



**Ascendas Real Estate Investment Trust  
Financial Statement Announcement  
for period from 19 November to 31 December 2002**

These figures have not been audited.

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas-MGM Funds Management Limited as the Manager of A-REIT and Bermuda Trust (Singapore) Limited as the Trustee of A-REIT.

Units in A-REIT were allotted in November 2002 based on a Prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Stock Exchange on 19 November 2002.

Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, the actual income derived from the properties was effective only from 19 November 2002.

No comparative figures have been presented as this is the first set of financial statements prepared by the Trust since its inception. Where appropriate, comparison will be made against the pro-forma figures stated in the prospectus dated 5 November 2002.

A-REIT has a diversified portfolio of eight properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, valued at approximately S\$607.2 million (as at 1 August 2002). These properties house a tenant base of more than 300 international and local companies operating in a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Tenants include Bioprocessing Technology Centre, Federal Express, Honeywell, Institute of Microelectronics, Lilly Systems Biology, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stable distributions to be delivered by A-REIT.

1 (a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

	Actual 19/11/02 to 31/12/02 <sup>(a)</sup> S\$'000	Proforma 19/11/01 to 31/12/01 <sup>(b)</sup> S\$'000	Increase / (Decrease) %
Gross rental income	6,747	NA	NM
Other income	677	NA	NM
<b>Gross revenue</b>	<b>7,424</b>	<b>6,734</b>	<b>10.2</b>
Property services fees	(220)	(389)	(43.4)
Property tax	(550)	(486)	13.2
Other property operating expenses	(1,582)	(961)	64.6
<b>Property operating expenses</b>	<b>(2,352)</b>	<b>(1,836)</b>	<b>28.1</b>
<b>Net property income</b>	<b>5,072</b>	<b>4,898</b>	<b>3.6</b>
Manager's fee	(367)	(364)	0.8
Trust expenses	(94)	(84)	11.9
Borrowing costs	(247)	(413)	(40.2)
<b>Non-property expenses</b>	<b>(708)</b>	<b>(861)</b>	<b>(17.8)</b>
<b>Net profit</b>	<b>4,364</b>	<b>4,037</b>	<b>8.1</b>
Non-tax deductible expenses	184	182	1.1
<b>Available for distribution <sup>(c)</sup></b>	<b>4,548</b>	<b>4,219</b>	<b>7.8</b>

The following items have been included in arriving at net profit

	Actual 19/11/02 to 31/12/02 <sup>(a)</sup> S\$'000	
Provision for doubtful debts and bad debts written off	(164)	<sup>(d)</sup>

**Footnotes**

NA - Not available

NM - Not meaningful

- (a) *Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, the actual income derived from the properties for the first financial period was from 19 November 2002 to 31 December 2002, a period of 43 days.*
- (b) *This is the first financial period for A-REIT. The comparative figures are extracted from the proforma profit and loss statement for the year ended 31 March 2002 stated in the prospectus dated 5 November 2002 and pro-rated equally for 43 days.*
- (c) *A-REIT is required to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). A-REIT's distribution policy is to distribute its taxable income to unitholders on a semi-annual basis, except for the first distribution which will be for the period from 9 October 2002 to 31 March 2003.*
- (d) *There are no comparative prior period figures as this is the first financial period.*
- (e) *There are no investment income, depreciation and amortisation, write-off for stock obsolescence, impairment in value of investments, foreign exchange gain/loss, adjustments for under/overprovision of tax in respect of prior years, profit on sale of investments, properties or plant and equipment, exceptional and extraordinary items during the financial period and the previous corresponding financial period.*

1 (b)(i) **A balance sheet, together with a comparative statement as at the end of the immediately preceding financial year**

	Actual 31/12/02 S\$'000	Proforma 31/3/02 <sup>(a)</sup> S\$'000
<b>Current assets</b>		
Trade and other receivables	5,672	1,301
Cash	9,809	8,874
<b>Total current assets</b>	15,481	10,175
<b>Non-current assets</b>		
Investment properties	607,150	607,150
<b>Total non-current assets</b>	607,150	607,150
<b>Total assets</b>	622,631	617,325
<b>Current liabilities</b>		
Trade and other payables	9,787	8,874
<b>Total current liabilities</b>	9,787	8,874
<b>Non-current liabilities</b>		
Borrowings	125,000	125,000
<b>Total non-current liabilities</b>	125,000	125,000
<b>Total liabilities</b>	134,787	133,874
<b>Net assets</b>	487,844	483,451
<b>Unitholders' equity</b>		
Issued equity	478,896	478,896
Issue costs	(17,343)	(17,342)
Revaluation reserves	21,927	21,897
Net profit for the period	4,364	-
<b>Total unitholders' equity</b>	487,844	483,451

**Footnotes**

(a) *The comparative figures presented are from the pro forma balance sheet as at 31 March 2002 extracted from the prospectus dated 5 November 2002.*

**1 (b)(ii) Aggregate amount of borrowings**

31/12/02	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year <sup>(a)</sup>	-	125,000
	-	125,000

There are no comparative prior period figures as this is the first financial period.

**Footnotes**

(a) *A-REIT has in place a three-year Facility of S\$150 million comprising a S\$80 million transferable loan facility, a S\$60 million revolving credit facility and a S\$5 million banker's guarantee facility. The Facility has been drawn down to S\$125 million with the transferable loan facility fully drawn.*

**1 (c) A cashflow statement, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Actual 19/11/02 to 31/12/02 <sup>(a)</sup> S\$'000
<b>Operating activities</b>	
Net Profit	4,364
Adjustments for:	
Provision for doubtful receivables	164
Borrowing costs ( <i>interest and commitment fees</i> )	247
<b>Operating profit before changes in working capital</b>	4,775
Increase in working capital:	
Trade and other receivables	(5,518)
Trade and other payables	9,547

**Financial Statement Announcement  
for period from 19 November to 31 December 2002**



Changes in working capital	4,029
<b>Cash flows from operating activities</b>	<b>8,804</b>
<b>Investing activities</b>	
Purchase of investment property	(585,223)
Proceeds from issue of new units	478,896
Issue cost	(17,343)
<b>Cash flows from investing activities</b>	<b>(123,670)</b>
<b>Financing activities</b>	
Proceeds from borrowings	125,000
Borrowing costs paid ( <i>facility and management fees</i> )	(325)
<b>Cash flows from financing activities</b>	<b>124,675</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,809</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>9,809</b>

**Footnotes**

<sup>(a)</sup> *Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, the actual income and cashflow derived from the properties for the first financial period was from 19 November 2002 to 31 December 2002, a period of 43 days.*

*There are no comparative prior period figures as this is the first financial period.*

1 (d)(i) **A statement showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Actual 19/11/02 to 31/12/02 <sup>(a)</sup> S\$'000
<b>Operations</b>	
Net Profit	4,364
Net appreciation on revaluation of investment properties	21,927
	26,291
<b>Unitholders' transactions</b>	
Creation of units	
- contribution on IPO	478,896
Establishment & IPO expenses	(17,343)
	461,553
<b>Unitholders' funds as at end of period</b>	<b>487,844</b>

**Footnotes**

(a) *Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, the statement of changes in equity is for the period from 19 November 2002 to 31 December 2002.*

*There are no comparative prior period figures as this is the first financial period.*

1 (d)(ii) **Details of any changes in issued equity since the end of the previous period reported on**

<u>Date</u>	<u>Units issued</u>	<u>Purpose</u>
19/11/02	545,000,000	Consideration for acquisition of investment properties

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

Reviewed in accordance with SSA 910: Engagements to Review Financial Statements.

3. **Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

See attachment.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

The same accounting policies and methods of computation are followed during the current financial period as compared with those stated in the prospectus dated 5 November 2002.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable

6. **Earnings per unit for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per unit for the period (i.e. 43 days)  
based on the number of units in issue S\$0.008

*There are no comparative prior period figures as this is the first financial period.*

7. **Net asset value per unit based on issued share capital of the issuer at the end of (a) current period reported on and (b) immediately preceding financial year**

Net asset value per unit at 31 December 2002	S\$0.90
Adjusted net asset value per unit at 31 December 2002 <sup>(a)</sup>	S\$0.89



**Footnotes**

- (a) *As A-REIT is required to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains), the net profit for the period has been excluded in arriving at the adjusted net asset value.*

*There are no comparative prior period figures as this is the first financial period.*

8. **A review of the performance, to the extent necessary for a reasonable understanding of the business. The review must discuss any significant factors that affected the turnover, costs, and earnings for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities during the current financial period reported on**

Please refer to Section 9 below for the review of actual performance against the forecast.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

	Actual 19/11/02 to 31/12/02 S\$'000	Forecast 19/11/02 to 31/12/02 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
Gross rental income	6,747	6,693	0.8
Other income	677	707	(4.2)
<b>Gross revenue</b>	<b>7,424</b>	<b>7,400</b>	<b>0.3</b>
Property services fees	(220)	(250)	(12.0)
Property tax	(550)	(595)	(7.6)
Other property operating expenses	(1,582)	(1,637)	(3.4)
<b>Property operating expenses</b>	<b>(2,352)</b>	<b>(2,482)</b>	<b>(5.2)</b>
<b>Net property income</b>	<b>5,072</b>	<b>4,918</b>	<b>3.1</b>
Manager's fee	(367)	(364)	0.8
Trust expenses	(94)	(84)	11.9
Borrowing costs	(247)	(336)	(26.5)
<b>Non-property expenses</b>	<b>(708)</b>	<b>(784)</b>	<b>(9.7)</b>
<b>Net profit</b>	<b>4,364</b>	<b>4,134</b>	<b>5.6</b>
Non-tax deductible expenses	184	182	1.1
<b>Available for distribution</b>	<b>4,548</b>	<b>4,316</b>	<b>5.4</b>

**Footnotes**

(a) *The extrapolated forecast for the period from 19 November 2002 to 31 December 2002 has been derived from the forecast stated in the prospectus dated 5 November 2002, which is for the period from 1 November 2002 to 31 March 2003, on a best estimate basis by the Manager so as to allow like to like comparison with the actual results.*

Actual gross revenue for the period ending 31 December 2002 was S\$7.42 million, which is in line with the S\$7.4 million stated in the forecast.

The property operating expenses were marginally lower than the forecast due partly to lower property services fees and other property operating expenses such as property tax and utilities expenses. The non-property operating expenses were also lower due to a 26.5% saving on borrowing costs.

Overall, the actual net profit exceeds forecast by 5.6%.

10. **A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The present state of economic conditions in Singapore and globally, generally indicate economic growth will be subdued in the short term. Given these general economic conditions the prospects for improved leasing demand and growth in rental income remain flat. These conditions have generally prevailed in the period since the preparation of the Prospectus for A-REIT dated 5 November 2002 and are expected to continue in the short term. The market is generally aware of the potential developments that may compete with A-REIT properties (including the one-north development). Notwithstanding these conditions, occupancy levels in the A-REIT property portfolio at 31 December 2002 are above the average occupancy levels outlined in the Prospectus for the period ending 31 March 2003. In the period from preparation of the Prospectus to 31 December 2002, occupancy levels have actually risen and a substantial number of leases have been renewed. In addition, the level of gross revenue from committed leases in the forecast period to 31 March 2004 has increased to 80% (up from 67% as outlined in the Prospectus). Accordingly, on the basis of information available at present, the Manager does not expect the performance of A-REIT to be materially affected in the next reporting period to 31 March 2003.

**Outlook for the financial year ending 31 March 2004**

Based on the performance of the portfolio and the financials prepared for the period ending 31 December 2002, and on the basis of information available at present, the Manager expects that A-REIT will meet the forecasts (Distribution per

Unit of 7.24 cents for the year ending 31 March 2004) outlined in the Prospectus dated 5 November 2002.

**11. If a decision regarding a dividend has been made:-**

**(a) Whether an interim/(final) ordinary dividend has been declared/  
(recommended)**

Not applicable

**(b) Amount per share:**

*current period*

Not applicable

*previous corresponding period*

Not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt**

Not applicable

**(d) The date the dividend is payable**

Not applicable

**(e) The date on which registrable transfers received by the issuer (up to  
5.00pm) will be registered before entitlements to the dividends are  
determined**

Not applicable

**12. If no dividend has been declared/(recommended), a statement to that effect**

No dividend has been declared or recommended for the period from 19/11/02 to 31/12/02.

**Financial Statement Announcement  
for period from 19 November to 31 December 2002**



*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

By order of the Board

Company Secretary