or before 31 March 2004).

The Properties will be recorded in A-REIT's financial statements at cost initially and will be revalued in line with its accounting policy on investment properties. Acquisition costs which include stamp duty, legal fees etc are capitalised to the cost of the Properties and accordingly have no impact on the income statement or distributions.

For the purpose of preparing the financial forecast for the year ending 31 March 2005, the Manager has made an assumption that the value of the Properties will increase by the extent of the budgeted capital expenditure set out in paragraph (vii) above and the estimated acquisition costs of the 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 operating profit.

(xi) **Other Assumptions**

The Manager has made the following additional assumptions in preparing the financial forecast for the financial year ending 31 March 2005:

- that the property portfolio remains unchanged after the Properties are acquired;
- that no further capital will be raised during the 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 Circular are based on a number of key assumptions that have been outlined earlier in this Appendix 4.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the financial forecast, the sensitivity of the forecast 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 the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

*Gross Revenue*

Changes in gross revenue affect the net profit of A-REIT. The effect of variations in gross revenue on distributions is set out as follows:

<b>DPU (cents)</b>	
5.0% above estimate	9.56
Base case	8.86
5.0% below estimate	8.16

*Property Operating Expenses*

Changes in property operating expenses affect the net profit of A-REIT. The effect of variations in property operating expenses on distributions is set out as follows:

<b>DPU (cents)</b>	
5.0% above estimate	8.67
Base case	8.86
5.0% below estimate	9.05



### *Borrowing Costs*

Changes in interest rates will impact the net property income of A-REIT. The interest rate assumptions are set out earlier in this Appendix 4. The impact of variations in the interest rates is as follows:

<b>DPU (cents)</b>	
50 basis points below estimate	8.92
Base case	8.86
50 basis points above estimate	8.80

## APPENDIX 5

### 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

Bermuda Trust (Singapore) Limited  
(as trustee of Ascendas Real Estate Investment Trust)  
20 Raffles Place  
#13-01/05 Ocean Towers  
Singapore 048620

18 February 2004

Dear Sirs

#### **Letter from the Reporting Accountants on the Profit Forecast for the Financial Year Ending 31 March 2005**

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 Directors’ forecast income statement for the period from 1 April 2004 to 31 March 2005 (the “**Profit Forecast**”) as set out on page 58 of the Offer Information Statement, which has been prepared on the basis of their assumptions as set out on pages 59 to 62 of the Offer Information Statement.

We have examined, as reporting accountants, the Profit Forecast for the period from 1 April 2004 to 31 March 2005 as set out on page 58 of the Offer Information Statement in accordance with Singapore Standards on Auditing applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast including the assumptions set out on pages 59 to 62 of the Offer Information Statement on which it is based.

In our capacity as reporting accountants and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies normally adopted by A-REIT as disclosed in its financial statements for the period ended 31 March 2003, and is presented in accordance with the relevant presentation principles of Singapore Financial Reporting Standards (but not all the required disclosures) as at the date of this report.

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 the forecast results. For the reason set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

Attention is drawn, in particular, to the sensitivity analysis of the Directors' Profit Forecast as set out on pages 62 to 63 of the Offer Information Statement.

Yours faithfully

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

Singapore

## APPENDIX 6

### EXPERT'S REPORT ON THE PROFIT FORECAST ASSUMPTIONS

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

Bermuda Trust (Singapore) Limited  
(as trustee of Ascendas Real Estate Investment Trust)  
20 Raffles Place  
#13-01/05 Ocean Towers  
Singapore 048620

18 February 2004

Dear Sirs

#### Expert's Report on the Profit Forecast Assumptions

##### Introduction

This expert report has been prepared at the request of Ascendas-MGM Funds Management Limited ("**Ascendas-MGM**" or the "**Manager**") for inclusion in the Offer Information Statement (the "**Offer Information Statement**") to be issued by Ascendas-MGM for the purpose of issuing new units in Ascendas Real Estate Investment Trust ("**A-REIT**") to raise financing for acquisitions.

We are licensed under a capital markets services licence to provide corporate finance advisory services, and have been engaged as an expert (as defined in the Companies Act (Cap. 50) of Singapore) to review the assumptions listed in the Offer Information Statement as to whether they provide reasonable grounds for the profit forecast for the year ending 31 March 2005 (the "**Forecast**") contained in the Offer Information Statement.

The expressions defined in the Offer Information Statement have the same meaning in this report.

##### Scope

The Directors of Ascendas-MGM (the "**Directors**") are solely responsible for the preparation of the Forecast, which is set out on page 58 of the Offer Information Statement. This includes ensuring that the assumptions used, which are the subject of our review, are stated in the Offer Information Statement.

We have reviewed the assumptions on which the Forecast is based. The assumptions which they have applied in preparing the Forecast are set out on pages 59 to 62 of the Offer Information Statement.

We applied our professional judgment in determining the nature, timing and extent of review procedures, having regard to (i) the likelihood of material misstatement, (ii) management's competence regarding the preparation of the Forecast, (iii) the extent to which the Forecast is affected by management's judgment, and (iv) the adequacy and reliability of the underlying data.

We assessed the source and reliability of the evidence supporting management's best-estimate assumptions. We considered evidence from internal and external sources, including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within A-REIT's capacity.

In carrying out our review, we also focused on the extent to which those assumptions that are particularly sensitive to variation have a material effect on the results shown in the Forecast. The extent of such sensitivity was one of the factors which influenced the extent of the evidence which we sought to obtain. We also considered the inter-relationship between the stated assumptions.

To the extent practicable, we considered historical performance information and whether the stated assumptions are clearly unrealistic in the light of historical performance patterns.

We will not be responsible for checking whether the forecast is properly prepared from management's stated assumptions, nor for checking the arithmetical logic or internal consistency of the workings and spreadsheets, as this scope is covered in the review by KPMG and reported on in their Independent Accountants' Report on the Profit Forecast set out on pages 64 and 65 of the Offer Information Statement.

The scope of the work which we have carried out is not inconsistent with that set out in Singapore Standard on Auditing 27: The Examination of Prospective Financial Information, insofar as it relates to the examination of evidence relating to assumptions used in the Forecast.

### **Statement**

Based on our review of the assumptions and 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 reasonable grounds for the Forecast.

Our report should be read with the sensitivity analysis of the Directors' Forecast set out on pages 62 to 63 of the Offer Information Statement.

We do not accept responsibility for the realisation of the Forecast. In addition, we emphasise that since the Forecast relates to the future, actual results are likely to be different from the forecast results because events and circumstances frequently do not occur as expected, and the differences may be material.

Yours faithfully  
For and on behalf of  
**KPMG Corporate Finance Pte Ltd**

Tham Sai Choy  
Director

Vishal Sharma  
Director

## APPENDIX 7

### NUMBER OF UNITS OWNED BY EACH SUBSTANTIAL UNITHOLDER

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

<b>Substantial Unitholder</b>	<b>Direct Interest</b>	<b>% of Issued and Outstanding Units</b>	<b>Deemed Interest</b>	<b>% of Issued and Outstanding Units</b>
Ascendas Land (Singapore) Pte Ltd	107,375,000	19.64%	—	—
Ascendas Pte Ltd	—	—	107,375,000	19.64%
MGM Singapore Pte. Ltd.	44,250,000	8.09%	—	—
The Capital Group of Companies, Inc.	40,860,000	7.47%	—	—
Prudential Asset Management (Singapore) Limited	40,425,000	7.39%	—	—

## APPENDIX 8

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

The table below sets forth for the periods indicated (commencing on 20 November 2002, the day after A-REIT was listed on the SGX-ST, to the Latest Practicable Date) the high and low closing prices of the Units and the total volume traded in board lots of 1,000 units.

Month	Price Range (S\$ per Unit)		Volume Traded ('000 Units)
	High	Low	
November 2002	0.925	0.895	63,600
December 2002	0.890	0.850	15,881
January 2003	0.865	0.790	10,966
February 2003	0.840	0.820	7,159
March 2003	0.835	0.810	6,474
April 2003	0.860	0.815	4,597
May 2003	0.850	0.815	8,932
June 2003	0.950	0.830	50,990
July 2003	1.010	0.940	39,109
August 2003	1.000	0.960	15,612
September 2003	1.050	0.965	34,763
October 2003	1.060	1.010	31,888
November 2003	1.050	1.000	7,301
December 2003	1.150	1.030	10,373
January 2004	1.230	1.160	8,907
1 February 2004 to Latest Practicable Date	1.230	1.200	6,531

Source: Bloomberg

**APPENDIX 9**

**LAST AUDITED BALANCE SHEET OF A-REIT**

**Balance Sheet as at 31 March 2003**

	<b>S\$'000</b>
<b>Non-current assets</b>	
Investment properties	607,540
<b>Current assets</b>	
Trade and other receivables	1,271
Cash and cash equivalents	27,558
	<u>28,829</u>
<b>Current liabilities</b>	
Trade and other payables	(13,209)
	<u>(13,209)</u>
<b>Net current assets</b>	15,620
<b>Non-current liabilities</b>	
Interest-bearing borrowings	(125,000)
<b>Net assets</b>	<u>498,160</u>
Represented by:	
Unitholders' funds	
Issued equity	478, 896
Issue costs	(17,343)
Revaluation reserves	22,317
Net profit for the period	14,290
Total Unitholders' funds	<u>498,160</u>
<b>Units in issue ('000)</b>	<u>545,000</u>
<b>Net asset value per Unit</b>	<u>S\$0.91</u>



## APPENDIX 10

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF A-REIT

#### (A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Statements of Accounting Standard (“**SAS**”), including related Interpretations promulgated by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Code on Collective Investment Schemes issued by the Authority and the Trust Deed.

The financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, are prepared on the historical cost basis, except that investment properties are stated at valuation.

#### (B) INVESTMENT PROPERTIES

Investment properties are accounted for as long-term investments and are stated at initial cost on acquisition, and at valuation thereafter. Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- (i) in such manner and frequency required under the Property Funds Guidelines; and
- (ii) at least once in each period of 12 months following the acquisition of the investment properties.

Any increase on revaluation is credited to the revaluation surplus unless it offsets a previous decrease in value recognised in the Statement of Total Return. A decrease in value is recognised in the Statement of Total Return where it exceeds the increase previously recognised in the revaluation surplus.

When an investment property is disposed, any resulting gain or loss recognised in the Statement of Total Return is the difference between the net disposal proceeds and the carrying amount of the property. Any amount in the revaluation surplus that relates to the property is transferred to the Statement of Total Return in calculating the gain or loss.

#### (C) DEPRECIATION

In accordance with SAS 25 “Accounting for Investments”, investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued. For taxation purposes, A-REIT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

#### (D) UNIT ISSUE COSTS

Unit issue costs are charged against Unitholders’ funds.

#### (E) TAXATION

Taxation on the returns for the period comprises current and deferred tax. Income tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders’ funds, in which case it is recognised in Unitholders’ funds.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial

recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore (“**IRAS**”) has issued a tax ruling on the taxation of A-REIT for income earned and expenditure incurred after its public listing. Subject to meeting the terms and conditions of the tax ruling, the Trustee will not be taxed on the taxable income of A-REIT. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 22.0%) from distributions to Unitholders that are made out of the taxable income of A-REIT.

However, the Trustee and the Manager will not deduct tax from distributions made out of A-REIT’s taxable income to the extent that the beneficial Unitholders are:

- (i) Singapore citizens tax resident in Singapore;
- (ii) permanent residents tax resident in Singapore;
- (iii) companies incorporated and tax resident in Singapore;
- (iv) Singapore branches of foreign companies which have presented a letter of approval from the IRAS granting waiver from tax deducted at source in respect of distribution from A-REIT;
- (v) non-corporate Singapore constituted or registered entities (e.g. town councils, statutory boards, charitable organisations, management corporations, clubs and trade and industry associations constituted, incorporated, registered or organised in Singapore); and
- (vi) CPF members who use their CPF account under the CPF Investment Scheme (“**CPFIS**”) and where the distribution received is returned to the CPFIS.

A non-tax resident of Singapore, will not enjoy this tax transparency.

## **(F) REVENUE RECOGNITION**

### **(i) Rental Income from Operating Leases**

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised on a straight-line basis over the term of the lease.

### **(ii) Interest Income**

Interest income is recognised in the Statement of Total Return on an accrual basis.

## **(G) BORROWING COSTS**

Borrowing costs include interest expense and amortisation of ancillary costs incurred in connection with the arrangement of bank facilities.

Interest expense is recognised in the Statement of Total Return in the period in which it is incurred. Expenses incurred in connection with the arrangement of bank facilities are recognised in the Statement of Total Return on a straight-line basis over the period for which the facilities are granted.

## ANNEXURE B

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

Unitholders with Units standing to the credit of their Securities Accounts as at 16 February 2004 and whose registered addresses with CDP are in Singapore as at 16 February 2004 or who have on or prior to 9 February 2004 provided to CDP addresses in Singapore for the service of notices and documents (“**Singapore Registered Unitholders**”) are entitled to receive this Circular and the Acceptance Form which forms part of this Circular.

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

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

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

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

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

The number of New Units provisionally allocated for offer to Singapore Registered Unitholders under the Preferential Offering is indicated in the Acceptance Form (fractions of a New Unit having been disregarded). 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 Central Provident Fund (“**CPF**”) Board for those of its members participating in its investment scheme (collectively, “**IS Members**”), who have utilised moneys standing to the credit of their respective CPF Investment Accounts to purchase Existing Units, to use up to 35.0% of their CPF Investible Savings (“**CPF Funds**”), to pay for the New Units under the Preferential Offering. IS Members who wish to accept their provisional allocations of New Units under the Preferential Offering will need to:

- (a) instruct the relevant approved banks where such IS Members hold their CPF Investment Accounts to subscribe for the New Units on their behalf in accordance with this Circular; and
- (b) **make sure that they have sufficient 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 funds in his CPF Investment Account to pay for the number of New Units which he intend to subscribe, his acceptance will be rejected. If the balance in an IS Member’s CPF Investment Account is insufficient but he has sufficient investible CPF Funds in his CPF Ordinary Account, the IS Member does not need to instruct the CPF Board to transfer the CPF Funds from his Ordinary Account to his CPF Investment Account before he instructs his relevant bank to subscribe for the New Units on his behalf.

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 or an authorised trading centre (“**ATC**”) by completing and submitting the relevant portion of the Acceptance Form or by way of an electronic acceptance through any ATM of a Participating Bank (“**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 Participating Banks and ATC is set out in Annexure D of this Circular.

(i) **Acceptance through an ATC**

To accept the provisional allocations of New Units specified in the Acceptance Form through an ATC, the duly completed Acceptance Form must be submitted by the relevant Singapore Registered Unitholder personally to an ATC at the time of acceptance. All Acceptance Forms must, in any event, be submitted not later than 4.45 p.m. on 26 February 2004. **NO CASHIER’S ORDER OR BANKER’S DRAFT IS REQUIRED IF THE SINGAPORE REGISTERED UNITHOLDER IS ACCEPTING HIS PROVISIONAL ALLOCATION OF NEW UNITS THROUGH AN ATC.** The Singapore Registered Unitholder must have an ATM card issued in his own name by one of the NETS member banks or their subsidiaries (collectively, the “**NETS Banks**” and, individually the “**NETS Bank**”). The full amount payable for the relevant number of New Units accepted will be deducted from the Singapore Registered Unitholder’s account maintained with his NETS Bank. However, the aggregate amount deducted from the Singapore Registered Unitholder’s account with a particular NETS Bank may not exceed S\$100,000 per day.

By accepting his provisional allocation of New Units through an ATC, a Singapore Registered Unitholder irrevocably and unconditionally agrees that he consents to CDP, the SGX-ST, the ATC, the NETS Bank, the Manager, the Unit Registrar, the Joint Lead Managers and Underwriters, the Participating Banks and all persons to whom Section 47(2) of the Banking Act, Chapter 19 of Singapore applies, giving, divulging or revealing, in any manner howsoever, his name, National Registration Identity Card (“**NRIC**”)/Passport/Registration (for corporations) number, CDP Securities Account number, address, number of Units standing to the credit of his Securities Account with CDP, the number of New Units accepted pursuant to the Preferential Offering and any other relevant information whatsoever to CDP, the SGX-ST, the ATC, the NETS Bank, the Manager, the Unit Registrar, the Joint Lead Managers and Underwriters, the Participating Banks and any other relevant parties.

Each of the Singapore Registered Unitholders also agrees irrevocably and acknowledges that the submission of his acceptance and payment for the New Units under the Preferential Offering, if effected through an ATC, is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, loss, theft (in each case

whether or not within the control of CDP, the NETS Bank, the ATC, the Manager, the Unit Registrar and/or the Joint Lead Managers and Underwriters) and any events whatsoever beyond the control of CDP, the NETS Bank, the ATC, the Manager, the Unit Registrar and/or the Joint Lead Managers and Underwriters and if, in any such event, CDP, the Manager or the Joint Lead Managers and Underwriters do not receive the same from the ATC by the last day and time for acceptance and payment, or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Singapore Registered Unitholder shall be deemed not to have accepted the New Units under the Preferential Offering and he shall have no claim whatsoever against CDP, the NETS Bank, the ATC, the Manager, the Unit Registrar or the Joint Lead Managers and Underwriters for the New Units offered under the Preferential Offering in respect of any purported acceptance thereof, or for any compensation, loss or damages in connection therewith or in relation thereto.

(ii) **Acceptance through the 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 26 February 2004**. The payment must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"THE CENTRAL DEPOSITORY (PTE) LIMITED — A-REIT UNIT PLACEMENT 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.**

(iii) **Acceptance by way of Electronic Acceptance through any ATM of a Participating Bank**

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 26 FEBRUARY 2004 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH AN ATC OR CDP; OR**
- (B) 9.30 P.M. ON 26 FEBRUARY 2004 IF AN ACCEPTANCE AND PAYMENT IS MADE THROUGH ANY ATM OF A PARTICIPATING BANK.**

If acceptance and payment in the prescribed manner as set out in the Acceptance Form and this Circular is not received through an ATC or CDP by **4.45 p.m. on 26 February 2004** or through any ATM of a Participating Bank by **9.30 p.m. on 26 February 2004** from any Singapore Registered Unitholder, the provisional allocation of New Units to the Singapore Registered Unitholder shall be deemed to have been declined and shall forthwith lapse and become void. To the extent to which the provisional allocation is taken up in part only, the balance will be deemed to be 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 NETS Bank (where acceptance is through an ATC) 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 26 February 2004. Any New Units declined by Singapore Registered Unitholders will be used to satisfy excess applications (if any) under the ATM Offering and/or the Private Placement.

In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering, the allocation of New Units will be effected in such manner as the Joint Lead Managers and Underwriters (after 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 26 February 2004 by any or a combination of the following:

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

**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 81 to 82 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 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 by the Joint Lead Managers and Underwriters 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 a Participating Bank. 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 of 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, SGX-ST, the Manager and the Joint Lead Managers and Underwriters (the “**Relevant Parties**”).

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

2. An Applicant may effect an Electronic Acceptance at an ATM of a Participating Bank using cash only by authorising the relevant Participating Bank to deduct the full amount payable from his account with the relevant Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the number of New Units allocated as stated on the Transaction Record or the number of New Units standing to the credit of his Securities Account as at the close of the Preferential Offering.
4. If the Applicant's Electronic Acceptance is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of New Units accepted shall signify and shall be treated as his acceptance of the number of New Units that may be allotted to him.
5. In the event that the Applicant accepts his provisional allocation of New Units under the Preferential Offering both by way of an Acceptance Form and by way of an Electronic Acceptance, CDP shall be authorised and entitled to accept the Applicant's instruction in whichever mode or a combination thereof as it may in its absolute discretion deem fit. In determining the number of New Units which the Applicant has validly given instruction to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of New Units not exceeding the number of New Units provisionally allocated which are standing to the credit of his Securities Account as at the close of the Preferential Offering, and CDP, in determining the number of New Units which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances.
6. The Applicant irrevocably requests and authorises the Manager and the Joint Lead Managers and Underwriters to:
  - (a) register or procure the registration of the New Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
  - (b) return (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the subscription moneys, should his Electronic Acceptance not be allotted or, as the case may be, fully allotted by the Manager and/or the Joint Lead Managers and Underwriters for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within 14 Market Days after the close of the Preferential Offering.
7. **BY EFFECTING AN ELECTRONIC ACCEPTANCE, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE NEW UNITS AS THE NOMINEE OF ANY OTHER PERSON.**
8. The Applicant irrevocably agrees and acknowledges that his Electronic Acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Manager, the Joint Lead Managers and Underwriters, the Unit Registrar and/or the relevant Participating Bank) and other events beyond the control of CDP, the Manager, the Joint Lead Managers and Underwriters, the Unit Registrar and/or the relevant Participating Bank and if, in any such event, CDP and/or the Manager and/or the Joint Lead Managers and Underwriters, the Unit Registrar and/or the relevant Participating Bank 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 the relevant Participating Bank, CDP, the Joint Lead Managers and Underwriters, the Manager or the Unit Registrar for the purported acceptance of the New Units or for any compensation, loss or damage in connection therewith or in relation thereto.



9. Electronic Acceptances may be effected at the ATMs of the Participating Banks between 9.00 a.m. to 9.30 p.m. on 19 February 2004 and between 7.00 a.m. to 9.30 p.m. (Mondays to Saturdays only) for the remaining period of the Preferential Offering. The service is not available on Sundays.
10. Electronic Acceptances shall close at 9.30 p.m. on 26 February 2004 or such other time as the Joint Lead Managers and Underwriters (after consultation with the Manager) may, in their absolute discretion, deem fit.
11. All particulars of the Applicant in the records of the relevant Participating Bank at the time he effects his Electronic Acceptance for the New Units under the Preferential Offering shall be deemed to be true and correct, and the Joint Lead Managers and Underwriters and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the effecting of his Electronic Acceptance, the Applicant shall promptly notify the relevant Participating Bank.
12. The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he effects his Electronic Acceptance of his provisional allocation of New Units under the Preferential Offering, failing which his Electronic Acceptance will not be completed. Any Electronic Acceptance made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of the Participating Banks will be rejected.
13. Where an Electronic Acceptance is not accepted, it is expected that the full amount of subscription moneys will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 Market Days of the close of the Preferential Offering. An Electronic Acceptance may also be accepted in part, in which case the balance amount of subscription moneys will be refunded.
14. In consideration of the Joint Lead Managers and Underwriters arranging for the Electronic Acceptance facility through the ATMs of the Participating Banks and agreeing to close the Preferential Offering at 9.30 p.m. on 26 February 2004 or such other time or date as the Joint Lead Managers and Underwriters (after 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 Participating Banks shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Acceptance to the Joint Lead Managers and Underwriters or CDP due to a breakdown or failure of transmission, delivery or communication facilities or to any cause beyond their respective controls;
  - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allocation of New Units under the Preferential Offering; and
  - (e) in respect of the New Units for which his Electronic Acceptance has been successfully completed and not rejected, acceptance of the Applicant's Electronic Acceptance shall be constituted by written notification by or on behalf of the Joint Lead Managers and Underwriters and not otherwise, notwithstanding any payment received by or on behalf of the Joint Lead Managers and Underwriters.

15. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Acceptance may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment will be sent to his address last registered with CDP.
16. The existence of a trust will not be recognised. Any Electronic Acceptance by a trustee must be made in his own name and without qualification. The Joint Lead Managers and Underwriters (after consultation with the Manager) will reject any acceptance by any person acting as nominee.
17. The Applicant hereby acknowledges that, in determining the total number of New Units which he can validly accept under the Preferential Offering, the Joint Lead Managers and Underwriters and CDP are entitled and the Applicant hereby authorises the Joint Lead Managers and Underwriters and CDP to take into consideration:
  - (a) the total number of New Units which the Applicant has accepted, whether by way of an Acceptance Form or by way of an Electronic Acceptance; and
  - (b) the total number of New Units comprised in the provisional allocation standing to the credit of his Securities Account and which are available for acceptance.

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

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

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

For illustration purposes, the steps for making an Electronic Acceptance through a DBS or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “appln”, “&”, “I/C” and “No.” refer to “Account”, “amount”, “application”, “and”, “NRIC” and “Number” respectively.) Instructions for ATM Electronic Applications on the ATM screens of 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 entitled units you wish to accept. **(Note: You may only accept up to the number of Units that you are entitled to, which is printed on the Acceptance Form. If you choose to accept a number of Units in excess of what you are entitled to, the excess number of Units will not be accepted and the excess subscription moneys will be refunded to you.)**

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 entitled units under the Preferential Offering and you should select "Cancel".)**
14. Remove the Transaction Record for your reference retention only.

## ANNEXURE C

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

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

1. **YOUR APPLICATION UNDER THE ATM OFFERING MUST BE MADE IN LOTS OF 1,000 NEW UNITS OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW UNITS WILL BE REJECTED.**
2. Your application for the New Units under the ATM Offering can only be made through ATMs belonging to the Participating Banks (“**ATM Electronic Applications**”). **You may use your CPF funds to apply for the New Units offered under the ATM Offering.**
3. **You may use up to 35.0% of your CPF Investible Savings (“CPF Funds”) to apply for the New Units under the ATM Offering.** Approval has been obtained from the Central Provident Fund (“**CPF**”) Board for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the purchase of the New Units under the ATM Offering. You may also use up to 35.0% of your CPF Funds for the purchase of the Units in the secondary market.

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

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

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

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

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

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

5. Applications will not be accepted from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses contained in the records of the Relevant Participating Banks bear post office box numbers.

6. The existence of a trust will not be recognised. Any application by a trustee must be made in his own name and without qualification.
7. **YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of application, you will not be able to complete your ATM Electronic Application. If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in your ATM Electronic Application, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars, such as name, NRIC/passport number, nationality and permanent residence status, contained in the records of the relevant Participating Bank at the time of your ATM Electronic Application differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
8. If your address contained in the records of the relevant Participating Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
9. The Joint Lead Managers and Underwriters reserve the right to reject any ATM Electronic Application (after consultation with the Manager) which does not conform strictly to the instructions set out in this Circular or which does not comply with the terms and conditions of this Circular. The Joint Lead Managers and Underwriters further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions or the terms and conditions of this Circular, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.
10. The Joint Lead Managers and Underwriters (after consultation with the Manager) reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any ATM Electronic Application, without assigning any reasons thereof, and the Manager and the Joint Lead Managers and Underwriters will not entertain any enquiry and/or correspondence on the decision of the Joint Lead Managers and Underwriters.
11. It is expected that CDP will send to you, at your own risk, within 15 Market Days after 26 February 2004, subject to the submission of valid applications and payment for the New Units under the ATM Offering and the completion of the ATM Offering, a statement of account stating that your Securities Account has been credited with the number of New Units allotted to you. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Manager or the Joint Lead Managers and Underwriters. You irrevocably authorise CDP to complete and sign on your behalf as transferee any documents required for the issue or transfer of the New Units allotted to you.
12. In the event of an over-subscription for the New Units under the ATM Offering as at the close thereof, the successful applications for the New Units under the ATM Offering will be determined by ballot or otherwise as determined by the Joint Lead Managers and Underwriters (in consultation with the Manager), and approved by the SGX-ST.
13. In the event of an under-subscription for the New Units under the ATM Offering as at the close thereof, that number of New Units under-subscribed shall be made available to satisfy excess applications for the New Units under the Private Placement to the extent there is an over-subscription for the New Units offered under the Private Placement.

In the event of an under-subscription for the New Units under the Private Placement as at the close of the ATM Offering, that number of New Units under-subscribed shall be made available to satisfy excess applications for New Units under the ATM Offering to the extent that there is an over-subscription for New Units under the ATM Offering as at the close of the ATM Offering.

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

## **ADDITIONAL TERMS AND CONDITIONS FOR ATM ELECTRONIC APPLICATIONS**

The procedures for ATM Electronic Applications are set out on the screens of the ATMs of the Participating Banks (the “**ATM Electronic Application Steps**”). For illustration purposes, the procedures for ATM Electronic Applications through the ATMs of DBS Bank (including POSB ATMs) are set out in the “Steps for ATM Electronic Applications for New Units through ATMs of DBS Bank (including POSB ATMs)” appearing on pages 90 to 91 of this Circular. Please read carefully the terms of this Circular, the ATM Electronic Application Steps and the additional terms and conditions for ATM Electronic Applications set out below carefully before making any ATM Electronic Applications. Any reference to “you” or the “Applicant” in the additional terms and conditions and the ATM Electronic Application Steps shall refer to you making an ATM Electronic Application.

The “Steps for ATM Electronic Applications for New Units through ATMs of DBS Bank (including POSB ATMs)” set out the actions that you must take at the ATMs of DBS Bank to complete an ATM Electronic Application. The actions that you must take at the ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks.

You must have an existing bank account with and be an ATM cardholder of a Participating Bank before you can make an ATM Electronic Application. An ATM card issued by one Participating Bank cannot be used to apply for the New Units at an ATM belonging to other Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**ATM Electronic Application Transaction Record**”) confirming the details of your ATM Electronic Application. The ATM Electronic Application Transaction Record is for your retention.

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

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

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



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

2. **By making an ATM Electronic Application, you confirm that you are not applying for New Units under the ATM Offering as a nominee of any other person and that any electronic application that you make for the New Units under the ATM Offering is the only application made by you as the beneficial owner. You shall make only one ATM Electronic Application and shall not make any other application for the New Units under the ATM Offering.**
3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application at an ATM of the relevant Participating Bank, failing which such ATM Electronic Application will not be completed. Any ATM Electronic Application which does not conform strictly to the instructions set out in this Circular or on the screens of the ATM of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.
4. You may apply and make payment for your application under the ATM Offering in Singapore currency in the following manner:
  - (a) **Cash only** — You may apply for New Units under the ATM Offering through any ATM of the Participating Banks using only cash by authorising the relevant Participating Bank to deduct the full amount payable from your bank account with the relevant Participating Bank.
  - (b) **CPF Funds only** — You may apply for the New Units under the ATM Offering through any ATM of the Participating Banks using only CPF Funds by authorising the relevant Participating Bank to deduct the full amount payable from your CPF Investment Account with the relevant Participating Bank. For additional terms and conditions governing the use of CPF Funds, please refer to the section “Terms and Conditions for Use of CPF Funds under the ATM Offering”.
  - (c) **Cash and CPF Funds** — You may apply for the New Units under the ATM Offering through any ATM of the Participating Banks using a combination of cash and CPF Funds, PROVIDED THAT the number of New Units applied for under each payment method is in lots of 1,000 New Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application moneys will be used in respect of such applications before the CPF Funds are used.

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

5. You irrevocably agree and undertake to subscribe for and to accept the number of New Units under the ATM Offering applied for as stated on the ATM Electronic Application Transaction Record or any lesser number of such New Units that may be allotted to you in respect of your ATM Electronic Application. In the event that the Joint Lead Managers and Underwriters decide to allot any lesser number of such New Units or not to allot any New Units to you, you agree to accept such decision as final. If your ATM Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM) of the number of New Units applied for shall signify and shall be treated as your acceptance of the number of New Units that may be allotted to you.
6. No application will be kept in reserve. Where your ATM Electronic Application is unsuccessful, the full amount of the application moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with the relevant Participating Bank at your own risk.

**Where your ATM Electronic Application is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with the relevant Participating Bank, at your own risk.**

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

If your ATM Electronic Application is unsuccessful, no notification will be sent to you by the Participating Banks, the Manager and/or the Joint Lead Managers and Underwriters.

7. Applicants who make ATM Electronic Applications for New Units through the ATMs of the following banks may check the provisional results of their ATM Electronic Applications as follows:–

Bank	Telephone	Channels	Operating Hours	Service expected from
DBS Bank	1800-339 6666 (for POSB account holders)  1800-111 1111 (for DBS account holders)	Internet Banking or www.dbs.com	24 hours a day	Evening of the balloting day
OCBC	1800-363 3333	ATM	ATM 24 hours a day Phone Banking: 24 hours a day	Evening of the balloting day
UOB Group	1800-222 2121	ATM (Other Transactions — “IPO Enquiry”)  www.uobgroup.com <sup>(1)</sup>	Phone Banking/ATM: 24 hours a day  Internet Banking: 24 hours a day	Evening of the balloting day

Note:

- (1) If you have made your ATM Electronic Application through the ATMs of the UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB ATMs or UOB PhoneBanking services.

8. **ATM Electronic Applications shall close at 12.00 noon on 26 February 2004 or such other time or date as the Joint Lead Managers and Underwriters may, after consultation with the Manager, decide.**
9. You are deemed to have irrevocably requested and authorised the Manager and the Joint Lead Managers and Underwriters to:
  - (a) register the New Units allotted to you in the name of CDP for deposit into your Securities Account;
  - (b) **return or refund (without interest or any share of revenue or other benefit arising therefrom) the application moneys, should your ATM Electronic Application be unsuccessful, by automatically crediting your bank account with the relevant Participating Bank, at your own risk; and**
  - (c) **return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application moneys, should your ATM Electronic Application be accepted in part only, by automatically crediting your bank account with the relevant Participating Bank, at your own risk, within 14 Market Days after the close of the ATM Offering.**
10. You irrevocably agree and acknowledge that your ATM Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager) and other events beyond the control of CDP, the Joint Lead Managers and Underwriters and/or the Manager, and in any such event that the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager do not receive your ATM Electronic Application, or data relating to your ATM Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an ATM Electronic Application and you shall have no claim whatsoever against the Participating Banks, the Joint Lead Managers and Underwriters and the Manager for New Units applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
11. The existence of a trust will not be recognised. Any ATM Electronic Application by a trustee must be made in his own name and without qualification. The Joint Lead Managers and Underwriters (after consultation with the Manager) will reject any application by any person acting as nominee.
12. All your particulars in the records of the relevant Participating Bank at the time you make your ATM Electronic Application shall be deemed to be true and correct, and the relevant Participating Bank shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your ATM Electronic Application, you shall promptly notify the relevant Participating Bank.
13. You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your ATM Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
14. In consideration of the Joint Lead Managers and Underwriters making available the ATM Electronic Application facility at the ATMs of the Participating Banks and agreeing to close the ATM Offering at 12.00 noon on 26 February 2004 or such other time or date as the Joint Lead Managers and Underwriters (after consultation with the Manager) may, in their absolute discretion decide, and by making and completing an ATM Electronic Application, you are deemed to have agreed that:
  - (a) your ATM Electronic Application is irrevocable;

- (b) your ATM Electronic Application, the acceptance by the Joint Lead Managers and Underwriters and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (c) neither the Joint Lead Managers and Underwriters nor the Manager shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your ATM Electronic Application to the relevant Participating Bank or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (d) in respect of the New Units for which your ATM Electronic Application has been successfully completed and not rejected, acceptance of your ATM Electronic Application shall be constituted by written notification by or on behalf of the Joint Lead Managers and Underwriters and not otherwise, notwithstanding any payment received by or on behalf of the Joint Lead Managers and Underwriters;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your ATM Electronic Application; and
- (f) reliance is placed solely on information contained in this Circular and that none of the Joint Lead Managers and Underwriters, the Manager nor any other person involved in the ATM Offering shall have any liability for any information not so contained.

**Steps for ATM Electronic Applications for New Units through ATMs of DBS Bank (including POSB ATMs)**

For illustration purposes, the steps for making an ATM Electronic Application 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.) Instructions for ATM Electronic Applications on the ATM screens of 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 “ELECTRONIC SECURITY APPLN (IPOS/BOND/ST-NOTES)”.
6. Read and understand the following statements which will appear on the screen:–
  - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
  - Press the “ENTER” key to confirm that you have read and understood.
7. Select “**A-REIT**”.
  8. Press the “ENTER” key to acknowledge:
    - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
    - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S).
    - FOR FIXED AND MAX PRICE SECURITY APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
    - THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
    - YOU ARE NOT A US PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
  9. Select your nationality.
  10. Select payment by cash, CPF Funds or a combination of cash and CPF Funds.
  11. Select the DBS Bank account (AutoSave/Current/Savings/Savings Plus) or the POSB account (current/savings) from which to debit your application moneys.
  12. Enter the number of securities you wish to apply for using cash, CPF Funds, or a combination of cash and CPF Funds.
  13. Enter your own 12-digit CDP Securities Account number. (Note: — This step will be omitted automatically if your CDP Securities Account number has already been stored in DBS Bank’s records).
  14. Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the “ENTER” key to confirm your application.
  15. Remove the Transaction Record for your reference retention only.

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

1. **If you are using CPF Funds to subscribe for New Units under the ATM Offering, you must have a CPF Investment Account maintained with a Participating Bank at the time of your application.** If you are applying for the New Units through an ATM Electronic Application, you must have an ATM card with a Participating Bank at the time of your application before you can use the ATM of the relevant Participating Bank to apply for the New Units. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as amended.
2. CPF Funds may only be withdrawn for applications for the New Units under the ATM Offering in lots of 1,000 New Units or integral multiples thereof.
3. Before you apply for the New Units under the ATM Offering using your CPF Funds, you must first make sure that you have sufficient funds in your CPF Investment Account to pay for the New Units. You need not instruct the CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, the relevant Participating Bank will automatically transfer the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to submit your application in the case of an ATM Electronic Application. The automatic transfer facility is available until the close of the ATM Offering, and the operating hours of the facility are between 9.00 a.m. and 10.00 p.m. on the first day of the ATM Offering, between 8.00 a.m. and 10.00 p.m. from Mondays to Saturdays, between 10.00 a.m. and 5.00 p.m. on 22 February 2004 and between 8.00 a.m. and 12.00 noon on the date on which the ATM Offering closes, that is 26 February 2004.
4. The special CPF securities sub-account of the nominee company of the relevant Participating Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the New Units you purchase with CPF Funds.
5. Where you are using CPF Funds, you cannot apply for the New Units under the ATM Offering as nominee for any other person.
6. All instructions or authorisations given by you through an ATM Electronic Application are irrevocable.
7. All information furnished by the CPF Board and the Participating Banks on your authorisation will be relied on as being true and correct.

## ANNEXURE D

### LIST OF PARTICIPATING BANKS AND AUTHORISED TRADING CENTRES

#### Participating Banks

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

#### Authorised Trading Centre

DBS Bank Ltd, Shenton Way Branch

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