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**Announcement of Results for the Year Ended 31 March 2004**

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**Financial statements for the financial year ended 31 March 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 Bermuda Trust (Singapore) Limited as the Trustee of A-REIT, as amended by a First Supplemental Deed dated 16 January 2004 and a Second Supplemental Deed dated 23 February 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.

As the Trust commenced operations on 19 November 2002, the prior period comparatives are based on the prospectus pro forma financial information from 1 April 2002 to 18 November 2002 and actuals from 19 November 2002 to 31 March 2003.

Upon listing in November 2002, the property portfolio of A-REIT consisted of eight properties. Since listing, the portfolio has been further diversified through the acquisition of OSIM Building in June 2003, Ghim Li Building and Ultro Building in October 2003, IDS Logistics Corporate Headquarters in February 2004 and Changi International Logistics Centre, Trivec Building, TT International Tradepark and Siemens Center in March 2004.

For a meaningful comparison of the actual results against the forecast as stated in the IPO prospectus dated 5 November 2002, please refer to Paragraph 9 of this announcement.

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**Announcement of Results for the Year Ended 31 March 2004**


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**1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year**
**1(a)(i) Income statement (Year ended 31 March 04 vs Year ended 31 March 03)**

	Actual 01/4/03 to 31/03/04 S\$'000	Pro Forma 01/4/02 to 31/03/03 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	65,914	61,356	7%
Property services fees	(2,259)	(2,516)	(10%)
Property tax	(3,230)	(5,169)	(38%)
Other property operating expenses	(10,115)	(9,978)	1%
<b>Property operating expenses</b>	<b>(15,604)</b>	<b>(17,663)</b>	<b>(12%)</b>
<b>Net property income</b>	<b>50,310</b>	<b>43,693</b>	<b>15%</b>
Interest income	20	9	122%
Manager's fee	(3,547)	(3,098)	15%
Performance fee	(2,041)	-	N/A
Trust expenses	(809)	(742)	9%
Borrowing costs	(3,342)	(2,288)	46%
<b>Non property expenses</b>	<b>(9,719)</b>	<b>(6,119)</b>	<b>59%</b>
<b>Net profit</b>	<b>40,591</b>	<b>37,574</b>	<b>8%</b>
Non tax deductible expenses (Note b)	4,945	1,867	165%
<b>Available for distribution (Note c)</b>	<b>45,536</b>	<b>39,441</b>	<b>15%</b>
Net profit as a % of gross revenue	61.6%	61.2%	1%
Net profit as a % of unitholders' funds at end of the period	5.9%	7.5%	(21%)

The following items have been included in arriving at net profit:

	Actual 01/4/03 to 31/03/04 S\$'000	Pro Forma 01/4/02 to 31/03/03 (a) S\$'000
Gross rental income	57,731	56,284
Other income	8,183	5,072
Allowances for doubtful receivables, net	(133)	(351)

**Footnotes**

- (a) The proforma for the year ended 31 March 2003 has been derived on a best estimate basis from the proforma forecast for the period from 1 April 2002 to 18 November 2002 and actual results from 19 November 2002 to 31 March 2003.
- (b) Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/ performance fees and other non-tax deductible items.
- (c) 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.

**1(a)(ii) Income statement (4Q 2004 vs 4Q 2003)**

	Actual 01/01/04 to 31/03/04 S\$'000	Actual 01/01/03 to 31/03/03 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	17,638	15,412	14%
Property services fees	(634)	(475)	33%
Property tax	(462)	(1,101)	(58%)
Other property operating expenses	(2,776)	(2,397)	16%
<b>Property operating expenses</b>	<b>(3,872)</b>	<b>(3,973)</b>	<b>(3%)</b>
<b>Net property income</b>	<b>13,766</b>	<b>11,439</b>	<b>20%</b>
Interest income	4	9	(55%)
Manager's fee	(1,044)	(778)	34%
Performance fee	(2,041)	-	N/A
Trust expenses	(218)	(197)	11%
Borrowing costs	(1,226)	(547)	124%
<b>Non property expenses</b>	<b>(4,525)</b>	<b>(1,513)</b>	<b>199%</b>
<b>Net profit</b>	<b>9,241</b>	<b>9,926</b>	<b>(7%)</b>
Non tax deductible expenses (Note a)	2,620	708	270%
<b>Available for distribution (Note b)</b>	<b>11,861</b>	<b>10,634</b>	<b>12%</b>
Net profit as a % of gross revenue	52.4%	64.4%	(19%)
Net profit as a % of unitholders' funds at end of the period	1.3%	2.0%	(35%)

The following items have been included in arriving at net profit:

	Actual 01/01/04 to 31/03/04 S\$'000	Actual 01/01/03 to 31/03/03 S\$'000
Gross rental income	15,734	13,965
Other income	1,904	1,447
Allowances for doubtful receivables, net	(72)	(187)

**Footnotes**

- (a) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/ performance 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 distributed to unitholders on a semi-annual basis.*

**1(a)(iii) Income Statement (from 1 October 03 to 3 March 04 - the "Advance Distribution")**

	Actual 01/04/03 to 30/09/03 S\$'000	Actual 01/10/03 to 03/03/04 <sup>(a)</sup> S\$'000	Actual 04/03/04 to 31/03/04 S\$'000	Actual 01/04/03 to 31/03/04 S\$'000
<b>Gross revenue</b>	31,905	<b>27,567</b>	6,442	65,914
Property services fees	(1,053)	<b>(964)</b>	(242)	(2,259)
Property tax	(2,229)	<b>(746)</b>	(255)	(3,230)
Other property operating expenses	(4,913)	<b>(4,359)</b>	(843)	(10,115)
<b>Property operating expenses</b>	(8,195)	<b>(6,069)</b>	(1,340)	(15,604)
<b>Net property income</b>	23,710	<b>21,498</b>	5,102	50,310
Interest income	15	<b>1</b>	4	20
Manager's fee	(1,620)	<b>(1,526)</b>	(401)	(3,547)
Performance fee	-	-	(2,041)	(2,041)
Trust expenses	(382)	<b>(370)</b>	(57)	(809)
Borrowing costs	(1,260)	<b>(1,625)</b>	(457)	(3,342)
<b>Non property expenses</b>	(3,247)	<b>(3,520)</b>	(2,952)	(9,719)
<b>Net profit</b>	20,463	<b>17,978</b>	2,150	40,591
Non tax deductible expenses	1,636	<b>991</b>	2,318	4,945
<b>Available for distribution</b>	22,099	<b>18,969</b>	4,468	45,536
<b>Distribution per unit (in cents) (Note a)</b>	N/A	<b>3.47</b>	N/A	N/A

**Footnotes**

- (a) As stated in the Circular to unitholders dated 18 February 2004 for the Equity Fund Raising, the Manager proposed, and obtained unitholders' approval, to declare a distribution of A-REIT's distributable income from 1 October 2003 to the day immediately prior to the issue of new units in lieu of the scheduled distribution for the six months ended 31 March 2004 (the "Advanced Distribution"). The new units were listed on 4 March 2004. The Advanced Distribution will be paid to unitholders who were registered as unitholders on the Transfer Books and Register of Unitholders of A-REIT as at 16 February 2004. The distribution will be paid on 26 April 2004. The next distribution thereafter will comprise A-REIT's distributable income for the period from 4 March 2004 to 30 September 2004. Semi-annual distributions will resume subsequently.

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

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

	Actual 31/03/04 S\$'000	Actual 31/3/03 S\$'000
<b>Current assets</b>		
Trade and other receivables	19,559	936
Deposits and prepayments	784	335
Cash	3,938	27,558
<b>Total current assets</b>	<b>24,281</b>	<b>28,829</b>
<b>Non-current assets</b>		
Investment properties	996,431	607,540
<b>Total non-current assets</b>	<b>996,431</b>	<b>607,540</b>
<b>Total assets</b>	<b>1,020,712</b>	<b>636,369</b>
<b>Current liabilities</b>		
Trade and other payables	39,212	13,209
<b>Total current liabilities</b>	<b>39,212</b>	<b>13,209</b>
<b>Non-current liabilities</b>		
Other payables	26,050	-
Borrowings	263,800	125,000
<b>Total non-current liabilities</b>	<b>289,850</b>	<b>125,000</b>
<b>Total liabilities</b>	<b>329,062</b>	<b>138,209</b>
<b>Net assets</b>	<b>691,650</b>	<b>498,160</b>
<b>Represented by:</b>		
<b>Unitholders' equity</b>		
Issued equity	666,691	478,896
Issue costs	(22,850)	(17,343)
Revaluation reserves	30,188	22,317
Accumulated profits	17,621	14,290
<b>Unitholders' funds</b>	<b>691,650</b>	<b>498,160</b>
<b>Unsecured borrowings</b>		
Amount repayable in one year or less, or on demand;	-	-
Amount repayable after one year	263,800	125,000
	<b>263,800</b>	<b>125,000</b>

Details of borrowings

A-REIT has in place facilities totalling \$350m with Oversea-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 committed revolving credit facility of S\$200.0 million. The facilities have been drawn to S\$263.8 million comprising the entire S\$80.0 million transferable loan facility, the entire S\$65.0 million revolving credit facility and \$118.8 million of the unsecured revolving credit facility. Interest on the unsecured credit facility is referenced to the relevant swap offer rate plus a margin of 0.80% whilst interest on the revolving credit facility is referenced to the relevant swap offer rate plus a margin of 0.50%. The expiry date of the unsecured credit facility is November 2005 and the expiry date of the revolving credit facility is May 2005.

Interest rate swaps of \$190 million have been effected to provide fixed rate funding for terms of 2 to 5 years. A-REITs weighted average funding cost as at 31 March 2004 is 1.70% (excluding margins charged on the loans).

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 (Year ended 31 March 04 vs Period ended 31 March 03)**

	Actual 01/4/03 to 31/03/04 S\$'000	Actual 09/10/02 to 31/03/03 <sup>(a)</sup> S\$'000
<b>Operating activities</b>		
Net Profit	40,591	14,290
<b>Adjustment for</b>		
Interest income	(20)	(9)
Provision for doubtful receivables	133	-
Borrowing costs	3,342	794
Fund manager's fee paid/payable in units	3,815	-
<b>Operating income before working capital changes</b>	<b>47,861</b>	<b>15,075</b>
<b>Changes in working capital</b>		
Trade and other receivables	(18,532)	(946)
Trade and other payables	5,510	12,440
	(13,022)	11,494
<b>Cash generated from operating activities</b>	<b>34,839</b>	<b>26,569</b>
<b>Investing activities</b>		
Issue cost	(4,101)	(17,343)
Purchase of investment properties, acquisition charges and subsequent expenditure	(339,240)	(585,223)
Deposit paid for purchase of investment properties	(679)	-
Proceeds from issue of units	186,180	478,896
<b>Cash flows from investing activities</b>	<b>(157,840)</b>	<b>(123,670)</b>
<b>Financing activities</b>		
Distribution to unitholders paid	(37,260)	-
Borrowing costs paid	(2,185)	(345)
Interest received	26	4
Proceeds from borrowings	172,500	125,000
Repayment of borrowings	(33,700)	-
<b>Cash flows from financing activities</b>	<b>99,381</b>	<b>124,659</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(23,620)</b>	<b>27,558</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>27,558</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,938</b>	<b>27,558</b>

**Footnotes**

(a) Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, comparative figures represent the 133 days from 19 November 2002 to 31 March 2003.

1(c)(ii) **Cash Flow statement (4Q 2004 vs 4Q 2003)**

	Actual 01/01/04 to 31/03/04 S\$'000	Actual 01/01/03 to 31/03/03 S\$'000
<b>Operating activities</b>		
Net Profit	9,241	9,926
<b>Adjustment for</b>		
Interest income	(4)	(9)
Provision for doubtful receivables	72	(187)
Borrowing costs	1,226	547
Fund manager's fee paid/payable in units	2,200	389
<b>Operating income before working capital changes</b>	<b>12,735</b>	<b>10,666</b>
<b>Changes in working capital</b>		
Trade and other receivables	(15,298)	4,542
Trade and other payables	(9,861)	2,537
	(25,159)	7,079
<b>Cash generated from operating activities</b>	<b>(12,424)</b>	<b>17,745</b>
<b>Investing activities</b>		
Issue cost	(4,101)	-
Purchase of investment properties, acquisition charges and subsequent expenditure	(263,384)	-
Proceeds from issue of units	186,180	-
<b>Cash flows from investing activities</b>	<b>(81,305)</b>	<b>-</b>
<b>Financing activities</b>		
Borrowing costs paid	(69)	-
Interest received	4	4
Proceeds from borrowings	91,000	-
<b>Cash flows from financing activities</b>	<b>90,935</b>	<b>4</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,794)</b>	<b>17,749</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,732</b>	<b>9,809</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,938</b>	<b>27,558</b>

**Announcement of Results for the Year Ended 31 March 2004**

**1(d)(i) Statement of changes in unitholders' funds (Year ended 31 March 04 vs Period ended 31 March 03)**

	Actual 01/04/03 to 31/03/04 S\$'000	Actual 09/10/02 to 31/03/03 (a) S\$'000
<b>Balance as at beginning of period</b>	498,160	-
<b>Operations</b>		
Net profit	40,591	14,290
Net appreciation on revaluation of investment properties (Note b)	7,871	22,317
<b>Net increase in net assets resulting from Operations</b>	48,462	36,607
<b>Unitholders' transactions</b>		
Creation of units	186,180	478,896
Management fee paid in units	1,615	-
Unit issue costs	(5,507)	(17,343)
Distribution to unitholders (Note c)	(37,260)	-
<b>Net increase in net assets resulting from Unitholders' transactions</b>	145,028	461,553
<b>Balance as at end of period</b>	691,650	498,160

**Footnotes**

- (a) Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, comparative figures represent the 133 days from 19 November 2002 to 31 March 2003.
- (b) Revaluation of the existing portfolio at 31 December 2003 was undertaken by Jones Lang LaSalle on 31 December 2003. Properties acquired since 31 December 2003 are recorded at purchase price (which includes acquisition costs).
- (c) The first Distribution to unitholders for the period from 9 October 2002 to 31 March 2003 was paid in May 2003. The second Distribution to unitholders for the period from 1 April 2003 to 30 September 2003 was paid in November 2003. The third Distribution for the period 1 October 2003 to 3 March 2004 (the "Advanced Distribution") will be paid on 26 April 2004 and therefore is not included in this amount.

**1(d)(i) Statement of changes in unitholders' funds (4Q 2004 vs 4Q 2003)**

	Actual 01/01/04 to 31/03/04 S\$'000	Actual 01/01/03 to 31/03/03 S\$'000
<b>Balance as at beginning of period</b>	501,736	487,844
<b>Operations</b>		
Net profit	9,241	9,926
Net appreciation on revaluation of investment properties (Note a)	-	390
<b>Net increase in net assets resulting from Operations</b>	9,241	10,316
<b>Unitholders' transactions</b>		
Creation of units	186,180	-
Unit issue costs	(5,507)	-
<b>Net increase in net assets resulting from Unitholders' transactions</b>	180,673	-
<b>Balance as at end of period</b>	691,650	498,160



**1(d)(ii) Details of any changes in the units (Year ended 31 March 04 vs Period ended 31 March 03)**

	Actual 01/04/03 to 31/03/04 Units	Actual 09/10/02 to 31/03/03 (a) Units
<b>Balance as at beginning of period</b>	545,000,000	-
Issue of new units:		
- As payment of management fees	1,707,175	-
- Issued pursuant to Equity Raising	160,500,000	545,000,000
<b>Balance as at end of period</b>	707,207,175	545,000,000

**Footnotes**

(a) Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, comparative figures represent the 133 days from 19 November 2002 to 31 March 2003.

**1(d)(ii) Details of any changes in the units (4Q 2004 vs 4Q 2003)**

	Actual 01/01/04 to 31/03/04 Units	Actual 01/01/03 to 31/03/03 Units
<b>Balance as at beginning of period</b>	546,707,175	545,000,000
Issue of new units:		
- Issued pursuant to Equity Raising	160,500,000	-
<b>Balance as at end of period</b>	707,207,175	545,000,000

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

The figures have not been audited or reviewed by our Auditors.

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

Not applicable

**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 financial year are consistent 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

**Announcement of Results for the Year Ended 31 March 2004**

**6 Earnings per unit and distribution per unit for the financial period**

	Actual 1/10/03 to 3/3/04	Actual 4/3/04 to 31/3/04	Actual 1/4/03 to 31/3/04
Number of units on issue at end of period	546,707,175	707,207,175	707,207,175
Applicable number of units on issue for calculation of EPU (Note b)	546,707,175	707,207,175	558,242,039
<b>6.1 Earnings per unit (EPU)</b> Based on the applicable number of units on issue	3.29	0.30	7.27

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

	Actual 1/10/03 to 3/3/04	Actual 4/3/04 to 31/3/04	Actual 1/4/03 to 31/3/04
Number of units on issue at end of period	546,707,175	707,207,175	707,207,175
Applicable number of units on issue for calculation of DPU (Note b)	546,707,175	707,207,175	558,242,039
<b>6.2 Distribution per unit (DPU)</b> Based on the applicable number of units on issue	3.47	0.63	8.16

**EPU/DPU Comparatives**

	Actual 01/04/03 to 31/3/04	Actual 09/10/02 to 31/3/03 (a)
Weighted average number of units on issue	558,242,039	545,000,000
Number of units on issue at end of period	707,207,175	545,000,000
Earnings per unit (EPU)	7.27	2.62
Distribution per unit (DPU)	8.16	2.78

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

**Footnotes**

- (a) Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, comparative figures represent the 133 days from 19 November 2002 to 31 March 2003.
- (b) The EPU and DPU for the year ended 31 March 2004 have been calculated based on the weighted average units on issue.

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

	31/03/04 cents	31/03/03 cents
Net asset value per unit	98	91
Adjusted net asset value per unit (Note a)	95	89

**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**

**Income statement (Q4 2004 vs Q4 2003)**

	Actual 01/01/04 to 31/03/04 S\$'000	Actual 01/01/03 to 31/03/03 S\$'000	Increase / (Decrease) %
Gross revenue	17,638	15,412	14%
Property operating expenses	(3,872)	(3,973)	(3%)
Net property income	13,766	11,439	20%
Non property expenses	(3,303)	(975)	239%
Borrowing costs	(1,222)	(538)	127%
Net profit	9,241	9,926	(7%)
Non tax deductible expenses	2,620	708	270%
Available for distribution (Note a)	11,861	10,634	12%
Earnings per unit (cents) (Note b)	1.55	1.82	(15%)
Distribution income per unit (cents) (Note b)	1.99	1.95	2%

**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 is distributed to unitholders on a semi-annual basis.*
- (b) *Earnings per unit/Distribution income per unit for the three months ended 31 March 2004 has been based on the weighted average units on issue for that period being 596.1 million units.*

**Review of Performance 4Q 2004 vs 4Q 2003**

Gross revenue was up 14% due to the following completed acquisitions: OSIM Building, Ghim Li Building and Ultro Building (all prior to 1 January 2004), IDS Logistics Corporate Headquarters (February 2004) and Siemens Center, TT International Tradepark, Changi International Logistic Centre & Trivec Building (in March 2004).

Property expenses were slightly lower as property tax provisions were released in March 2004 but this was offset by higher operating expenses from the new acquisitions.

Non-property expenses increased as management fees were higher due to new acquisitions and a performance fee was charged on 31 March 2004 as a result of the DPU increasing by greater than 5%

Borrowing costs increased by 127% as additional debt was drawn down to fund the above acquisitions.

The net profit was below the comparable quarter last year due to the performance fees charged in the current period, however distributable income per unit was up by 2% as the performance fee, which is payable in units, is a non tax deductible expense.

9 Variance between forecast and the actual results

	Actual 01/04/03 to 31/03/04 S\$'000	Forecast 01/04/03 to 31/03/04 (a) S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	65,914	63,652	4%
Property services fees	(2,259)	(2,583)	(13%)
Property tax	(3,230)	(5,034)	(36%)
Other property operating expenses	(10,115)	(11,279)	(10%)
<b>Property operating expenses</b>	<b>(15,604)</b>	<b>(18,896)</b>	<b>(17%)</b>
<b>Net property income</b>	<b>50,310</b>	<b>44,756</b>	<b>12%</b>
Interest Income	20	29	(31%)
Manager's fee	(3,547)	(3,147)	13%
Performance Fee	(2,041)	(637)	220%
Trust expenses	(809)	(722)	12%
Borrowing costs	(3,342)	(2,969)	13%
<b>Non property expenses</b>	<b>(9,719)</b>	<b>(7,446)</b>	<b>31%</b>
<b>Net profit</b>	<b>40,591</b>	<b>37,310</b>	<b>9%</b>
Non tax deductible expenses (Note b)	4,945	2,210	124%
<b>Available for distribution</b>	<b>45,536</b>	<b>39,520</b>	<b>15%</b>
Earnings per unit (cents)	7.27	6.83	6%
Distribution income per unit (cents)	8.16	7.24	13%

**Footnote**

- (a) The forecast for the year has been derived from the forecast stated in the prospectus dated 5 November 2002
- (b) Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/ performance fees and other non-tax deductible items.

**Review of Performance for the financial year ended 31 March 2004**

Gross Revenue for the year ended 31 March 2004 was \$65.9 million, an increase of 4% over the forecast in the IPO prospectus. This was due to income from new acquisitions offset by lower revenue on the original portfolio.

Property operating expenses on the original portfolio were also below forecast due to rebates received on property tax (\$2.1m) and lower marketing fees (\$0.3m), maintenance and conservancy costs (\$0.3m) and other operating expense reductions (\$0.6m), resulting in total property expenses being 17% below the prospectus.

Non property expenses were higher than forecast due to higher management fees and performance fees as deposited property increased as a result of the new acquisitions. In addition borrowing costs were 13% higher as additional debt was drawn down to fund new acquisitions.

The net profit exceeded the forecast by 9% due to the above reasons. Non deductible tax expenses were considerably higher than forecast mainly due to the higher performance fees and management fees paid and payable in units which are non tax deductible. This resulted in DPU exceeding forecast by 13%

**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**

Singapore's gross domestic product (GDP) grew at an 11% annualized rate in the 3 months through December after adjustments for seasonal patterns.

The Trade and Industry Ministry said it expects growth for calendar year 2004 to top its forecast of 3.5% to 5.5% expansion.

The manufacturing sector, a major user of industrial space, grew by 7.5% in 4Q 2003, the strongest quarter during the year. This is attributed to the continued growth in domestic exports of electronic components, and to the recovery in exports of telecommunications equipment and personal computer parts.

Colliers International advised that the overall occupancy rate for industrial space has reached 87% during this financial year which indicates an improved supply and demand situation. Recent information from JTC Corporation also indicates improved demand for most of its ready-built facilities. In 4Q 2003, net allocation has improved substantially to 160,000 sq ft from a negative 254,000 sq ft in 3Q 2003, ending five consecutive quarters of negative allocation. The average occupancy rate across A-REIT's portfolio of sixteen properties is better than the market at 88.8% as at 31 March 2004.

The Monetary Authority of Singapore stated in its twice-yearly outlook that the outlook for the Singapore economy has improved. This is expected to benefit the industrial real estate market in 2004. Increased demand for electronic products has resulted in a greater requirement for new production facilities. The Economic Development Board (EDB) announced that fixed asset investment is forecast to be S\$8.6 billion, with \$6.5 billion derived from manufacturing projects. These positive events in the manufacturing sector should lead to an improved demand for industrial space.

Industrial property rents and capital values, are forecast to stabilize in 2004 with a gradual improvement possible if the manufacturing sector performs beyond expectations.

The Manager will continue to explore yield-accretive acquisitions and investment in properties covering a range of industry sectors, which will provide further income stability and portfolio diversification as well as maximizing returns to unitholders.

***Outlook for the financial year ending 31 March 2005***

Barring unforeseen circumstances and given the expected recovery in economic conditions in Singapore, the Manager of A-REIT expects to deliver a distribution per unit of 8.86 cents per unit for the year ending 31 March 2005 (as stated in the unitholders circular dated 18 February 2004 in relation to the recently completed equity raising).

**11 Distributions****(a) Current financial period**

Name of distribution	Advanced Distribution for 1 October 2003 to 3 March 2004
Distribution Type	Income
Distribution Rate	3.47 cents per unit
Par value of units	Not meaningful
Tax Rate	Qualifying individuals (excluding partnerships) will receive pre-tax distributions and pay tax at their own marginal rate for distribution from 1 October 2003 to 31 December 2003. The distribution from 1 January 2004 to 3 March 2004 to 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%

**(b) Corresponding period of the immediately preceding year**

Name of distribution	First distribution for the period from 9 October 2002 to 31 March 2003
Distribution Type	Income
Distribution Rate	2.78 cents per unit
Par value of units	Not meaningful
Tax Rate	Qualifying investors received pre-tax distributions and pay 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%.

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

N/A

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13 Segmented revenue and results for business or geographical segments (of the group)**

The Trust's business is investing in business parks (including science parks), light industrial, hi-tech industrial and distribution & logistic centres. All the existing properties are located in Singapore.

**14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

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

**15 Breakdown of sales**

Not Applicable

**16 Breakdown of the total distribution for the financial year ended 31 March 2004**

Annual distribution to unitholders

	Actual 01/04/03 to 31/03/04 S\$'000	Actual 09/10/02 to 31/03/03 S\$'000
1 Oct 03 to 3 Mar 04 (Note a)	-	-
1 Apr 03 to 30 Sep 03	22,109	-
9 Oct 02 to 31 Mar 03	-	15,151
Total distribution to unitholders	22,109	15,151

**Footnote**

(a) Please refer to para 11(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  
15 April 2004