

areit

Proposed Acquisitions of CG Aerospace Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, Fedex Building and MacDermid Building (the “Properties”)



14 October 2004

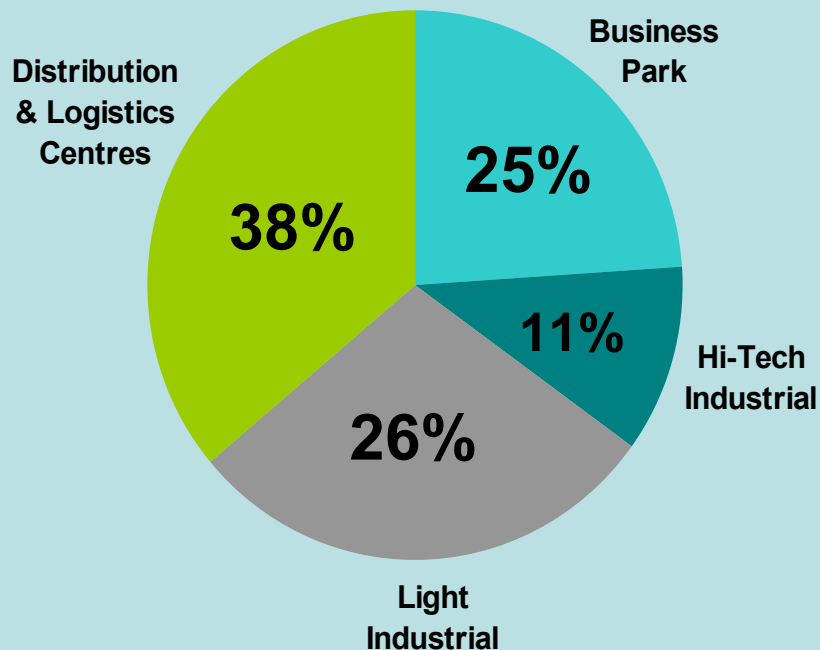
Agenda

- **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

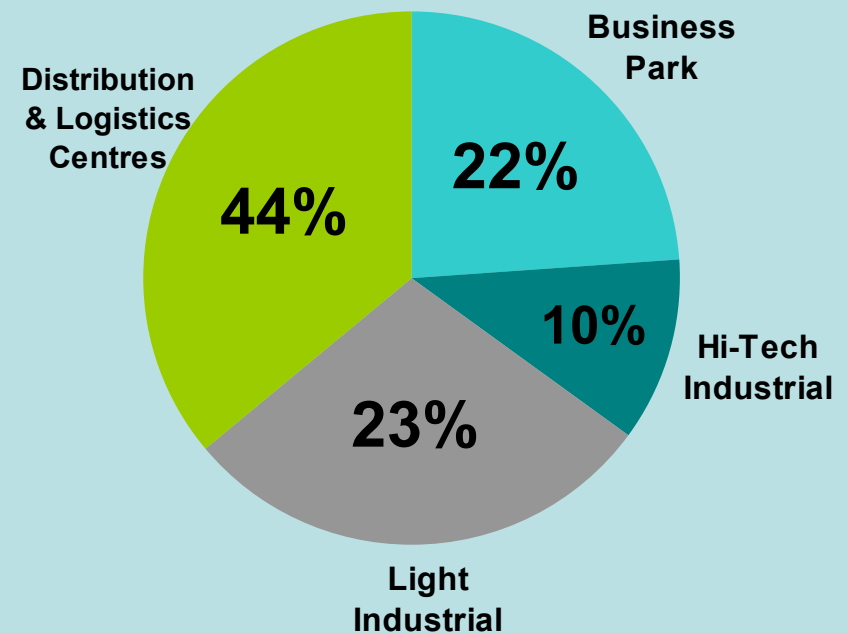


Asset Class Diversification by Portfolio Value

Before ⁽¹⁾



After ⁽²⁾



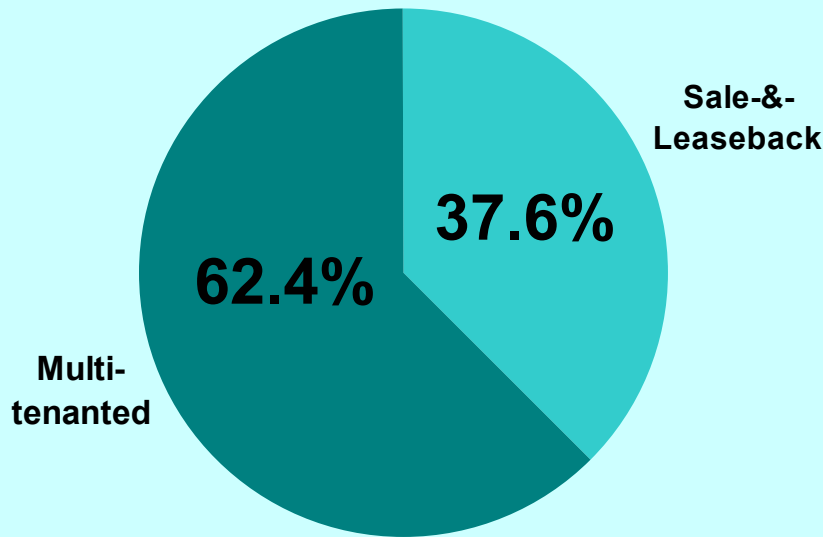
Notes:

- (1) Based on 19 properties
- (2) Based on 24 properties

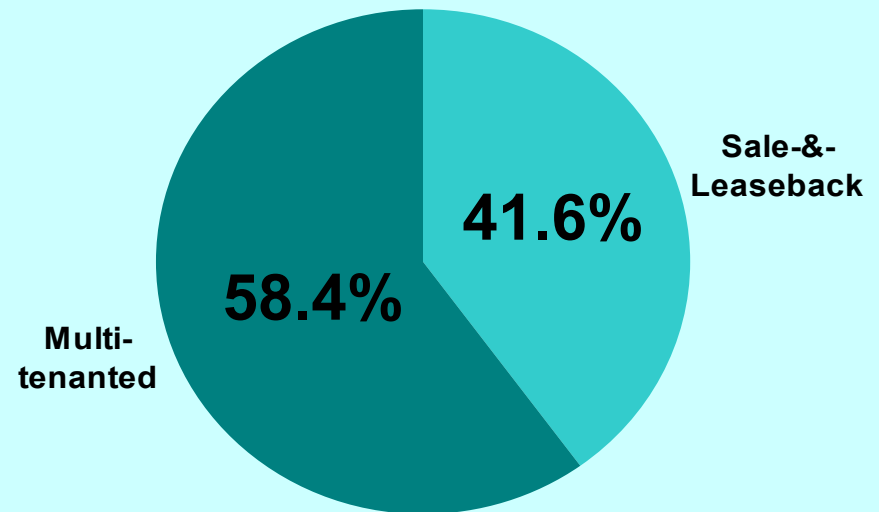


Mix of Sale-&-Leaseback vs Multi-tenanted by Portfolio Value

Before ⁽¹⁾



After ⁽²⁾



Notes:

- (1) Based on 19 properties
- (2) Based on 24 properties

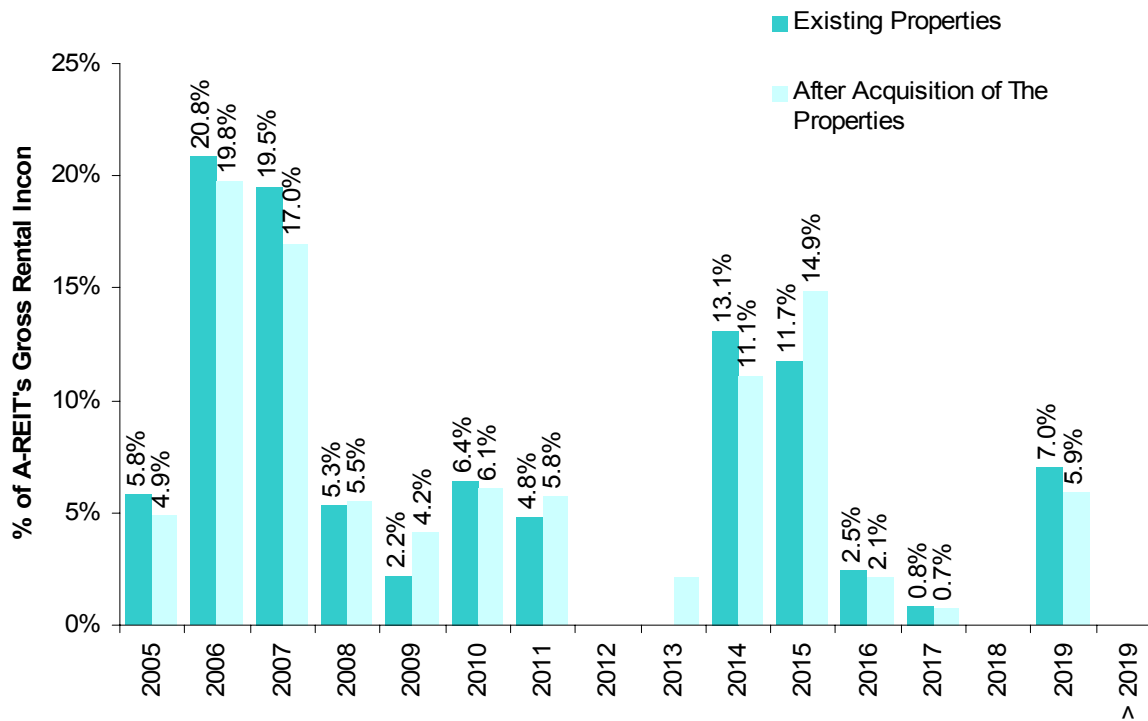


- **Impact of acquisitions on A-REIT**
 - Portfolio Diversification
 - Weighted Average Lease Expiry Profile
 - Pro forma Financial Effect
 - Average Property Yield
- The Properties
- Timetable for Completion
- Acquisition Summary



A-REIT Weighted Average Lease Expiry Profile

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



- Impact of acquisitions on A-REIT
- The Properties
- Timetable for Completion
- Acquisition Summary

For the Year Ending 31 Mar

| | Existing Properties | After Acquisition of the Properties |
|---------------------------------------|---------------------|-------------------------------------|
| Weighted Average Lease Term to Expiry | 5.23 yrs | 5.43 |

Agenda

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



Distribution Per Unit ("DPU") Positive

The Properties

| | |
|---|------------|
| DPU Impact* (proforma annualised impact) | 0.45 cents |
|---|------------|

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



Agenda

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



Yield-Accretive

| <u>For Year One</u> | CG Aerospace Building | Freight Links (Changi) Building | Freight Links (Toh Guan) Building | Fedex Building | MacDermid Building |
|--|-----------------------------|---------------------------------------|---|-------------------|-----------------------|
| Income (S\$ million) | 3.75 | 2.41 | 2.63 | 3.63 | 0.61 |
| Property Expenses (S\$ million) | 1.47 | 0.02 | 0.03 | 1.01 | 0.01 |
| Net Income (S\$ million) | 2.28 | 2.39 | 2.60 | 2.62 | 0.60 |
| Yield Before Acquisition Costs (for year one) (%) | 9.9 ⁽¹⁾ | 9.3 ⁽²⁾ | 8.9 ⁽³⁾ | 7.8 | 11.0 |

Notes:

(1) Based on the property value of S\$23.0 million, being its acquisition price of S\$31.1 million less the deferred settlement component of S\$8.1 million

(2) Based on the property value of S\$25.6 million, being its acquisition price of S\$32.0 million less the deferred settlement component of S\$6.4 million

(3) Based on the property value of S\$29.1 million, being its acquisition price of S\$36.4 million less the deferred settlement component of S\$7.3 million

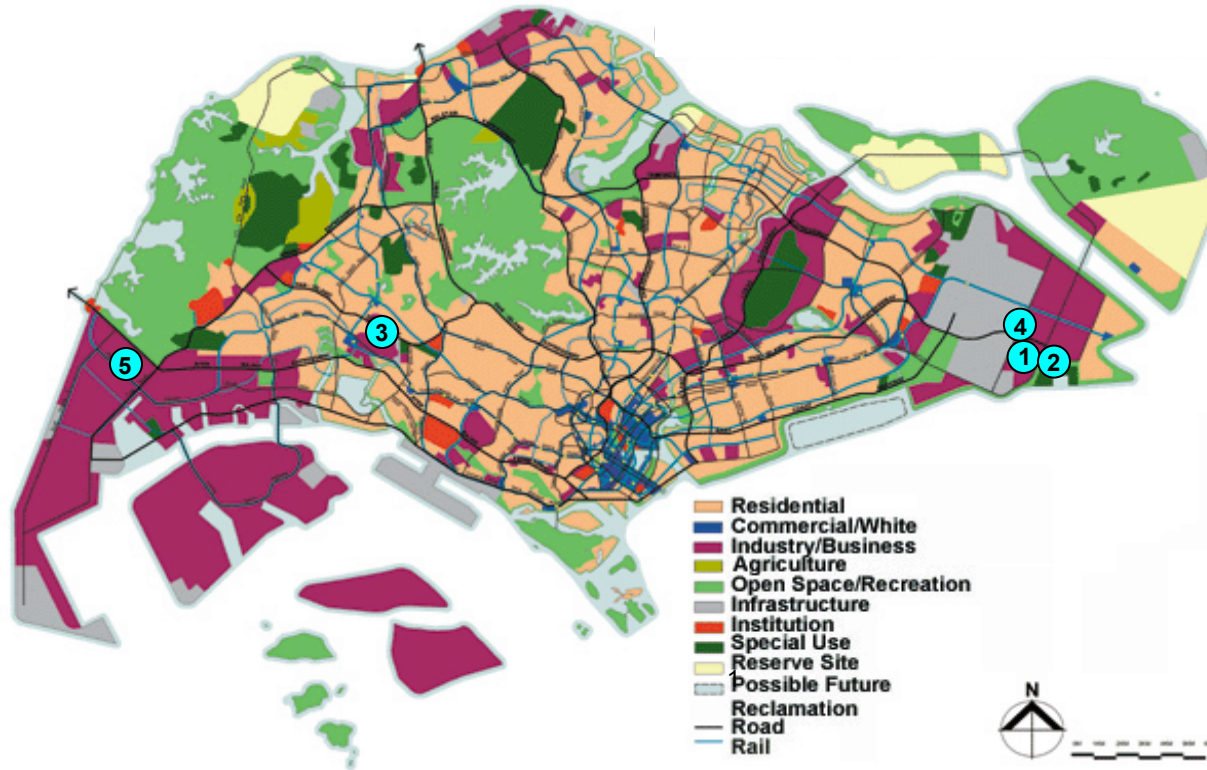
Source : Ascendas-MGM Funds Management Limited

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



Well Located, Diversified Portfolio



- Impact of acquisitions on A-REIT
- The Properties
- Timetable for Completion
- Acquisition Summary

● Logistics

- 1. CG Aerospace
- 2. Freight Links (Changi) Building
- 3. Freight Links (Toh Guan) Building
- 4. Fedex Building
- 5. MacDermid Building



CG Aerospace Building



3 Changi South Street 2
Singapore 486548

Two multi-tenanted 4-storey warehouse buildings

Purchase price : **S\$31.1 m**

Property yield before acquisition costs : **9.9%***

Valuation : S\$31.5 m by Colliers International
Consultancy & Valuation as at 15 Sep 2004

Land area : 17,208 sqm

Title : 60-year lease from 1 Jun 1994

GFA : 24,117 sqm

NLA : 20,699 sqm

Occupancy : 86% as at 30 Sept 04

Tenants : **“K” Line Services (S) Ptd Ltd,**
National Library Board, Tradeport Singapore
Pte Ltd

Note:

*Based on the property value of S\$23.0 million, being its acquisition price of S\$31.1 million less the deferred settlement component of S\$8.1 million

Freight Links (Changi) Building



9 Changi South Street 3

Singapore 486361

An 8-storey office building and a 4-storey warehouse

Purchase price : **S\$32.0 m**

Property yield before acquisition costs : **9.3%***

Valuation : S\$32.0 m by CB Richard Ellis (Pte) Ltd as at 15 Sep 2004

Land area : 14,504 sqm

Title : 60-year lease from 1 May 1995

GFA : 23,208 sqm

NLA : 20,724 sqm

Occupancy : 100%

Tenant : **Freight Links Express Districentre Pte Ltd, a wholly-owned subsidiary of Freight Links Express Holdings Ltd**

Note:

*Based on the property value of S\$25.6 million, being its acquisition price of S\$32.0 million less the deferred settlement component of S\$6.4 million

Freight Links (Toh Guan) Building



5 Toh Guan Road East
Singapore 608831

Comprising 2 complexes : made up of a 3-storey-cum-5-storey warehouse block with ancillary offices, and an adjoining 4-storey warehouse block

Purchase price : **S\$36.4 m**

Property yield before acquisition costs : **8.9%***

Valuation : S\$36.4 m by CB Richard Ellis (Pte) Ltd as at 15 Sep 2004

Land area : 20,368 sqm

Title : 60-year lease from 16 Dec 1989

GFA : 29,741 sqm

NLA : 23,723 sqm

Occupancy : 100%

Tenant : **Freight Links Express Distripark Pte Ltd, a wholly-owned subsidiary of Freight Links Express Holdings Ltd**

Note:

*Based on the property value of S\$29.1 million, being its acquisition price of S\$36.4 million less the deferred settlement component of S\$7.3 million

Fedex Building



6 Changi South Street 2
Singapore 486349

A 4-storey warehouse development with ancillary offices

Purchase price : **S\$33.5 m**

Property yield before acquisition costs : **7.8%**

Valuation : S\$33.5 m by CB Richard Ellis (Pte) Ltd as at 15 Sep 2004

Land area : 9,934 sqm

Title : 60-year lease from 1 November 1995

GFA : 17,651 sqm

NLA : 14,358 sqm

Occupancy : 100%

Tenants : **Federal Express (S) Pte Ltd, Federal Express Pacific Inc, Cargo Distribution Pte Ltd**

MacDermid Building



A 3-storey cum 1-storey building with a mezzanine level purpose-built detached factory

Purchase price : **S\$5.5 m**

Property yield before acquisition costs : **11.0%**

Valuation : S\$5.5 m by CB Richard Ellis (Pte) Ltd as at 15 Sep 2004

Land area : 5,464 sqm

Title : 60-year lease from 16 Jul 1990

GFA : 5,064 sqm

NLA : 4,321 sqm

Occupancy : 100%

Tenant : **MacDermid Singapore Pte Ltd**

20 Tuas Avenue 6
Singapore 639307

Lease Terms

| <u>Lease Terms</u> | CG Aerospace Building | Freight Links (Changi) Building | Freight Links (Toh Guan) Building | Fedex Building | MacDermid Building |
|---------------------------|-----------------------|-----------------------------------|-----------------------------------|----------------|--------------------|
| Lease (yrs) | Multi-tenanted | 7 | 8 | 6 | 3 |
| Rental Escalation | N.A | Stepped increases from Year 2 – 7 | Stepped increases from Year 2 – 8 | N.A | N.A |

Outgoings

| <u>Properties</u> | CG Aerospace Building | Freight Links (Changi) Building | Freight Links (Toh Guan) Building | Fedex Building | MacDermid Building | |
|-------------------|-----------------------|---------------------------------|-----------------------------------|----------------|--------------------|----------------------------|
| Lease Mgt | Paid by A-REIT | Paid by A-REIT | Paid by A-REIT | Paid by A-REIT | Paid by A-REIT | |
| Land Rent | | Paid by Freight Links | Paid by Freight Links | | Paid by A-REIT | Paid by Cargo Distribution |
| Property Tax | | | | | | |
| Maintenance | | | | | | |
| Utilities | | | | | | |



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



Timetable for Completion

The Properties

Signed Put and Call Option Agreements

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

October 2004

December 2004
(expected)



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**



Acquisition Summary

- Increase in the size of “Logistics and Distribution Centres” segment of A-REIT portfolio – from current 6 to 11 properties
- Provide a good mix of long-term and short-term leases
- Enhance income stability & lease expiry profile
- Yield-accretive: average 9.0% property yield
- DPU positive of 0.45 cents per unit

Impact of acquisitions on A-REIT

The Properties

Timetable for Completion

Acquisition Summary

- ***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.

- End -