

areit

Proposed Acquisition of Ness Building



2 November 2004

Agenda

- **Impact of acquisition on A-REIT**

- Portfolio Diversification

- Weighted Average Lease Expiry Profile

- Pro forma Financial Effect

- Property Yield

- The Property

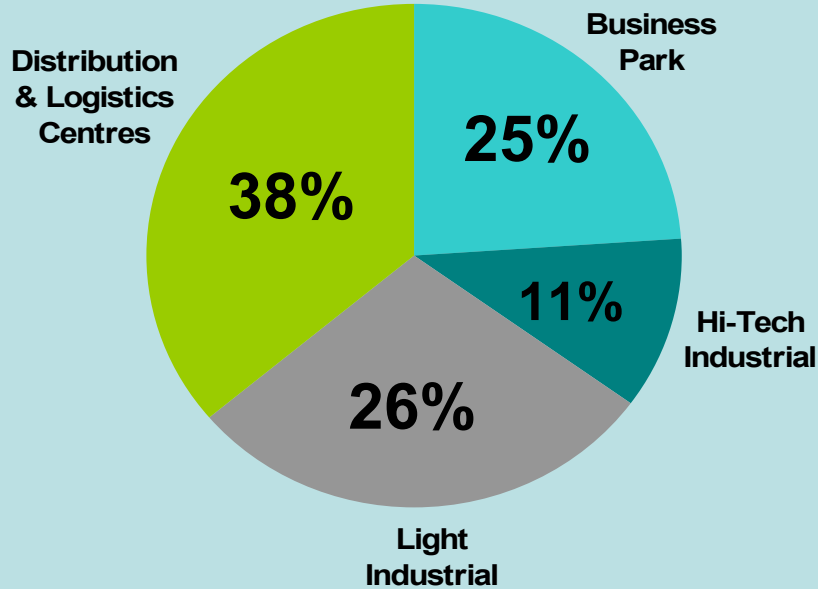
- Timetable for Completion

- Acquisition Summary

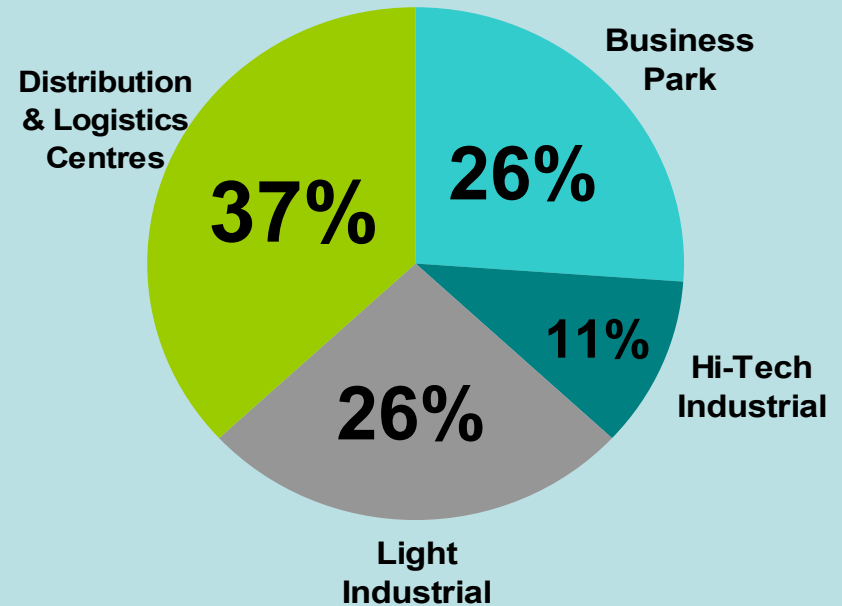


Asset Class Diversification by Portfolio Value

Before (1)



After (2)



Notes:

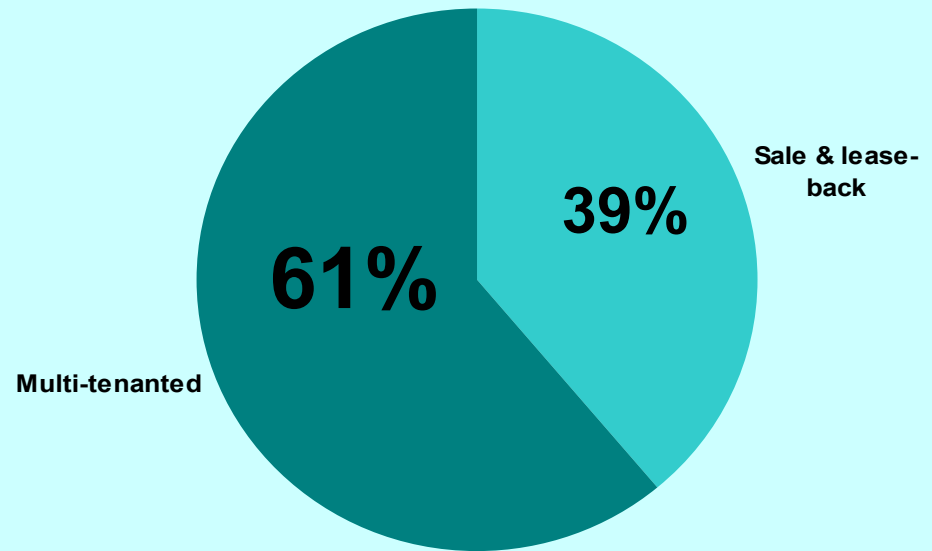
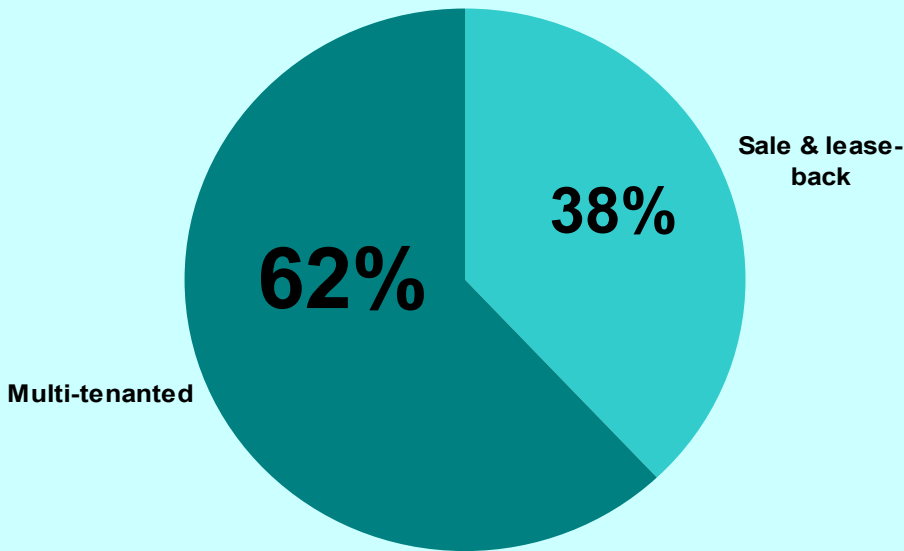
- (1) Based on 19 properties
- (2) Based on 20 properties



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

Before ⁽¹⁾

After ⁽²⁾



Notes:

- (1) Based on 19 properties
- (2) Based on 20 properties



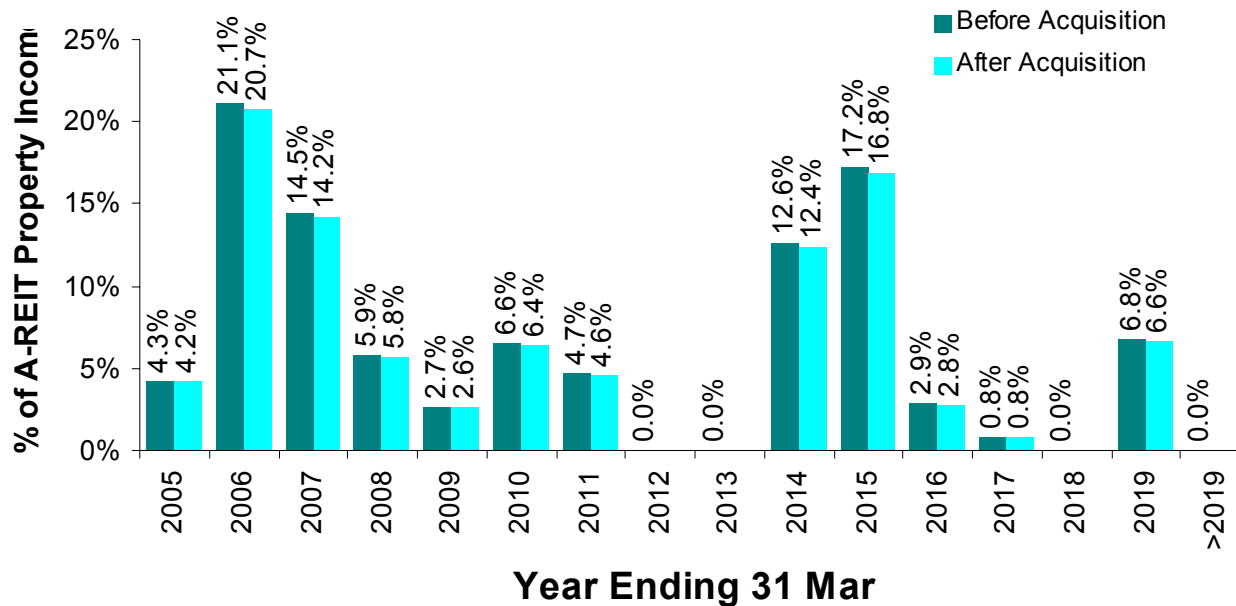
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A-REIT Weighted Average Lease Expiry Profile

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Weighted Lease Expiry Profile By Income (1)



	Existing Properties	After Acquisition of the Property
Weighted Average Lease Term to Expiry	5.59 yrs	5.78 yrs

(1) Based on 19 properties

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Distribution Per Unit ("DPU") Positive

The Property

DPU Impact* (proforma annualised impact)	0.11 cents
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Note:

*Impact on DPU assuming A-REIT's 19 properties including C&P Logistics Hub Phase II which is expected to be completed in December 2004 for S\$82.9m and the Property 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>	Ness Building
Income (S\$ million)	2.14
Property Expenses (S\$ million)	0.03
Net Income (S\$ million)	2.11
Yield Before Acquisition Costs (for year one) (%)	10.0

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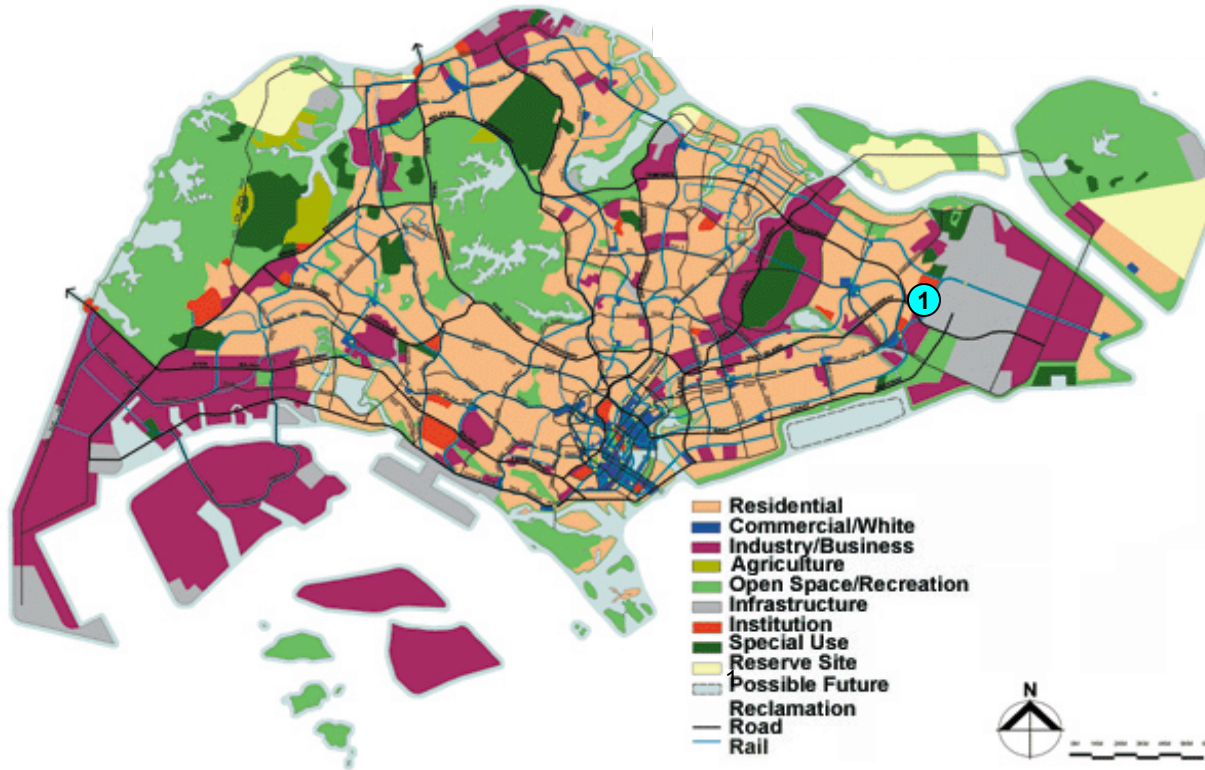
Source : Ascendas-MGM Funds Management Limited

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Well Located, Diversified Portfolio



 **Business Park**

1. NESS Building

Impact of acquisition on A-REIT

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Ness Building



Currently under construction. TOP obtained on 20 Sep 2004. Sale and purchase completion in Sep 2005

Purchase price : **S\$21.0 m**

Property yield before acquisition costs : **10.0%**

Land area : 15,119 sqm (subject to survey)

Title : 60-year lease from 1 Jan 2004

GFA : 9,593 sqm

NLA : Subject to survey

Occupancy : 100%

Tenant : **Ness Display Singapore Pte Ltd**

Lease term : 15 years

**Tampines Industrial Avenue 2/3
Singapore**



Outgoings

<u>Property</u>	Ness Building
Lease Mgt Fee	Paid by A-REIT
Land Rent	Paid by Ness
Property Tax	
Maintenance	
Utilities	

Impact of acquisition on A-REIT

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Timetable for Completion

The Property

Signed Put and Call Option Agreements

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

October 2004

By October 2005
(expected)



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Acquisition Summary

- Provides a good mix of long-term versus short-term leases
- Enhances income stability & lease expiry profile
- Yield-accretive: 10% property yield
- DPU positive of 0.11 cents* per unit

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- ***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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