

Financial statements for the period from 1 April 2003 to 30 September 2003

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.

Comparisons have been made against the last reported result which was from inception to 31 March 2003 (133 days). There are no prior period comparisons as the operations of the Trust only commenced on 19 November 2002.

With the acquisition of OSIM Headquarters Building on 20 June 2003, A-REIT has a diversified portfolio of nine properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore. 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 Biopharmaceutical Manufacturing, Federal Express, Honeywell, Lilly Systems Biology, OSIM International and Venture Corporation, just to name a few. The rental income from these tenants contributes to the stable distributions to be delivered by A-REIT.

A-REIT has recently signed three put and call option agreements for the acquisition of the following properties:

1. Ghim Li Building expected to complete in October 2003 for \$13.5 million with a 10 year leaseback to Ghim Li Global Pte Ltd.
2. Ultro Building expected to complete in November 2003 for \$18.0 million with a 10 year leaseback to Ultro Technologies Ltd.
3. Infineon Building expected to complete in August 2004 for \$50.9 million with a 12 year lease to Infineon Technologies Asia Pacific Pte Ltd.

The results to 30 September 2003 do not include any income from these properties.

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

|  | Actual<br>1/7/03 to<br>30/9/03<br>S\$'000 | Proforma<br>1/7/02 to<br>30/9/02 (a)<br>S\$'000 | Increase /<br>(Decrease)<br>% | Actual<br>1/4/03 to<br>30/9/03<br>S\$'000 | Actual 9/10/02<br>to 31/3/03<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|--|---|---|-------------------------------|---|---|-------------------------------|
| <b>Gross revenue</b>   | 16,147                                    | 15,210  | 6.2%                          | 31,905                                    | 22,836                                  | 39.7%                         |
| Property services fees                                       | (543)                                     | (719)   | (24.5%)                       | (1,053)                                   | (695)                                   | 51.5%                         |
| Property tax   | (1,334)                                   | (1,389)   | (4.0%)                        | (2,229)                                   | (1,651)                                 | 35.0%                         |
| Other property operating expenses                            | (2,045)                                   | (2,369)   | (13.7%)                       | (4,913)                                   | (3,979)                                 | 23.5%                         |
| <b>Property operating expenses</b>                           | (3,922)                                   | (4,477)   | (12.4%)                       | (8,195)                                   | (6,325)                                 | 29.6%                         |
| <b>Net property income</b>                                   | 12,225                                    | 10,733  | 13.9%                         | 23,710                                    | 16,511                                  | 43.6%                         |
| Interest Income  | 1   | -   | NM                            | 15  | 9                                       | 66.7%                         |
| Manager's fee  | (827)                                     | (771)   | 7.3%                          | (1,620)                                   | (1,145)                                 | 41.5%                         |
| Trust expenses   | (178)                                     | (178)   | -                             | (382)                                     | (291)                                   | 31.3%                         |
| Borrowing costs  | (603)                                     | (590)   | 2.2%                          | (1,260)                                   | (794)                                   | 58.7%                         |
| <b>Non property expenses</b>                                 | (1,607)                                   | (1,539)   | 4.4%                          | (3,247)                                   | (2,221)                                 | 46.2%                         |
| <b>Net profit</b>  | 10,618                                    | 9,194   | 15.5%                         | 20,463                                    | 14,290                                  | 43.2%                         |
| Non tax deductible expenses                                  | 751                                       | 385   | 95.1%                         | 1,636                                     | 892                                     | 83.4%                         |
| <b>Available for distribution (Note b)</b>                   | 11,369                                    | 9,579   | 18.7%                         | 22,099                                    | 15,182                                  | 45.6%                         |
| Net profit as a % of gross revenue                           | 65.8%                                     | 60.4%   | 8.9%                          | 64.1%                                     | 62.6%                                   | 2.4%                          |
| Net profit as a % of unitholders' funds at end of the period | 2.1%                                      | 1.9%  | 10.8%                         | 4.1%                                      | 2.9%                                    | 41.4%                         |

The following items have been included in arriving at net profit (Note c):

|  | Actual<br>1/7/03 to<br>30/9/03<br>S\$'000 | Proforma<br>1/7/02 to<br>30/9/02 (a)<br>S\$'000 | Actual<br>1/4/03 to<br>30/9/03<br>S\$'000 | Actual 9/10/02<br>to 31/3/03 (a)<br>S\$'000 |
|--|---|---|---|---|
| Gross rental income                      | 14,288                                    | 14,046  | 27,915                                    | 20,712                                      |
| Other income                             | 1,859                                     | 1,164   | 3,990                                     | 2,124                                       |
| Allowances for doubtful receivables, net | 38  | -   | (58)                                      | (351)                                       |

## Footnotes

- (a) *The proforma for the quarter ended 30 September 2002 has been derived on a best estimate basis from the proforma for the quarter ended 30 June 2002 as disclosed in the prospectus dated 5 November 2002.*
- (b) *A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income is distributed to unitholders on a semi-annual basis.*
- (c) *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 financial period.*

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

|                                      | Actual<br>30/9/03<br>S\$'000 | Actual<br>31/3/03<br>S\$'000 |
|--------------------------------------|------------------------------|------------------------------|
| <b>Current assets</b>                |                              |                              |
| Trade and other receivables          | 2,160                        | 1,175                        |
| Prepayments                          | 1,461                        | 96                           |
| Cash                                 | 8,554                        | 27,558                       |
| <b>Total current assets</b>          | <b>12,175</b>                | <b>28,829</b>                |
| <b>Non-current assets</b>            |                              |                              |
| Investment properties                | 644,534                      | 607,540                      |
| <b>Total non-current assets</b>      | <b>644,534</b>               | <b>607,540</b>               |
| <b>Total assets</b>                  | <b>656,709</b>               | <b>636,369</b>               |
| <b>Current liabilities</b>           |                              |                              |
| Trade and other payables             | 18,957                       | 13,209                       |
| <b>Total current liabilities</b>     | <b>18,957</b>                | <b>13,209</b>                |
| <b>Non-current liabilities</b>       |                              |                              |
| Other payables                       | 5,000                        | -                            |
| Borrowings                           | 128,500                      | 125,000                      |
| <b>Total non-current liabilities</b> | <b>133,500</b>               | <b>125,000</b>               |
| <b>Total liabilities</b>             | <b>152,457</b>               | <b>138,209</b>               |
| <b>Net assets</b>                    | <b>504,252</b>               | <b>498,160</b>               |
| <b>Represented by:</b>               |                              |                              |
| Total unitholders' funds             | 504,252                      | 498,160                      |

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

|  | As at 30/9/03      |                      | As at 31/3/03      |                      |
|--|--------------------|----------------------|--------------------|----------------------|
|  | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amount repayable in one year or less, or on demand | -                  | -                    | -                  | -                    |
| Amount repayable after one year                    | -                  | 128,500              | -                  | 125,000              |
|  | -                  | 128,500              | -                  | 125,000              |

Details of borrowings

A-REIT has in place facilities totalling \$210m with Overseas-Chinese Banking Corporation Limited comprising a three-year unsecured credit facility of S\$150.0 million (incorporating a S\$80.0 million transferable loan facility, a S\$65.0 million revolving credit facility and a S\$5.0 million banker's guarantee facility) and an unsecured bridging loan of S\$60.0 million. The facilities have been drawn to S\$128.5 million comprising the entire S\$80.0 million transferable loan facility and S\$48.5 million of revolving credit facility. Interest on the unsecured credit facility is referenced to the relevant swap offer rate plus a margin of 0.60% whilst interest on the bridging loan is referenced to the relevant swap offer rate plus a margin of 0.85%. The final maturity date of the bridging loan is 19 November 2003, however a new facility will be put in place prior to maturity.

In addition interest rate swaps of \$100 million have been entered into to provide fixed rate funding. The terms are for 2 to 3 years effective from 22 September 2003 and 19 November 2003. As at 30 September 2003, swaps of \$48.5 million have been effected. A-REITs weighted average funding cost as at 30 September 2003 is 1.27% (excluding margins charged on the loans).

## 1 (c) Cashflow statement

|   | Actual<br>1/7/03 to<br>30/9/03<br>S\$'000 | Actual<br>1/7/02 to<br>30/9/02 (a)<br>S\$'000 | Actual<br>1/4/03 to<br>30/9/03<br>S\$'000 | Actual<br>9/10/02 to<br>31/3/03 (a)<br>S\$'000 |
|---|---|---|---|--|
| <b>Operating activities</b>                                 |   |   |   |  |
| Net Profit  | 10,618                                    | NA  | 20,463                                    | 14,290   |
| Adjustments for:  |   |   |   |  |
| Interest income   | (1)                                       | NA  | (15)                                      | (9)  |
| Allowance for doubtful receivables,nett                     | (38)                                      | NA  | 58  | -  |
| Borrowing costs ( <i>interest and fees</i> )                | 603                                       | NA  | 1,260                                     | 794  |
| <b>Operating profit before changes in working capital</b>   | <b>11,182</b>                             | <b>NA</b>                                     | <b>21,766</b>                             | <b>15,075</b>                                  |
| Changes in working capital:                                 |   |   |   |  |
| Trade and other receivables                                 | 570                                       | NA  | (1,043)                                   | (850)  |
| Prepayment  | (1,232)                                   | NA  | (1,365)                                   | (96)   |
| Trade and other payables                                    | 253                                       | NA  | 1,381                                     | 12,440   |
| Changes in working capital                                  | (409)                                     | NA  | (1,027)                                   | 11,494   |
| <b>Cash flows from operating activities</b>                 | <b>10,773</b>                             | <b>NA</b>                                     | <b>20,739</b>                             | <b>26,569</b>                                  |
| <b>Investing activities</b>                                 |   |   |   |  |
| Issue cost  | -   | NA  | -   | (17,343)                                       |
| Purchase of investment properties                           | (344)                                     | NA  | (26,994)                                  | (585,223)                                      |
| Proceeds from issue of units                                | -   | NA  | -   | 478,896  |
| <b>Cash flows from investing activities</b>                 | <b>(344)</b>                              | <b>NA</b>                                     | <b>(26,994)</b>                           | <b>(123,670)</b>                               |
| <b>Financing activities</b>                                 |   |   |   |  |
| Distribution to unitholders paid                            | -   | NA  | (15,151)                                  | -  |
| Borrowing costs paid  | (201)                                     | NA  | (1,113)                                   | (345)  |
| Interest received   | 1   | NA  | 15  | 4  |
| Proceeds from borrowings                                    | -   | NA  | 21,000                                    | 125,000  |
| Repayment of borrowings                                     | (5,000)                                   | NA  | (17,500)                                  | -  |
| <b>Cash flows from financing activities</b>                 | <b>(5,200)</b>                            | <b>NA</b>                                     | <b>(12,749)</b>                           | <b>124,659</b>                                 |
| <b>Net increase in cash and cash equivalents</b>            | <b>5,229</b>                              | <b>NA</b>                                     | <b>(19,004)</b>                           | <b>27,558</b>                                  |
| <b>Cash and cash equivalents at beginning of the period</b> | <b>3,325</b>                              | <b>NA</b>                                     | <b>27,558</b>                             | <b>-</b>                                       |
| <b>Cash and cash equivalents at end of the period</b>       | <b>8,554</b>                              | <b>NA</b>                                     | <b>8,554</b>                              | <b>27,558</b>                                  |

(a) Prior period comparatives are not available as at 30 September 2002 as A-REIT commenced operations on 19 November 2002. Instead, comparative figures are presented for 133 days from inception to 31 March 2003

## 1 (d)(i) Statement of changes in unitholders' funds

|   | Actual<br>1/7/03 to<br>30/9/03<br>S\$'000 | Actual<br>1/7/02 to<br>30/9/02 (a)<br>S\$'000 | Actual<br>1/4/03 to<br>30/9/03<br>S\$'000 | Actual<br>9/10/02 to<br>31/3/03 (a)<br>S\$'000 |
|---|---|---|---|--|
| <b>Balance as at beginning of period</b>  | 493,634                                   | NA  | 498,160                                   | -  |
| <b>Operations</b>   |   |   |   |  |
| Net profit  | 10,618                                    | NA  | 20,463                                    | 14,290   |
| Net appreciation on revaluation of investment properties                              | -   | NA  | -   | 22,317   |
| <b>Net increase in net assets resulting from Operations</b>                           | 10,618                                    | -   | 20,463                                    | 36,607   |
| <b>Unitholders' transactions</b>  |   |   |   |  |
| - contribution on IPO   | -   | NA  | -   | 478,896  |
| - management fee paid in units  | -   | NA  | 780                                       | -  |
| Establishment & IPO expenses  | -   | NA  | -   | (17,343)                                       |
| Distribution to unitholders (b)   | -   | NA  | (15,151)                                  | -  |
| <b>Net increase/(decrease) in net assets resulting from unitholders' transactions</b> | -   | NA  | (14,371)                                  | 461,553  |
| <b>Balance as at end of period</b>  | 504,252                                   | NA  | 504,252                                   | 498,160  |

Footnotes:

(a) Prior period comparatives are not available as at 30 September 2002 as A-REIT commenced operations on 19 November 2002. Instead, comparative figures are presented for 133 days from inception to 31 March 2003

(b) Distribution to unitholders for the period from 19 November 2002 to 31 March 2003 was paid in May 2003.

## (d)(ii) Details of any changes in the units 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 |
| 20/06/03    | 899,640             | Fund manager fees paid in units                        |
| 30/09/03    | <u>545,899,640</u>  |  |

## 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)

The figures have been reviewed in accordance with Singapore Standard of Auditing Practice 11: Review of Interim Financial Information.

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

See Attached Audit Review Letter

## 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 audited financial statements for the period ended 31 March 2003.

## 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

Nil

## 6 Earnings per unit and Distribution per unit for the financial period

|   | Actual<br>1/7/03 to<br>30/9/03<br>cents | Proforma<br>1/7/02 to<br>30/9/02 (a)<br>cents | Actual<br>1/4/03 to<br>30/9/03<br>cents | Actual<br>9/10/02 to<br>31/3/03<br>cents |
|---|---|---|---|--|
| Earnings per unit for the period based on the weighted average number of units in issue     | 1.95                                    | 1.69  | 3.75                                    | 2.62                                     |
| Distribution per unit for the period based on the weighted average number of units in issue | 2.08                                    | 1.76  | 4.05                                    | 2.78                                     |

(a) The proforma for the quarter ended 30 September 2002 has been derived on a best estimate basis from the proforma for the quarter ended 30 June 2002 as disclosed in the prospectus dated 5 November 2002.

7 **Net asset value per unit based on units issued at the end of the period**

|                                   | 30/09/03<br>cents | 31/03/03<br>cents |
|-----------------------------------|-------------------|-------------------|
| Net asset value per unit          | 92                | 91                |
| Adjusted net asset value per unit | 88                | 88                |

**Footnote**

- (a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). The available for distribution amount for the period has been excluded in arriving at the adjusted net asset value per unit.

8 **Review of the performance**

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

9 **Variance between forecast and the actual results**

|                                    | Actual<br>1/7/03 to<br>30/9/03<br>S\$'000 | Forecast<br>1/7/03 to<br>30/9/03 (a)<br>S\$'000 | Increase /<br>(Decrease)<br>% | Actual<br>1/4/03 to<br>30/9/03<br>S\$'000 | Forecast<br>1/4/03 to<br>30/9/03 (a)<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|------------------------------------|---|---|-------------------------------|---|---|-------------------------------|
| <b>Gross revenue</b>               | 16,147                                    | 15,875  | 1.7%                          | 31,905                                    | 31,729  | 0.6%                          |
| Property services fees             | (543)                                     | (625)   | (13.1%)                       | (1,053)                                   | (1,210)   | (13.0%)                       |
| Property tax                       | (1,334)                                   | (1,257)   | 6.1%                          | (2,229)                                   | (2,517)   | (11.4%)                       |
| Other property operating expenses  | (2,045)                                   | (2,706)   | (24.4%)                       | (4,913)                                   | (5,918)   | (17.0%)                       |
| <b>Property operating expenses</b> | (3,922)                                   | (4,588)   | (14.5%)                       | (8,195)                                   | (9,645)   | (15.0%)                       |
| <b>Net property income</b>         | 12,225                                    | 11,287  | 8.3%                          | 23,710                                    | 22,084  | 7.4%                          |
| Interest Income                    | 1   | 7   | (85.7%)                       | 15  | 13  | 15.4%                         |
| Manager's fee                      | (827)                                     | (792)   | 4.4%                          | (1,620)                                   | (1,573)   | 3.0%                          |
| Trust expenses                     | (178)                                     | (181)   | (1.7%)                        | (382)                                     | (361)   | 5.8%                          |
| Borrowing costs                    | (603)                                     | (784)   | (23.1%)                       | (1,260)                                   | (1,568)   | (19.6%)                       |
| <b>Non property expenses</b>       | (1,607)                                   | (1,750)   | (8.2%)                        | (3,247)                                   | (3,489)   | (6.9%)                        |
| <b>Net profit</b>                  | 10,618                                    | 9,537   | 11.3%                         | 20,463                                    | 18,595  | 10.0%                         |
| Non tax deductible expenses (b)    | 751                                       | 396   | 89.6%                         | 1,636                                     | 787   | 108.0%                        |
| <b>Available for distribution</b>  | 11,369                                    | 9,933   | 14.5%                         | 22,099                                    | 19,382  | 14.0%                         |
| Earnings per unit (cents)          | 1.95                                      | 1.75  | 11.4%                         | 3.75                                      | 3.40  | 10.3%                         |
| Distribution per unit (cents)      | 2.08                                      | 1.82  | 13.2%                         | 4.05                                      | 3.55  | 14.1%                         |

**Footnote**

- (a) *The extrapolated forecast for the period from 1 April 2003 to 30 September 2003 has been derived from the forecast stated in the prospectus dated 5 November 2002 for the period from 1 April 2003 to 31 March 2004 based on a best estimate basis by the Manager so as to allow like to like comparison with the actual results.*
- (b) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees and other non-tax deductible items.*

**Review of Performance**

Actual Gross Revenue for the six months ended 30 September 2003 was \$31.9 million, compared to \$31.7 million in the forecast.

Property operating expenses were 15.0% lower than the forecast due to lower property services fees, property tax and other property operating expenses such as professional and legal fee and advertising and promotional expenses. Non property expenses were lower mainly due to a reduction in overall borrowing costs.

Overall, the actual net profit exceeds forecast by 10.0% whilst the income available for distribution exceeds forecast by 14.0%.

**10 Commentary on 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 indicates economic growth will be subdued in the short term. Given these factors, the prospects for improved leasing demand and growth in rental income remain flat. Notwithstanding the conditions stated above, average occupancy levels in the A-REIT property portfolio have remained stable (being 81.2% for the 6 months ended 30 September 2003). In addition, the level of gross revenue from committed leases (including OSIM Headquarters Building) in the forecast period to 31 March 2004 has increased to 96% (up from 94% announced in July 2003). 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 December 2003.

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

Based on the performance of the portfolio and the financials prepared for the period ended 30 September 2003, and on the expectation of completion of the previously announced property acquisitions, the Manager expects that A-REIT will exceed the forecasts outlined in the prospectus dated 5 November 2002.

**11 Distributions**

**(a) Current financial period**

|                      |  |
|----------------------|--|
| Name of distribution | Second distribution for the six months ended 30 September 2003   |
| Distribution Type    | Income   |
| Distribution Rate    | 4.05 cents per unit  |
| Par value of units   | N.M.   |
| Tax Rate             | Qualifying investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt. All other investors will receive their distributions after deduction of tax at the rate of 22%. |

- (b) Book closure date 28/10/2003
- (c) Date Payable 21/11/2003
- (d) **Corresponding period of the immediately preceding year**

N/A

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

N/A

*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 and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

*Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.*

By order of the Board  
Ascendas-MGM Funds Management Limited

Tay Hsiu Chieh  
Company Secretary  
16 October 2003



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The Board of Directors  
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Dear Sirs

**Ascendas Real Estate Investment Trust ( "A-REIT" )  
Review of the interim financial information  
for the second quarter ended 30 September 2003**

We have been engaged by A-REIT to review the interim financial information for the second quarter ended 30 September 2003.

Singapore Exchange Listing Manual Appendix 7.2 and Singapore Financial Reporting Standard FRS 34 require the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information consists of the following:

- Statement of total return for the second quarter ended 30 September 2003;
- Balance sheet as at 30 September 2003;
- Statement of movements in unitholders' funds for the second quarter ended 30 September 2003;
- Statement of cash flows for the second quarter ended 30 September 2003; and
- Explanatory notes to the above financial statements.

The interim financial information is the responsibility of, and has been approved by, the directors of Ascendas-MGM Funds Management Ltd (the "Manager of A-REIT"). Our responsibility is to issue a report solely for the use of the directors of the Manager of A-REIT on the interim financial information based on our review.

We conducted our review in accordance with Singapore Statement of Auditing Practice 11: "*Review of Interim Financial Information*". A review of interim financial information consists principally of applying analytical review procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Singapore Exchange Listing Manual Appendix 7.2 and Singapore Financial Reporting Standard FRS 34.

Yours faithfully

**KPMG**  
**Certified Public Accountants**  
Singapore  
16 October 2003



KPMG, a partnership established under Singapore law,  
is the Singapore member firm of KPMG International,  
a Swiss non-operating association.