

# areit

## Proposed Acquisition of AEM-Evertch Building



7 February 2005



# Agenda

- **The Property**
- **Impact on A-REIT**
  - **Pro forma Financial Effect**
  - **Portfolio Diversification**
  - **Property Yield**
- **Timetable for Completion**
- **Acquisition Summary**



# Strategic location

**AEM-Evertch Building is located at 52 Serangoon North Ave 4**



The Property

Impact on A-REIT

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- In close proximity to the city via Central Express Way (CTE)

# Property Details of AEM-Everttech Building



<b>Building type</b>	Seven-storey light industrial building for design and manufacturing purposes
<b>Address</b>	52 Serangoon North Ave 4 Singapore 555853
<b>Net Lettable Area</b>	11,799 sqm
<b>Site Area</b>	6,465 sqm
<b>Valuation (as at 1 January 2005)</b>	S\$14.0m by Jones Lang Lasalle Property Consultants
<b>Purchase Price</b>	S\$14.0m
<b>Property Yield (before acquisition costs) for first year</b>	8.1%

The Property

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# Property Details of AEM-Evertch Building



<b>Title</b>	Leasehold expiring on 15 September 2055	The Property
<b>Occupier</b>	AEM-Evertch Holdings Ltd	Impact on A-REIT
<b>Occupancy</b>	100%	Timetable for Completion
<b>Outgoings</b>	<ul style="list-style-type: none"> <li>Lease management, property tax, land rent and property maintenance to be borne by A-REIT</li> </ul>	Acquisition Summary



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# Distribution Per Unit (“DPU”) Positive

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<b>Techpoint</b>	<b>DPU Impact*</b>
<b>DPU Impact (proforma annualised impact)</b>	<b>0.03 cents</b>

Note:

\*Assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity, and that A-REIT had purchased, held and operated the Property for the entire financial year ended 31 March 2004.



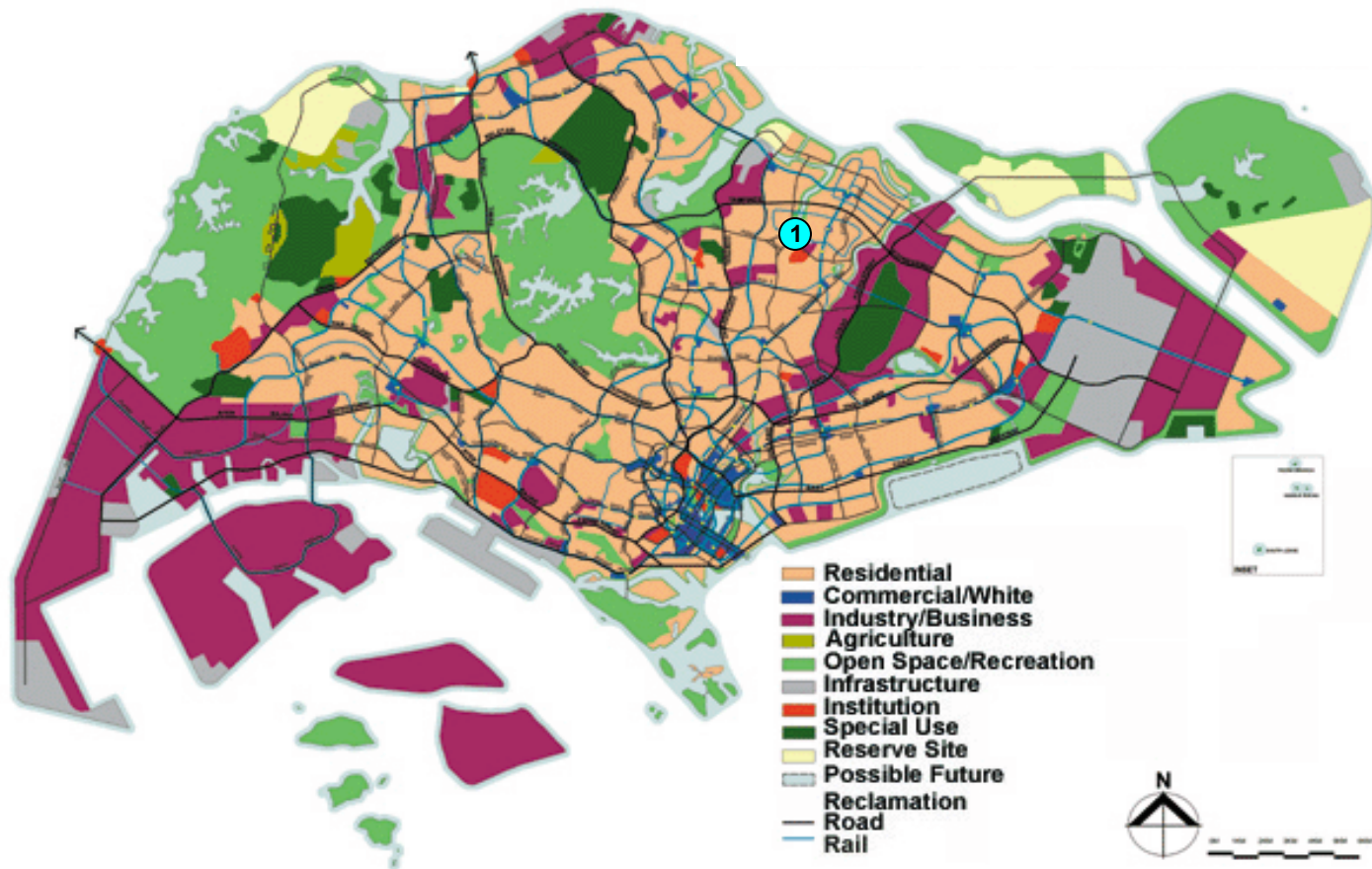
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# Well Located, Diversified Portfolio **areit**

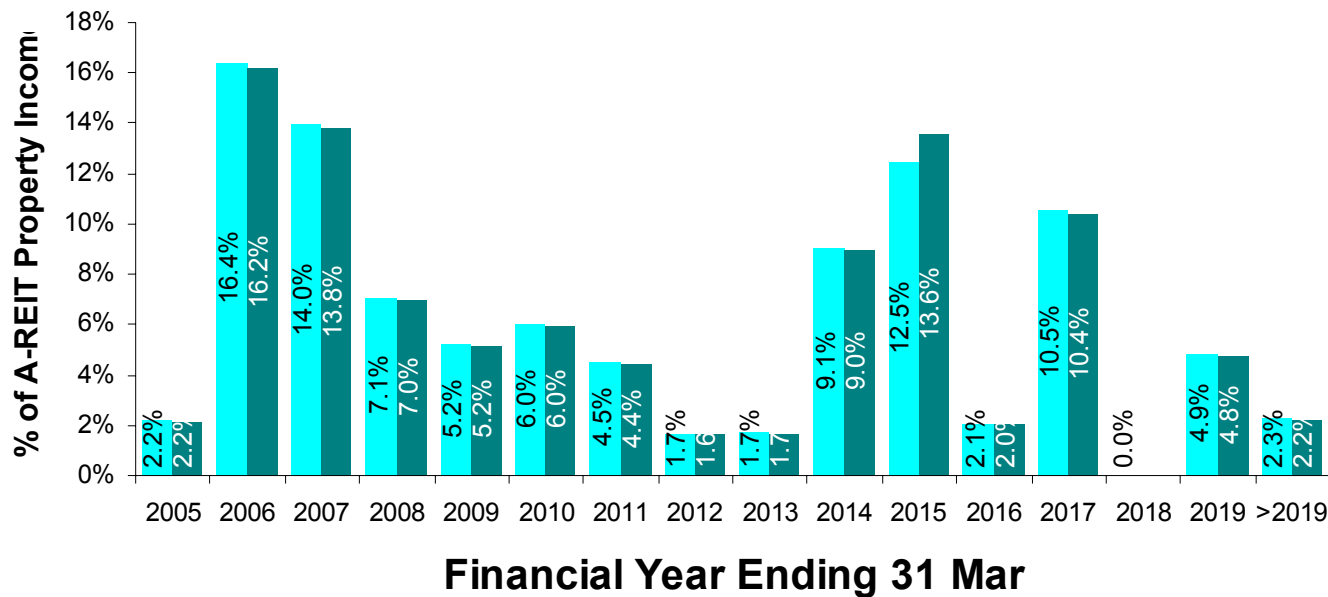


1. AEM-Evertch Building

# A-REIT Weighted Lease Expiry Profile



## Weighted Lease Expiry Profile By Income



The Property

Impact on A-REIT

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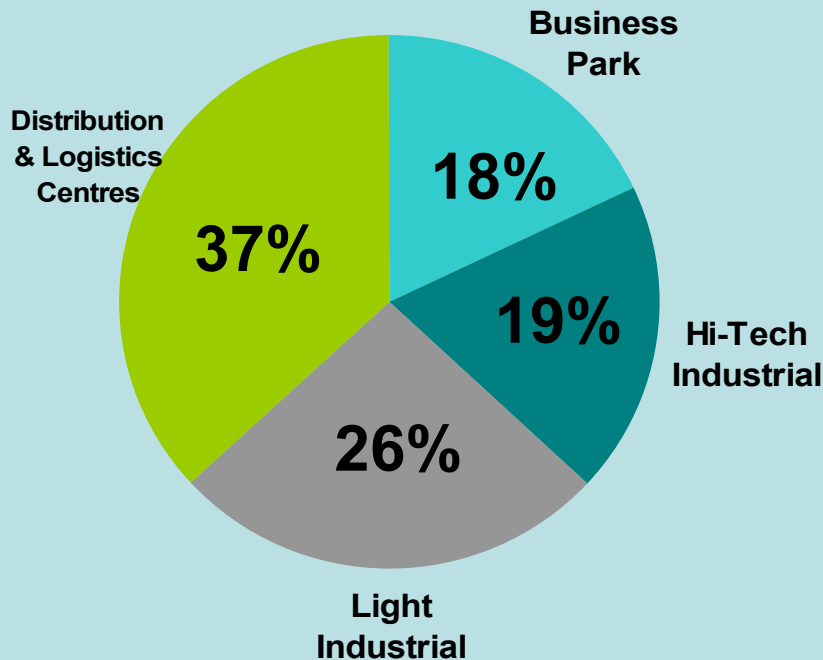
Acquisition Summary

■ 32 Properties ■ 32 Properties + AEM

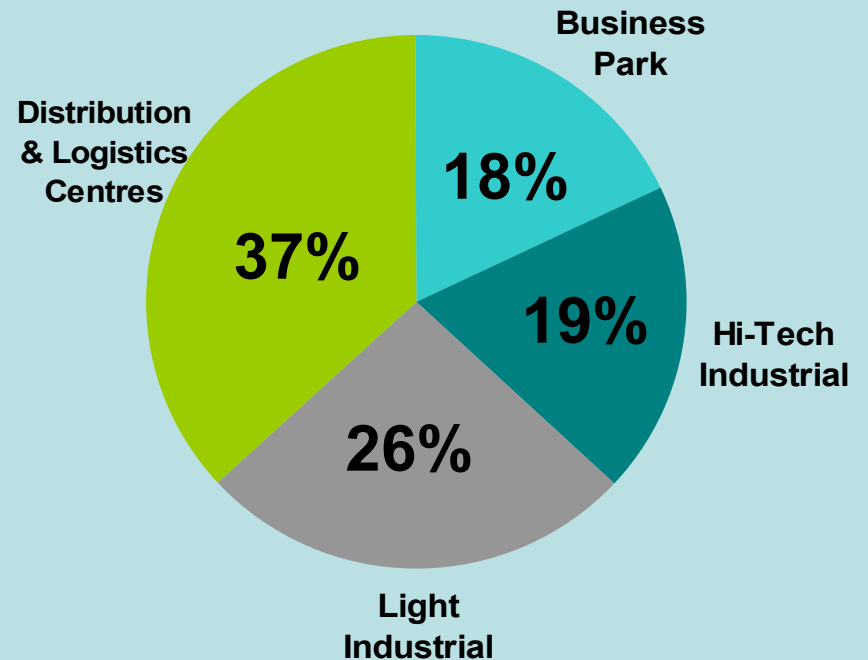
	Existing Properties (as at 3 Jan 05)	After Acquisition
Weighted Average Lease Term to Expiry	6.0 yrs	6.1 yrs

# Asset Class Diversification by Portfolio Value

Before (1)



After (2)



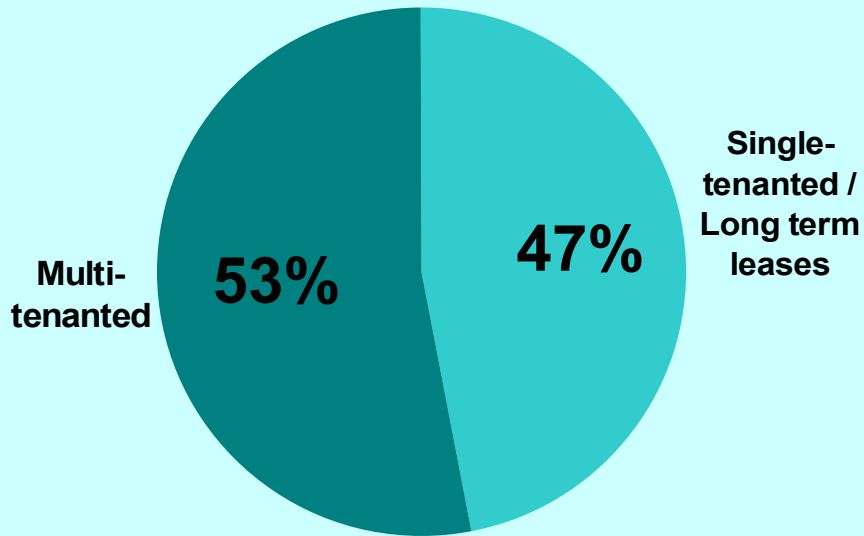
Notes:

(1) Based on 32 properties as at 3 Jan 2005

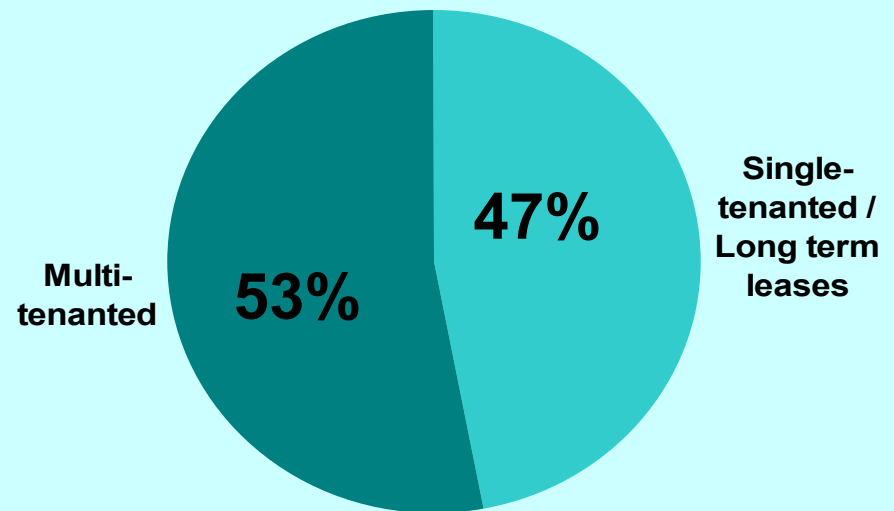
(2) Based on 33 properties

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

Before <sup>(1)</sup>



After <sup>(2)</sup>



Notes:

- (1) Based on 32 properties as at 3 Jan 2005
- (2) Based on 33 properties

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# Yield-Accretive

<b><u>For Year One</u></b>	<b>AEM-Evertch Building (S\$ million)</b>
<b>Income</b>	<b>1.85</b>
<b>Property Expenses</b>	<b>0.72</b>
<b>Net Income</b>	<b>1.13</b>
<b>Yield Before Acquisition Costs (for year one)</b>	<b>8.1%</b>

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# Timetable for Completion

	<b>AEM-Evertch Building</b>
<b>February 2005</b>	<b>Signed Put and Call Option Agreement</b>
<b>April 2005 (expected)</b>	<ul style="list-style-type: none"> <li>• <b>Exercise option</b></li> <li>• <b>Execution of Sale and Purchase Agreement</b></li> <li>• <b>Completion</b></li> </ul>

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# Acquisition Summary

- **Strategically located**
- **Diversifies property portfolio & tenant-mix**
- **Complements existing leasehold properties**
- **Yield-accretive: 8.1% property yield in the first year**
- **DPU positive of 0.03 cents per unit\***

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Note:

\*Assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity, and that A-REIT had purchased, held and operated the Property for the entire financial year ended 31 March 2004.

- *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 -**