

# areit

## Proposed Acquisitions of Autron Building, SB Building, Steel Industries Building and Volex Building (the “Properties”)



4 October 2004

# Agenda

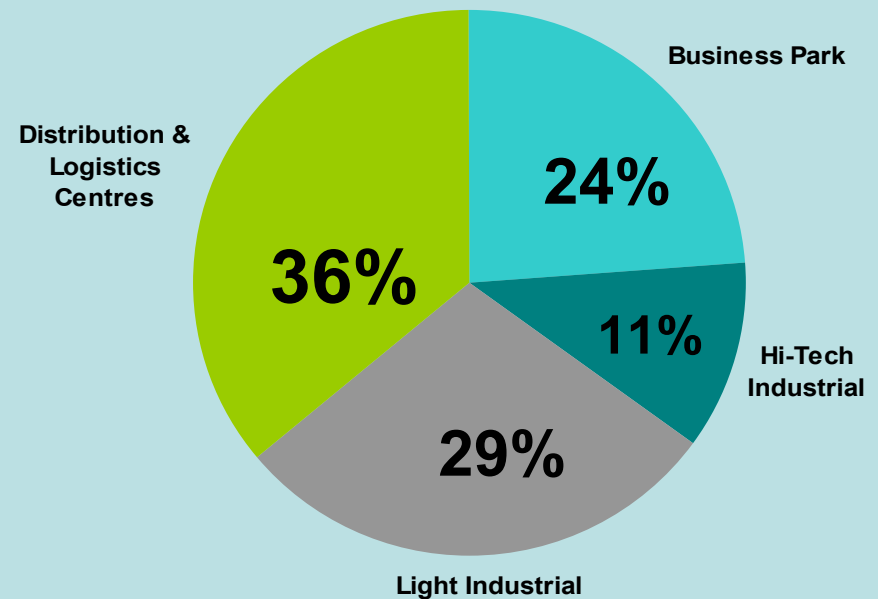
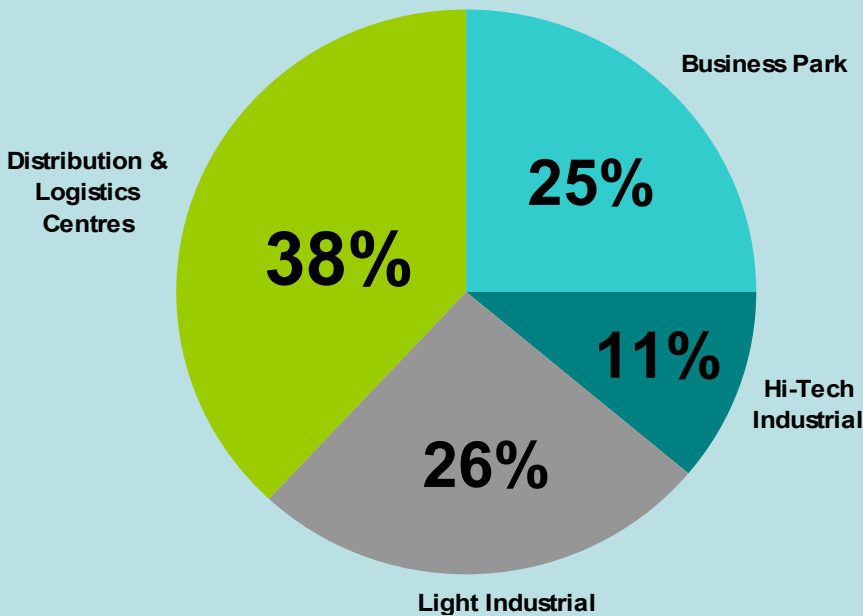
- Impact of acquisitions on A-REIT
  - Portfolio Diversification
  - Weighted Average Lease Expiry Profile
  - Pro forma Financial Effect
  - Average Property Yield
- The Properties
- Timetable for Completion
- Acquisition Summary



# Asset Class Diversification by Portfolio Value

Before acquisition of the Properties

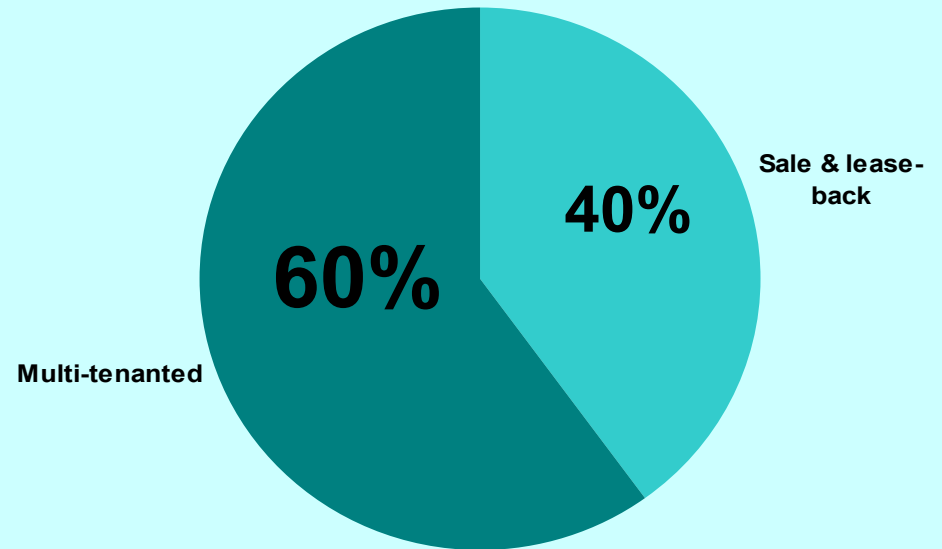
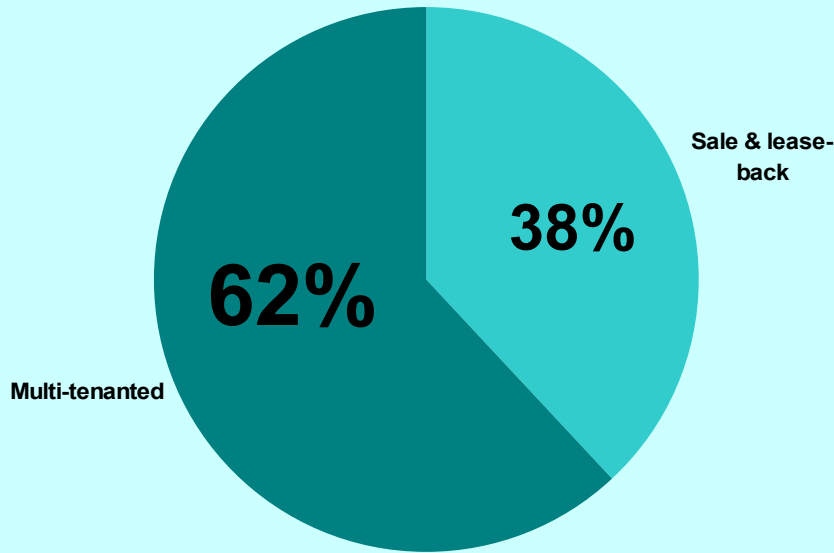
After acquisition of the Properties



# Mix of Sale & lease-back vs Multi-Tenanted by Portfolio Value

Before acquisition of the Properties

After acquisition of the Properties



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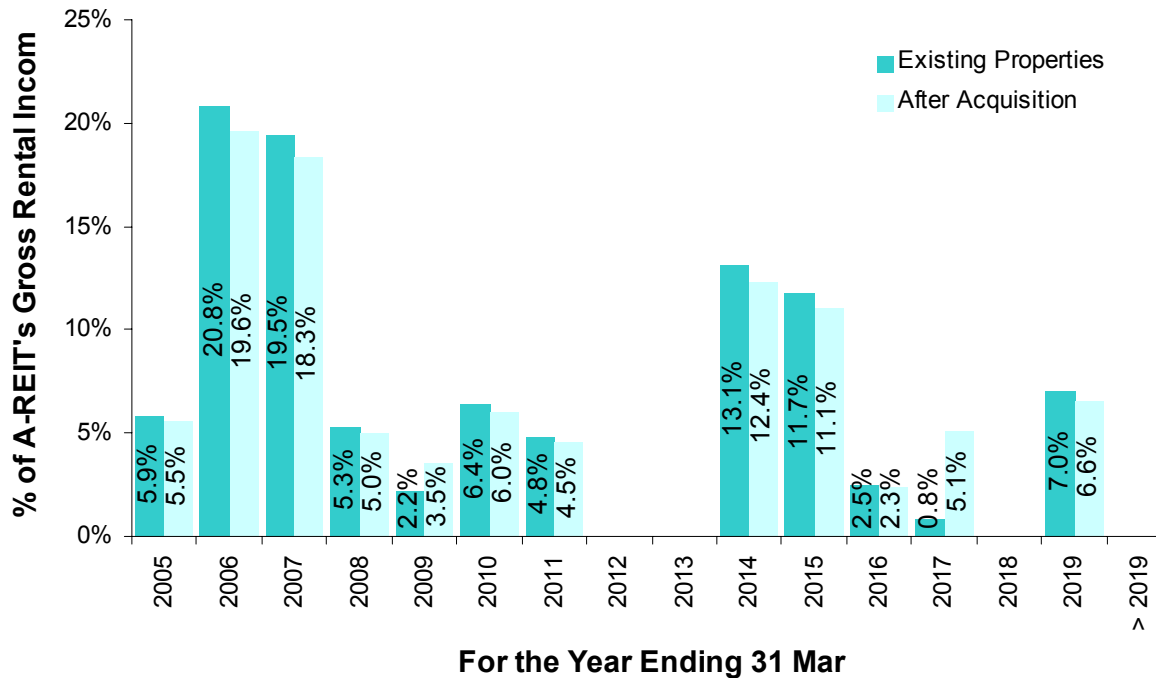
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# A-REIT Weighted Average Lease Expiry Profile



A-REIT Weighted Average Lease Expiry Profile (By Income) - After Acquisition



The Property  
Logistics Sector

Impact on A-REIT

Timetable for Completion

Acquisition Summary

	Existing Properties	After Acquisition of the Properties
Weighted Average Lease Term to Expiry	5.22 yrs	5.51 yrs

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# Distribution Per Unit ("DPU") Positive

## The Properties

DPU Impact* (proforma annualised impact)	0.16 cents
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Note:

\*Impact on DPU assuming A-REIT's 19 properties and the Properties had been acquired and held from 1 April 2003 through to 31 March 2004, and at its optimal gearing level of 30 per cent debt and 70 per cent equity





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# Yield-Accretive

<u>For Year One</u>	Autron Bldg	SB Building	Steel Industries Bldg	Volex Building
Income	2.56	2.00	1.70	1.06
Property Expenses	1.40	0.79	0.41	0.31
Net Income	1.16	1.21	1.29	0.75
Yield Before Acquisition Costs (for year one)	8.3	8.7 <sup>(1)</sup>	8.5	8.0

<sup>[1]</sup> Based on the property value of S\$14 million. The deferred settlement component of S\$3.8 million will be paid at the end of the 5<sup>th</sup> year.

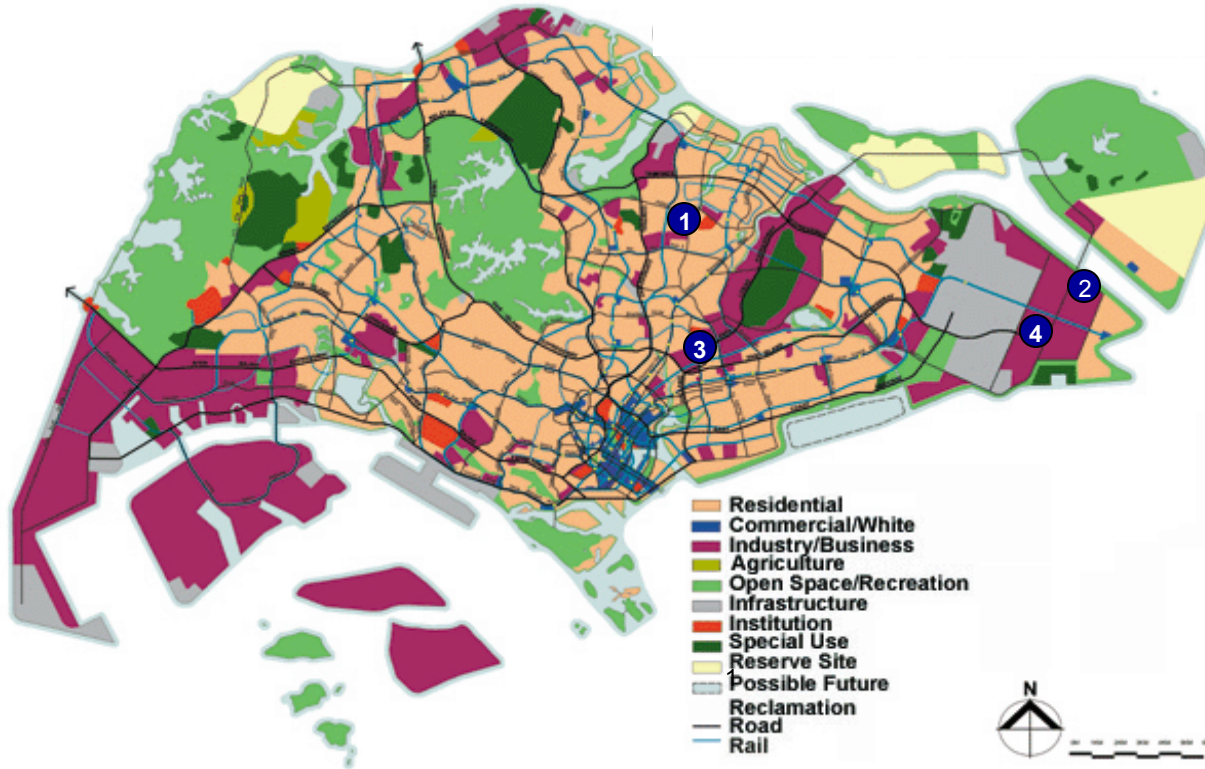
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# Well Located, Diversified Portfolio



● Light Industrial

1. Autron Building
2. SB Building
3. Steel Industries Building
4. Volex Building



# Autron Building



A 5-storey office building and an attached 4-storey facility used as production space

Purchase price : **S\$14.0 m**

Property yield

before acquisition costs : **8.3%**

Valuation : S\$14.0 m by Colliers International Consultancy & Valuation on 15 Sep 2004

Land area : 4,950 sqm

Title : 60 years lease from 1 Dec 1995

GFA : 10,589 sqm

NLA : 8,329 sqm

Occupancy : 100%

Tenant : **Autron Singapore Pte Ltd**

**53 Serangoon North Ave 4**  
**Singapore 555852**



# SB Building



A 2-storey warehouse cum 3-storey office building

Purchase price : **S\$17.8 m**

Property yield  
before acquisition costs : **8.7%\***

Valuation : S\$17.8 m by Jones Lang LaSalle  
Property Consultants on 15 Sep 04

Land area : 14,067 sqm

Title : 60 years lease from 1 Oct 1997

GFA : 13,998 sqm

NLA : 11,895 sqm

Occupancy : 100%

Tenant : **Soilbuild Group Holdings Pte Ltd**

**25 Changi South Street 1  
Singapore 486059**

\* Based on the initial payment of S\$14 million. The deferred settlement component of S\$3.8 million will be paid at the end of the 5th year.

# Steel Industries Building



A 6-storey light industrial cum office building with 40 car parking lots

Purchase price : **S\$15.3 m**

Property yield  
before acquisition costs : **8.5%**

Valuation : S\$15.3 m by Jones Lang LaSalle Property Consultants on 15 Sep 2004

Land area : 5,162 sqm

Title : 60 years lease from 1 Dec 1989

GFA : 12,930 sqm

NLA : 11,254 sqm

Occupancy : 100%

Tenant : **Steel Industries Pte Ltd**

Subtenants : DHL, Nu Horizons, Schneider Electric

**5 Tai Seng Drive  
Singapore 486059**

# Volex Building



A 4-storey light industrial cum office building with 48 car parking lots

Purchase price : **S\$9.4 m**

Property yield  
before acquisition costs : **8.0%**

Valuation : S\$9.5 m by Colliers International  
Consultancy & Valuation on 15 Sep 04

Land area : 5,000 sqm

Title : 60 yrs from 1 Feb 1992

GFA : 8,931 sqm

NLA : 8,000 sqm

Occupancy : 100%

Tenant : **Volex (Asia) Pte Ltd**

**35 Tampines Street 92**  
**Singapore 528880**





# Lease Terms

<b><u>Lease Terms</u></b>	Autron Bldg	SB Building	Steel Industries Bldg	Volex Building
Lease (yrs)	12	12	5	12
Rental Escalation	Stepped increases in Year 4, Year 7 and Year 10	Stepped increases p.a.	NA	Stepped increases p.a.

# Outgoings

<u>Properties</u>	<b>Autron Bldg</b>	<b>SB Building</b>	<b>Steel Industries Bldg</b>	<b>Volex Building</b>
<b>Lease Mgt</b>				
<b>Land Rent</b>	<b>Paid by A-REIT</b>	<b>Paid by A-REIT</b>	<b>Paid by A-REIT</b>	<b>Paid by A-REIT</b>
<b>Property Tax</b>				
<b>Maintenance</b>			<b>Paid by Steel Industries</b>	<b>Paid by Volex</b>
<b>Utilities</b>	<b>Paid by Autron</b>	<b>Paid by Soilbuild</b>	<b>Paid by Steel Industries</b>	<b>Paid by Volex</b>



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# Timetable for Completion

## The Properties

October 2004

Signed Put and Call Option Agreements

December 2004  
(expected)

- Exercise option
- Execution of Sale and Purchase Agreement
- Completion



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# Acquisition Summary

- **Properties with quality tenants**
- **Strategically located**
- **Diversifies property portfolio & tenant-mix**
- **Complements existing leasehold properties**
- **Yield-accretive: average 8.4% property yield**
- **DPU positive of 0.16 cents per unit**



- ***The value of units in A-REIT (“Units”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.***
- ***Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.***
- ***The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.***

This 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.

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