



A-REIT FINANCIAL STATEMENTS FOR THE HALF YEAR FROM 1 APRIL 2004 TO 30 SEPTEMBER 2004

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 HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited) as the Trustee of A-REIT, as amended by a First Supplemental Deed dated 16 January 2004, a Second Supplemental Deed dated 23 February 2004 and a Third Supplemental Deed dated 30 September 2004.

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.

Upon listing in November 2002, the property portfolio of A-REIT consisted of eight properties - The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building, Techlink, Techplace I and Techplace II. Since listing, the portfolio has been further diversified through the acquisition of OSIM HQ Building in June 2003, Ghim Li Building and Ultro Building in October 2003, IDS Logistics Corporate Headquarters in February 2004, Changi Logistics Centre, Trivec Building, TT International Tradepark and Siemens Center in March 2004, Nan Wah Building in May 2004, Progen Building & C&P Logistics Hub in July 2004. The portfolio now comprises 19 properties.

A-REIT has recently signed twelve put and call option agreements for the acquisition of Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Steel Industries Building and Volex Building, all expected to complete in December 2004 and an industrial building under development expected to complete in year 2006.

A-REIT had also signed put and call option agreements with Ascendas Land (Singapore) Pte Ltd to acquire Infineon building and Techpoint. These acquisitions are subject to unitholders' approval at an EGM expected to be held on 2 November 2004 and, if approved, are expected to complete in December 2004.

Approval in-principle has been obtained from the SGX-ST for the Equity Fund Raising of \$400 million to fund the above Acquisitions, which will be subject to unitholders' approval at the same meeting.

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

1(a)(i) Income statement (1H 2004 vs 1H 2003)

	Actual 01/04/04 to 30/09/04 (Note c) S\$'000	Actual 01/04/03 to 30/09/03 (Note c) S\$'000	Increase / (Decrease) %
Gross revenue	54,399	31,905	71%
Property services fees	(1,608)	(1,053)	53%
Property tax	(3,828)	(2,229)	72%
Other property operating expenses	(10,163)	(4,913)	107%
Property operating expenses	(15,599)	(8,195)	90%
Net property income	38,800	23,710	64%
Interest income	44	15	193%
Manager's fee	(2,903)	(1,620)	79%
Trust expenses	(528)	(382)	38%
Borrowing costs	(3,562)	(1,260)	183%
Non property expenses	(6,949)	(3,247)	114%
Net investment income	31,851	20,463	56%
Non tax deductible expenses (Note a)	1,867	1,636	14%
Net investment income available for distribution (Note b)	33,718	22,099	53%
Net investment income as a % of gross revenue	58.6%	64.1%	(9%)
Net investment income as a % of unitholders' funds at end of the period	3.8%	4.1%	(7%)

The following items have been included in arriving at net investment income:

	Actual 01/4/04 to 30/09/04 (Note c) S\$'000	Actual 01/4/03 to 30/09/03 (Note c) S\$'000
Gross rental income	47,586	27,915
Other income	6,813	3,990
Allowances for doubtful receivables, net	34	(58)

Footnotes

- (a) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees and other non-tax deductible items.*
- (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 has generally been distributed to unitholders on a semi-annual basis up to 30 September 2004 and will be distributed on a quarterly basis from 1 October 2004.*
- (c) *19 properties in 1H 2004 vs 9 properties in 1H 2003.*

1(a)(ii) Income statement (2Q 2004 vs 2Q 2003)

	Actual 01/07/04 to 30/09/04 (Note c) S\$'000	Actual 01/07/03 to 30/09/03 (Note c) S\$'000	Increase / (Decrease) %
Gross revenue	29,150	16,147	81%
Property services fees	(869)	(543)	60%
Property tax	(1,969)	(1,334)	48%
Other property operating expenses	(5,159)	(2,045)	152%
Property operating expenses	(7,997)	(3,922)	104%
Net property income	21,153	12,225	73%
Interest income	38	1	3700%
Manager's fee	(1,572)	(827)	90%
Trust expenses	(272)	(178)	53%
Borrowing costs	(1,866)	(603)	209%
Non property expenses	(3,672)	(1,607)	129%
Net investment income	17,481	10,618	65%
Non tax deductible expenses (Note a)	958	751	28%
Net investment income available for distribution (Note b)	18,439	11,369	62%
Net investment income as a % of gross revenue	60.0%	65.8%	(9%)
Net investment income as a % of unitholders' funds at end of the period	2.1%	2.1%	(1%)

The following items have been included in arriving at net investment income:

	Actual 01/07/04 to 30/09/04 (Note c) S\$'000	Actual 01/07/03 to 30/09/03 (Note c) S\$'000
Gross rental income	25,564	14,288
Other income	3,586	1,859
Allowances for doubtful receivables, net	(143)	38

Footnotes

- (a) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees and other non-tax deductible items.*
- (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 generally distributed to unitholders on a semi-annual basis up to 30 September 2004 and on a quarterly basis from 1 October 2004.*
- (c) *19 properties in 2Q 2004 vs 9 properties in 2Q 2003.*

1(a)(iii) The Fourth Distribution Calculation

	Actual 04/03/04 to 31/03/04 (Note a) S\$'000	Actual 01/04/04 to 22/06/04 (Note b) S\$'000	Actual 23/06/04 to 30/09/04 (Note c) S\$'000	Actual 04/03/04 to 30/09/04 S\$'000
Gross revenue	6,442	22,923	31,476	60,841
Property services fees	(242)	(680)	(928)	(1,850)
Property tax	(255)	(1,690)	(2,138)	(4,083)
Other property operating expenses	(843)	(4,516)	(5,647)	(11,006)
Property operating expenses	(1,340)	(6,886)	(8,713)	(16,939)
Net property income	5,102	16,037	22,763	43,902
Interest income	4	5	39	48
Manager's fee	(401)	(1,206)	(1,697)	(3,304)
Performance fee	(2,041)	-	-	(2,041)
Trust expenses	(57)	(231)	(297)	(585)
Borrowing costs	(457)	(1,540)	(2,022)	(4,019)
Non property expenses	(2,952)	(2,973)	(3,976)	(9,901)
Net investment income	2,150	13,064	18,787	34,001
Non tax deductible expenses	2,318	807	1,060	4,185
Available for distribution	4,468	13,871	19,847	38,186

	Actual 04/03/04 to 31/03/04	Actual 01/04/04 to 22/06/04	Actual 23/06/04 to 30/09/04	Actual 04/03/04 to 30/09/04
Distribution per unit (in cents) (Note d)	0.63	1.95	2.51	5.09
Applicable number of units (Note e)	709,525,633	709,525,633	791,668,490	748,845,200

Footnotes

- (a) Represents distributable income from 4 March 2004 payable to the A-REIT class of units after the date of the advanced distribution paid at the time of the March 2004 Equity Fund Raising up to 31 March 2004.
- (b) Represents distributable income payable to the A-REIT class of units from 1 April 2004 up to the date of issue of new units pursuant to the private placement in June 2004.
- (c) Represents distributable income payable to both A-REIT and A-REIT A classes of units from date of issue of the private placement units to 30 September 2004.
- (d) The fourth distribution comprises A-REIT's distributable income for the period from 4 March 2004 to 30 September 2004. A-REIT class unitholders are entitled to distributable income from 4 March 2004 to 30 September 2004 of 5.09 cents per unit and A-REIT A class unitholders are entitled to distributable income from 23 June 2004 to 30 September 2004 of 2.51 cents per unit. The distribution will be paid on 23 November 2004.
- (e) The DPU has been calculated based on the applicable number of units which is either the units applicable for the distribution over the respective period or the weighted average units on issue where units were issued during the period.

Please see paragraph 11 for more details on the fourth distribution.

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

	Actual 30/09/04 S\$'000	Actual 31/03/04 S\$'000
Non-current assets		
Investment properties	1,219,671	996,431
Total non-current assets	1,219,671	996,431
Current assets		
Trade and other receivables	15,966	19,559
Deposits and prepayments	3,325	784
Cash	13,204	3,938
Total current assets	32,495	24,281
Current liabilities		
Trade and other payables	32,473	39,212
Total current liabilities	32,473	39,212
Net current assets/(liabilities)	22	(14,931)
Non-current liabilities		
Other payables	21,050	26,050
Borrowings	359,000	263,800
Total non-current liabilities	380,050	289,850
Net assets	839,643	691,650
Represented by:		
Unitholders' funds	839,643	691,650

	Actual 30/09/04 S\$'000	Actual 31/03/04 S\$'000
Secured borrowings		
Amount repayable after one year	300,000	-
Unsecured borrowings		
Amount repayable after one year	59,000	263,800
	359,000	263,800

Details of borrowings & collateral

A term loan of \$300 million was granted by a special purpose company, Emerald Assets Limited ("Emerald Assets") at a floating interest rate of relevant Euro 3 month swap offer rate plus a margin of 0.325% per annum. As security for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

- (i) a mortgage over all existing properties except Progen Building and C&P Logistics Hub ("Portfolio 1 properties").
- (ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio 1 properties.
- (iii) an assignment of the insurance policies relating to the Portfolio 1 properties.
- (iv) a charge creating a fixed and floating charge over certain assets of the Trust relating to the Portfolio 1 properties.

A-REIT has in place a \$150 million unsecured revolving credit facility granted by Oversea-Chinese Banking Corporation Limited. Interest on the facility is referenced to the relevant Bank's cost of funds plus a margin of 0.35% per annum. As at 30 September 2004, \$59 million has been drawn from this facility.

Interest rate swaps of \$260 million have been effected to provide fixed rate funding for terms of 3 to 5 years. The \$260 million of debt fixed through swaps has a weighted average term remaining of 3.7 years. A-REITs weighted average funding cost as at 30 September 2004 is 2.56% (including margins charged on the loans and amortised/annual costs of the Commercial Mortgage Backed Securities programme).

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

1(c)(i) Cash flow statement (1H 2004 vs 1H 2003)

	Actual 01/04/04 to 30/09/04 S\$'000	Actual 01/04/03 to 30/09/03 S\$'000
Operating activities		
Net investment income	31,851	20,463
Adjustment for		
Interest income	(44)	(15)
Provision for doubtful receivables	(34)	58
Borrowing costs	3,562	1,260
Fund manager's fee paid/payable in units	1,451	810
Operating income before working capital changes	36,786	22,576
Changes in working capital		
Trade and other receivables	5,365	(2,408)
Trade and other payables	875	571
	6,240	(1,837)
Cash generated from operating activities	43,026	20,739
Investing activities		
Purchase of investment properties, acquisition costs and subsequent capital expenditure	(215,120)	(26,994)
Deposit paid for purchase of investment properties	(2,579)	-
Cash flows from investing activities	(217,699)	(26,994)
Financing activities		
Equity issue costs	(2,739)	-
Proceeds from issue of units	115,000	-
Distribution to unitholders paid	(18,971)	(15,151)
Borrowing costs paid	(4,595)	(1,113)
Interest received	44	15
Proceeds from borrowings	577,400	21,000
Repayment of borrowings	(482,200)	(17,500)
Cash flows from financing activities	183,939	(12,749)
Net increase/(decrease) in cash and cash equivalents	9,266	(19,004)
Cash and cash equivalents at beginning of the period	3,938	27,558
Cash and cash equivalents at end of the period	13,204	8,554

Cash Flow statement (2Q 2004 vs 2Q 2003)

	Actual 01/07/04 to 30/09/04 S\$'000	Actual 01/07/03 to 30/09/03 S\$'000
Operating activities		
Net investment income	17,481	10,618
Adjustment for		
Interest income	(38)	(1)
Provision for doubtful receivables	(143)	(38)
Borrowing costs	1,866	603
Fund manager's fee paid/payable in units	786	414
Operating income before working capital changes	19,952	11,596
Changes in working capital		
Trade and other receivables	(8,276)	(662)
Trade and other payables	256	(161)
	(8,020)	(823)
Cash generated from operating activities	11,932	10,773
Investing activities		
Purchase of investment properties, acquisition costs and subsequent capital expenditure	(182,895)	(344)
Deposits paid for purchase of investment properties	(81)	-
Cash flows from investing activities	(182,976)	(344)
Financing activities		
Equity issue costs	(583)	-
Borrowing costs paid	(3,150)	(201)
Interest received	38	1
Proceeds from borrowings	537,000	-
Repayment of borrowings	(435,400)	(5,000)
Cash flows from financing activities	97,905	(5,200)
Net increase/(decrease) in cash and cash equivalents	(73,139)	5,229
Cash and cash equivalents at beginning of period	86,343	3,325
Cash and cash equivalents at end of the period	13,204	8,554

1(d)(i) Statement of changes in unitholders' funds (1H 2004 vs 1H 2003)

	Actual 01/04/04 to 30/09/04 S\$'000	Actual 01/04/03 to 30/09/03 S\$'000
Balance as at beginning of period	691,650	498,160
Operations		
Net investment income	31,851	20,463
Net appreciation on revaluation of investment properties (Note a)	18,699	-
Net increase in net assets resulting from Operations	50,550	20,463
Unitholders' transactions		
Private placement of units	115,000	-
Performance fees paid in units	2,041	-
Management fees paid in units	1,070	780
Unit issue costs	(1,697)	-
Distribution to unitholders (Note b)	(18,971)	(15,151)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	97,443	(14,371)
Balance as at end of period	839,643	504,252

Footnotes

- (a) Revaluations of existing 16 properties were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd and Colliers International Consultancy & Valuation (S) Pte Ltd on 1 June 2004. Properties acquired since 1 April 2004 are recorded at purchase price (which includes acquisition costs).
- (b) The third Distribution to unitholders for the period 1 October 2003 to 3 March 2004 (the "Advance Distribution") was paid in April 2004. The first Distribution to unitholders for the period from 19 November 2002 to 31 March 2003 was paid in May 2003 and the second Distribution to unitholders for the period from 1 April 2003 to 30 September 2003 was paid in November 2003.

Statement of changes in unitholders' funds (2Q 2004 vs 2Q 2003)

	Actual 01/07/04 to 30/09/04 S\$'000	Actual 01/07/03 to 30/09/03 S\$'000
Balance as at beginning of period	822,162	493,634
Operations		
Net investment income	17,481	10,618
Net increase in net assets resulting from operations	17,481	10,618
Balance as at end of period	839,643	504,252

1(d)(ii) Details of any changes in the units (1H 2004 vs 1H 2003)

	Actual 01/04/04 to 30/09/04 Units	Actual 01/04/03 to 30/09/03 Units
Balance at beginning of period	707,207,175	545,000,000
Issue of new units:		
- Issued pursuant to private placement	82,142,857	-
- Performance fees paid in units	1,572,381	-
- Management fees paid in units	746,077	899,640
Balance at end of period	791,668,490	545,899,640

Details of any changes in the units (2Q 2004 vs 2Q 2003)

	Actual 01/07/04 to 30/09/04 Units	Actual 01/07/03 to 30/09/03 Units
Balance at beginning/end of period	791,668,490	545,899,640

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have been reviewed by our Auditors.

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

See Attached.

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

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the audited financial statements for the year ended 31 March 2004.

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

6.1 EPU/DPU (1H 2004 vs 1H 2003)

Number of units on issue at end of period
 Weighted average number of units on issue for calculation of EPU/DPU
 (Note a)

	Actual 01/04/04 to 30/09/04	Actual 01/04/03 to 30/09/03
Number of units on issue at end of period	791,668,490	545,899,640
Weighted average number of units on issue for calculation of EPU/DPU (Note a)	753,980,549	545,506,355
Earnings per unit (EPU) Based on the applicable number of units on issue	4.21	3.75
Distribution per unit (DPU) Based on the applicable number of units on issue	4.46	4.05

Earnings per unit (EPU)

Based on the applicable number of units on issue

Distribution per unit (DPU)

Based on the applicable number of units on issue

Footnote

(a) *The EPU and DPU for the period have been calculated based on the weighted average units on issue (as the units issued under the private placement are only entitled to distributable income from 23 June 2004).*

6.2 EPU/DPU (2Q 2004 vs 2Q 2003)

Number of units on issue at end of period
 Applicable number of units on issue for calculation of EPU/DPU

	Actual 01/07/04 to 30/09/04	Actual 01/07/03 to 30/09/03
Number of units on issue at end of period	791,668,490	545,899,640
Applicable number of units on issue for calculation of EPU/DPU	791,668,490	545,899,640
Earnings per unit (EPU) Based on the applicable number of units on issue	2.21	1.95
Distribution per unit (DPU) Based on the applicable number of units on issue	2.33	2.08

Earnings per unit (EPU)

Based on the applicable number of units on issue

Distribution per unit (DPU)

Based on the applicable number of units on issue

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

Net asset value per unit
 Adjusted net asset value per unit (Note a)

	30/09/04 cents	31/03/04 cents
Net asset value per unit	106	98
Adjusted net asset value per unit (Note a)	101	95

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 from 4 March to 30 September 2004 has been excluded in arriving at the adjusted net asset value per unit.*

8 Review of the performance

Income statement (2Q 2004 vs 2Q 2003)

	Actual 01/07/04 to 30/09/04 S\$'000	Actual 01/07/03 to 30/09/03 S\$'000	Increase / (Decrease) %
Gross revenue	29,150	16,147	81%
Property operating expenses	(7,997)	(3,922)	104%
Net property income	21,153	12,225	73%
Non property expenses	(1,844)	(1,005)	83%
Net Borrowing costs	(1,828)	(602)	204%
	(3,672)	(1,607)	129%
Net investment income	17,481	10,618	65%
Non tax deductible expenses	958	751	28%
Net investment income available for distribution (Note a)	18,439	11,369	62%
Earnings per unit (cents)	2.21	1.95	14%
Distribution income per unit (cents)	2.33	2.08	12%

Footnote

(a) *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 has generally been distributed to unitholders on a semi-annual basis up to 30 September 2004 and will be distributed on a quarterly basis from 1 October 2004.*

Review of Performance 2Q 2004 vs 2Q 2003

Gross revenue was up 81% due to additional rental income from the following completed acquisitions: Ghim Li Building, Ultro Building, IDS Logistics Corporate Headquarters, Siemens Center, TT International Tradepark, Changi Logistic Centre and Trivec Building (all completed prior to 1 April 2004), Nan Wah Building completed on 31 May 2004 and Progen Building and C&P Logistics Hub completed before 31 July 2004.

Property expenses were higher due to :-

- 1) Higher property tax due to discontinuance of rebates from 31 December 2003.
- 2) Land rent payable on all new acquisitions made since the prior corresponding period.
- 3) Higher utilities expenses due to the increased number of properties in the portfolio as well as higher costs in some properties due to the introduction of energy aggregation. This also results in higher utilities income as tenancy charges are reimbursed from tenants.
- 4) Higher maintenance & conservancy expenses due to the increased number of properties in the portfolio.

Non-property expenses increased due to higher management fees as the new acquisitions increased assets under management.

Borrowing costs increased by 204% as additional debt was drawn down to fund the new acquisitions.

The net investment income was higher than the comparable period last year mainly due to the benefit of additional income from the new properties acquired during the current financial period and previous financial year.

9 Variance between forecast and the actual results

	Actual 01/04/04 to 30/09/04 S\$'000	Forecast 01/04/04 to 30/09/04 (Note a) S\$'000	Increase / (Decrease) %
Gross revenue	54,399	50,497	8%
Property services fees	(1,608)	(1,288)	25%
Property tax	(3,828)	(3,720)	3%
Other property operating expenses	(10,163)	(10,202)	(0%)
Property operating expenses	(15,599)	(15,210)	3%
Net property income	38,800	35,288	10%
Interest income	44	-	NM
Manager's fee	(2,903)	(2,530)	15%
Trust expenses	(528)	(492)	7%
Borrowing costs	(3,562)	(3,526)	1%
Non property expenses	(6,949)	(6,549)	6%
Net investment income	31,851	28,739	11%
Non tax deductible expenses (Note b)	1,867	1,821	3%
Net investment income available for distribution	33,718	30,560	10%
Earnings per unit (cents)	4.21	4.05	4%
Distribution income per unit (cents)	4.46	4.31	4%

Footnote

- (a) *The forecast for the period 1 April 2004 to 30 September 2004 has been derived from the forecast stated in the Circular dated 18 February 2004 in relation to the issue of 160,500,000 new units. Some revenue and expense line items have been reclassified to account for items paid on behalf of tenants (recorded as expenses) and recharged to tenants (recorded as revenue).*
- (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 for the period ended 30 September 2004

Gross Revenue for the period ended 30 September 2004 was \$54.4 million, 8% above the forecast in the Circular dated 18 February 2004 due mainly to income from recent acquisitions of Nan Wah Building in May 2004, Progen Building and C&P Logistics Hub Phase I in July 2004, partly offset by slightly lower than forecast rental income from certain properties.

Property operating expenses were 3% above forecast mainly due to higher property services fees resulting from the increase in properties under management.

The higher manager's fees and trust expenses as compared to forecast were due to an increase in deposited property.

The net investment income exceeded forecast by 11% due to the above reasons and DPU is 4% above forecast.

10 Commentary on the significant trends and 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

According to the Ministry of Trade and Industry (MTI), Singapore GDP grew by 7.7% in 3Q 2004 compared to the same period in 2003. The continued strength in the manufacturing sector as well as the general improved outlook for the overall economy has provided the necessary support for a stable industrial property market. This is reflected in renewals and new take ups of 52,071 square metres in A-REIT's portfolio in the six months to 30 September 2004.

Island-wide occupancy rate for factory space remained unchanged at last quarter's level of 87%. With positive sentiment and strong growth in the high-end manufacturing sector, investment acquisitions of top grade properties led by trust funds continued, with four significant transactions taking place in 2Q 2004 of which three were A-REIT transactions. A-REIT's occupancy rate increased from 82.0% as at September 2003 to 92.7% as at 30 September 2004 as a result of the improved economy and additional acquisitions of fully occupied buildings.

Outlook for the financial year ending 31 March 2005

Prospects for global economic growth remain positive for the rest of 2004 and into 2005. The performance of the Singapore Economy during the 1st half of 2004 has been stronger than initially expected. MTI expects the growth momentum to continue into 2005 at more sustainable rates, as the economy recovers to levels closer to its potential output. Barring unforeseen circumstances, the MTI has revised the 2004 GDP growth forecast from 5.5% - 7.5% to 8.0% - 9.0%. The preliminary forecast for economic growth in 2004 was between 3.0% and 5.0%.

Subject to the economy maintaining its recovery and unitholders approving the proposed equity fund raising, the Manager of A-REIT expects to deliver a distribution per unit of 9.26 cents per unit for the year ending 31 March 2005 (the forecast DPU based on the assumptions stated in the circular dated 14 October 2004 in relation to the proposed equity fund raising).

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period : Yes

Name of distribution : Fourth distribution for 4 March 2004 to 30 September 2004

Distribution Type : Income

Distribution Rate : A-REIT class : 5.09 cents per unit
A-REIT A class : 2.51 cents per unit

Par value of units : Not meaningful

Tax Rate : Individuals who receive such distribution as investment income will be exempted from tax.

Qualifying corporate 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 20%.

Book closure date : 27 October 2004

Date payable : 23 November 2004

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period : Yes

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 : Not meaningful

Tax Rate : Qualifying investors received pre-tax distributions and paid tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds also received pre-tax distributions. These distributions were tax exempt. All other investors received their distributions after deduction of tax at the rate of 22%

Book closure date : 28 October 2003

Date payable : 21 November 2003

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

NA

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
14 October 2004



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The Board of Directors
Ascendas-MGM Funds Management Limited
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14 October 2004

Dear Sirs

Ascendas Real Estate Investment Trust ("A-REIT")
Review of the interim financial information for the half year ended 30 September 2004

We have been engaged by Ascendas-MGM Funds Management Limited (the "Manager of A-REIT") to review the interim financial information of A-REIT for the half year ended 30 September 2004.

Singapore Exchange Listing Manual Appendix 7.2 and Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" require the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying interim financial information consists of the following:

- Balance sheet as at 30 September 2004;
- Statement of total return for the half year ended 30 September 2004;
- Statement of movements in unitholder's funds for the half year ended 30 September 2004;
- Statement of cash flows for the half year ended 30 September 2004;
- Summary of financial highlights for the half year ended 30 September 2004;
- Investment properties portfolio statement as at 30 September 2004; and
- Explanatory notes to the above interim financial information.

The interim financial information is the responsibility of, and has been approved by, the directors of 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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust".

Yours faithfully

KPMG
Certified Public Accountants
Singapore