

# areit

## **Proposed Acquisition of the Changi International Logistics Centre**



**23 December 2003**

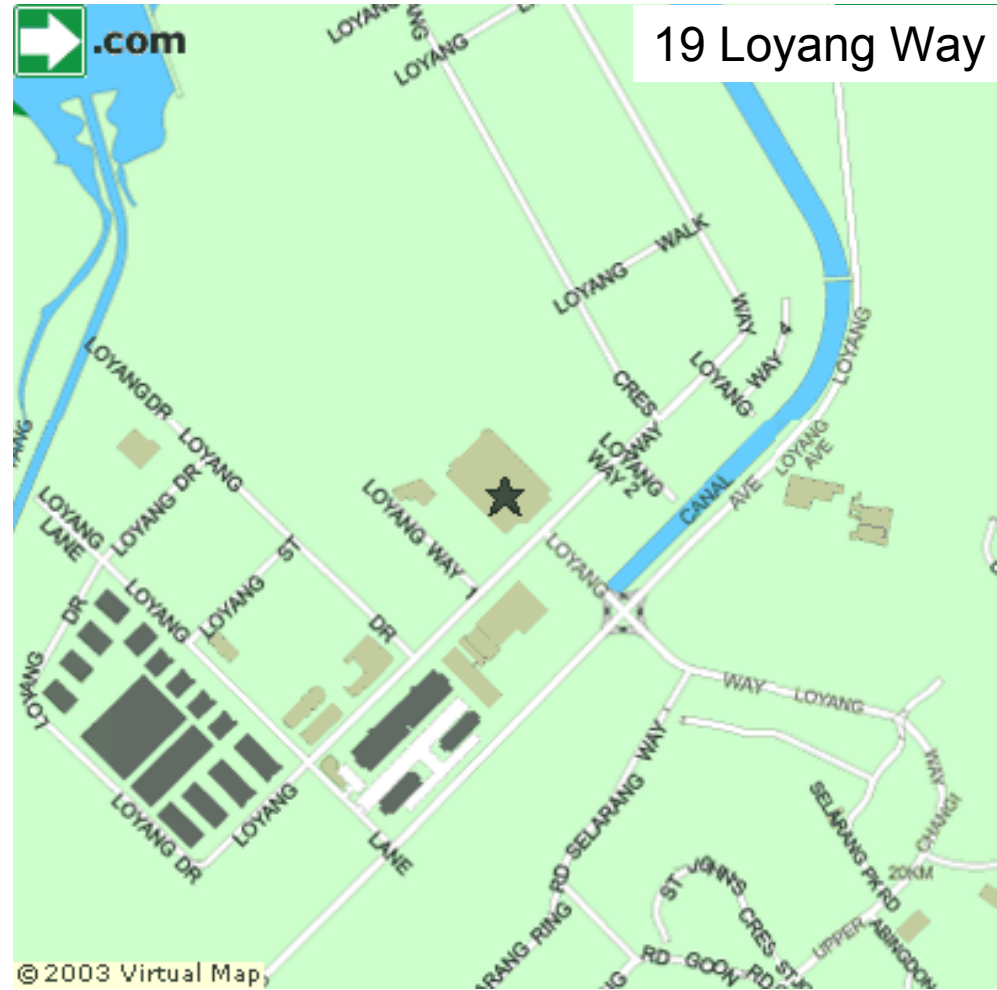


# Agenda

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



# Changi International Logistics Centre



# Changi International Logistics Centre Property Details



The Property

<b>Building type</b>	A multi-tenanted distribution facility - front block with a 4-storey office & a 2-storey warehouse - rear block with a 4-storey office & a 4-storey warehouse
<b>Net Lettable Area</b>	39,787 sqm
<b>Site Area</b>	30,146 sqm
<b>Title</b>	Leasehold of 30 years commencing 16 October 1990, with an option to renew for a further 30 years
<b>Valuation (as at 1 December 2003)</b>	S\$45.6m by Colliers International Consultancy & Valuation (Singapore) Pte Ltd
<b>Purchase Price</b>	S\$45.6m
<b>Acquisition Costs</b>	S\$2.28m
<b>Property Yield (before acquisition costs) for first year</b>	8.6%

Impact on A-REIT

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# Changi International Logistics Centre Property Details



<b>Major Tenants</b>	Zuellig Pharma Pte Ltd (17,901 sqm) Daikin Asia Servicing Pte Ltd (3,487 sqm) Dimerco Express (S) Pte Ltd (2,092 sqm)
<b>Occupancy</b>	81% (excluding rental guarantee on vacant space)
<b>Outgoings</b>	All property tax, land rent, lease management cost, maintenance and utility expenses to be paid by A-REIT

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# Distribution Per Unit (“DPU”) Positive



The Property

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Changi International Logistics Centre	DPU Impact (Based on possible debt/equity funding of 30/70)*
DPU Impact (proforma impact on 6 mths ended 30 September 2003)	0.02
DPU annualised impact	0.04

Note:

\*Calculated based on A-REIT holding the property for the six months ended 30 September 2003 and assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity.



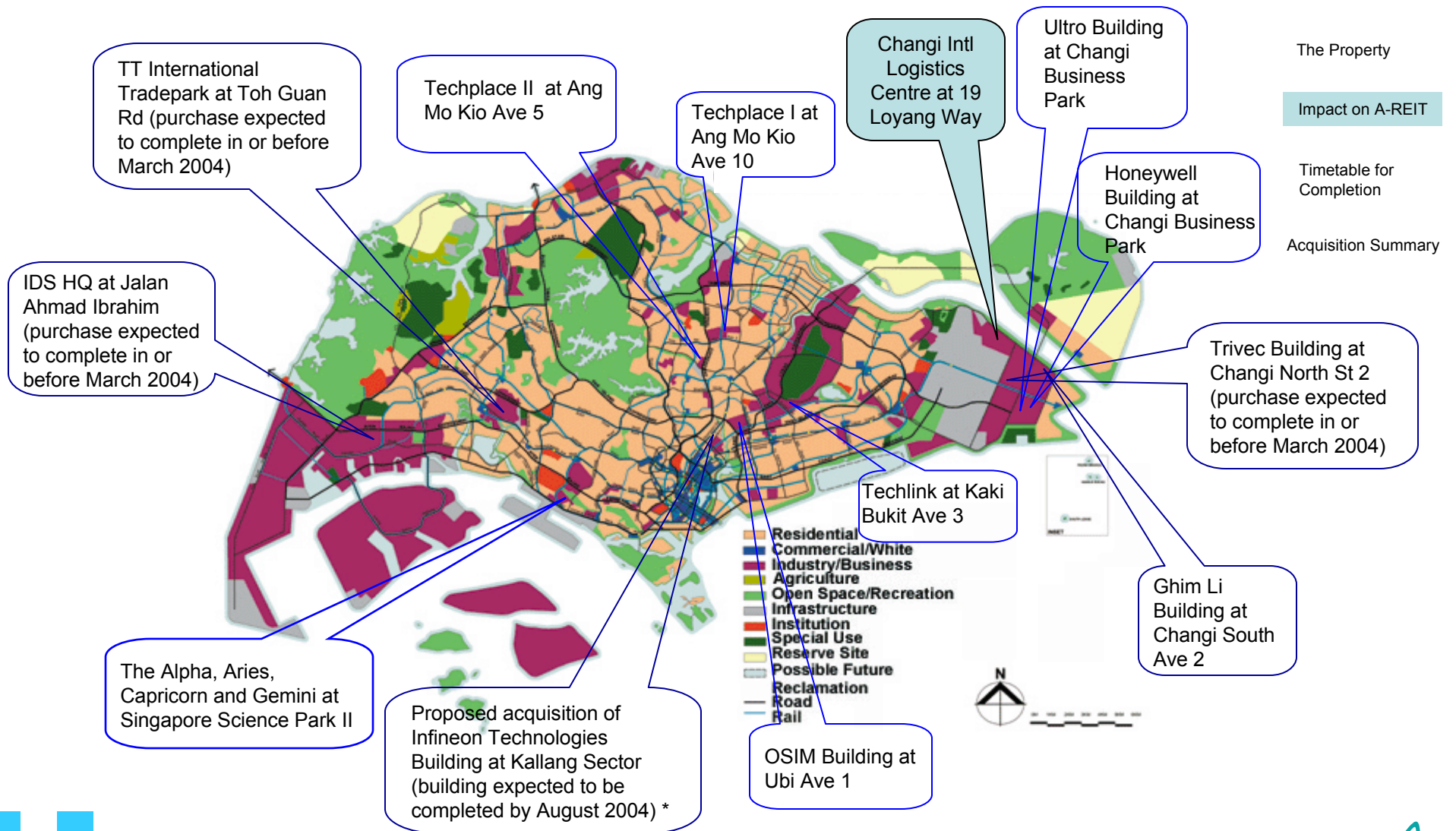
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# Well Located, Diversified Portfolio



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\* A-REIT has an option to acquire the Infineon Building



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# Yield-Accretive

<u>For Year One</u>	<b>Changi International Logistics Centre (\$ million)</b>
<b>Income</b>	6.5
<b>Property Expenses</b>	2.6
<b>Net Income</b>	3.9
<b>Yield Before Acquisition Costs (for year one)</b>	8.6%

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Source : Ascendas-MGM Funds Management Limited



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# Timetable for Completion

The Property

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	<b>Changi International Logistics Centre</b>
<b>Dec 2003</b>	<b>Signed Put and Call Option Agreement</b>
<b>Mar 2004</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

The Property

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- **Well located property**
- **Diversifies property portfolio**
- **Strengthens tenancy profile**
- **Diversifies tenant mix and industry type**
- **Extends lease expiry profile**
- **Yield-accretive**
- **DPU positive**



- *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 -**

