

areit

Proposed Acquisition of the TT International Tradepark



21 November 2003



Agenda

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



TT International TradePark



TT International Tradepark Property Details



The Property

Building type	A ten-storey office building and a six-storey warehouse with an automated storage and retrieval system
Net Lettable Area	42,765 sqm
Site Area	20,876 sqm (subject to survey)
Title	Leasehold of 30 years commencing 16 October 1995, with an option to renew for a further 30 years
Valuation (as at 1 November 2003)	S\$92.0m by CB Richard Ellis (Pte) Ltd
Purchase Price	S\$92.0m (S\$8.8m deferred for a period of three yrs)
Acquisition Costs	S\$3.8m
Property Yield ⁽¹⁾ (before acquisition costs)	7.87%

Impact on A-REIT

Timetable for Completion

Acquisition Summary

(1) Calculation excludes deferred component. Forecasted yield on payment of the deferred component is 7.8%



TT International Tradepark Leasing Details



The Property

Impact on A-REIT

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Tenant(s)	T.T. International Tradepark Pte Ltd
Commencement Date	Estimated to be March 2004
Occupancy	100%
Annual Rent	S\$6.6m
Rent Escalation	Stepped rental increases of 9% (year 4), 6% (year 7) and 9% (year 10)
Lease Term	10 yrs
Outgoings	<p>Lease management cost to be paid by lessor (A-REIT).</p> <p>All property tax, land rent, maintenance and utility expenses to be paid by lessee (T.T. International Tradepark Pte Ltd).</p>



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Distribution Per Unit (“DPU”) Positive



TT International Tradepark	DPU Impact (Based on possible debt/equity funding of 30/70)*
DPU Impact (proforma impact on 6 mths ended 30 September 2003)	0.06
DPU annualised impact	0.12

The Property

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Note:

*Calculated based on A-REIT holding the property for 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.

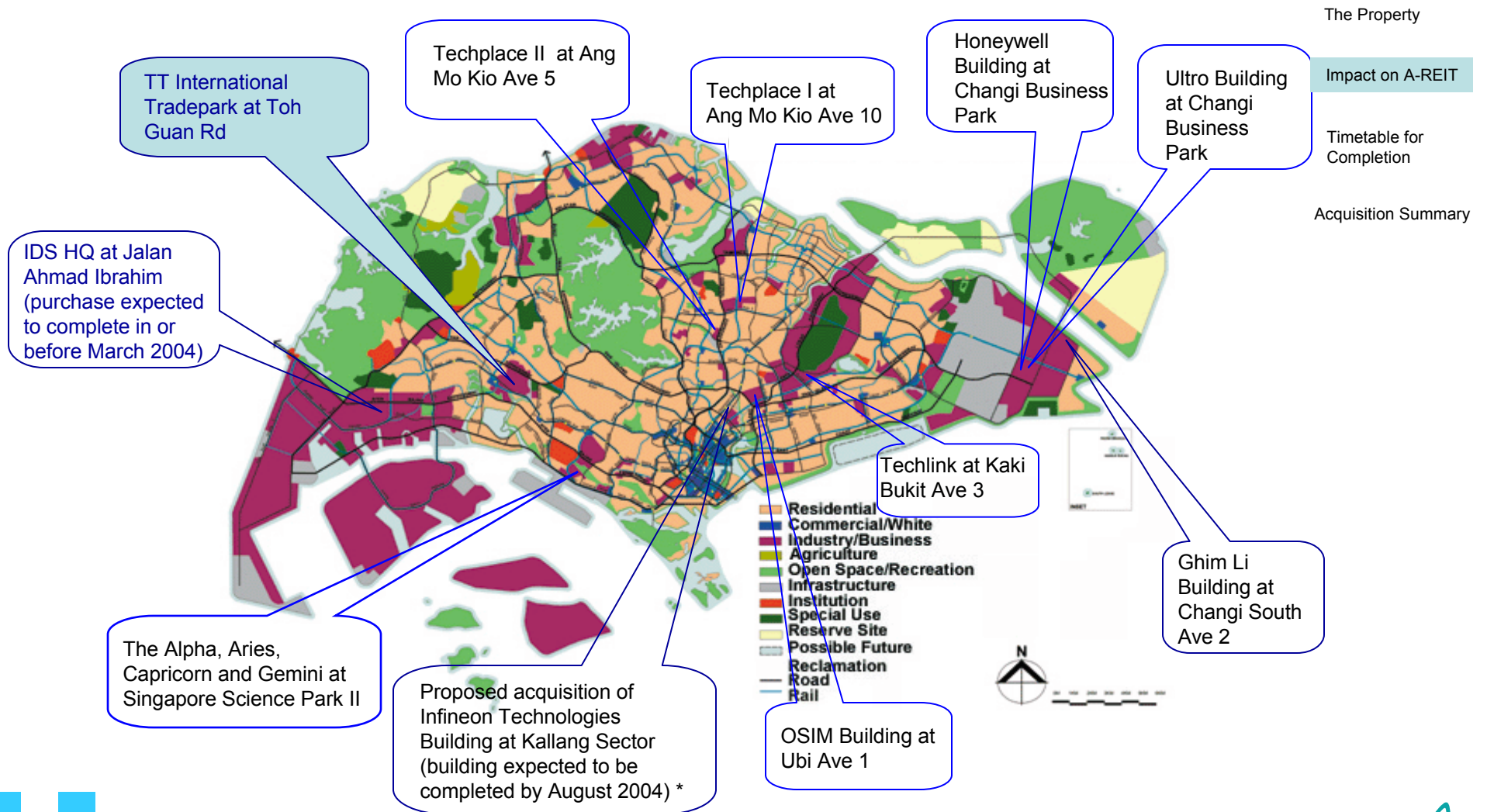


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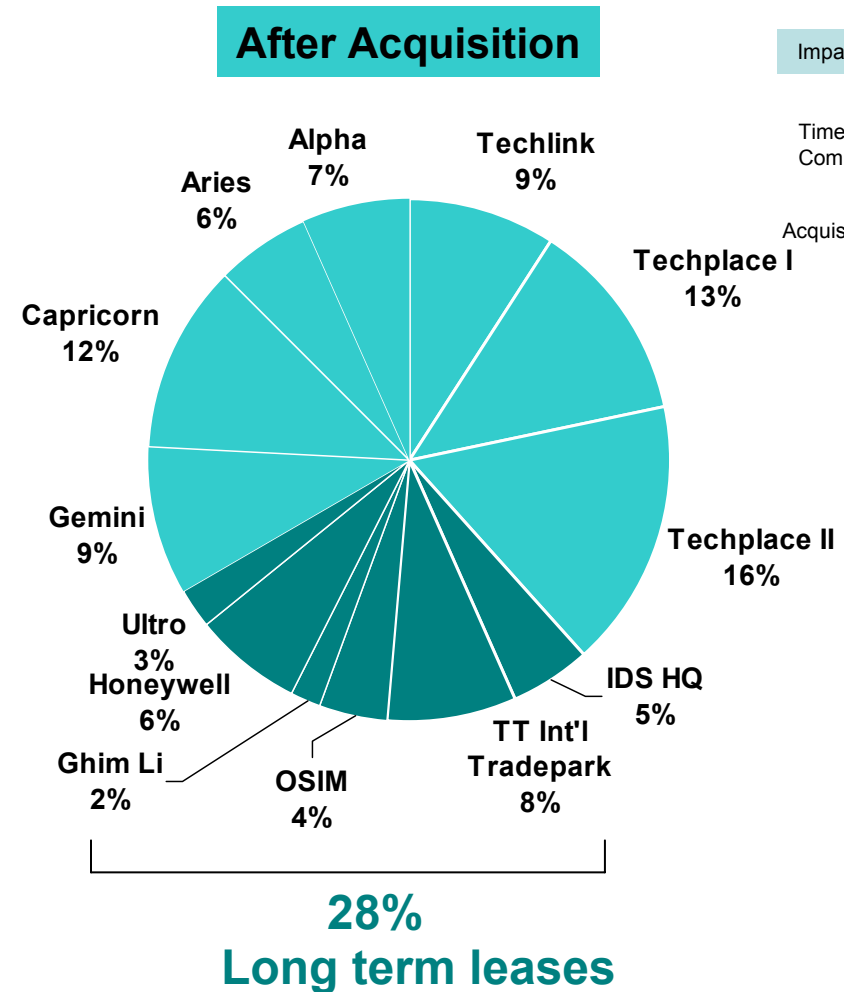
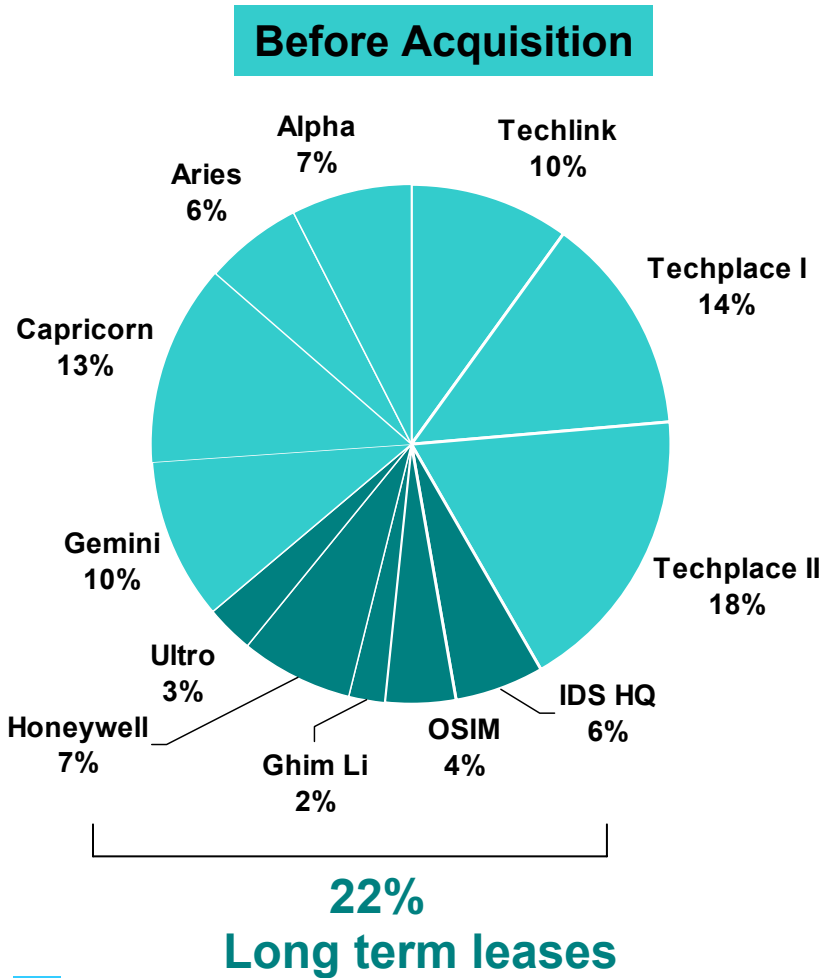
Well Located, Diversified Portfolio



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



Diversifies Leases



The Property

Impact on A-REIT

Timetable for Completion

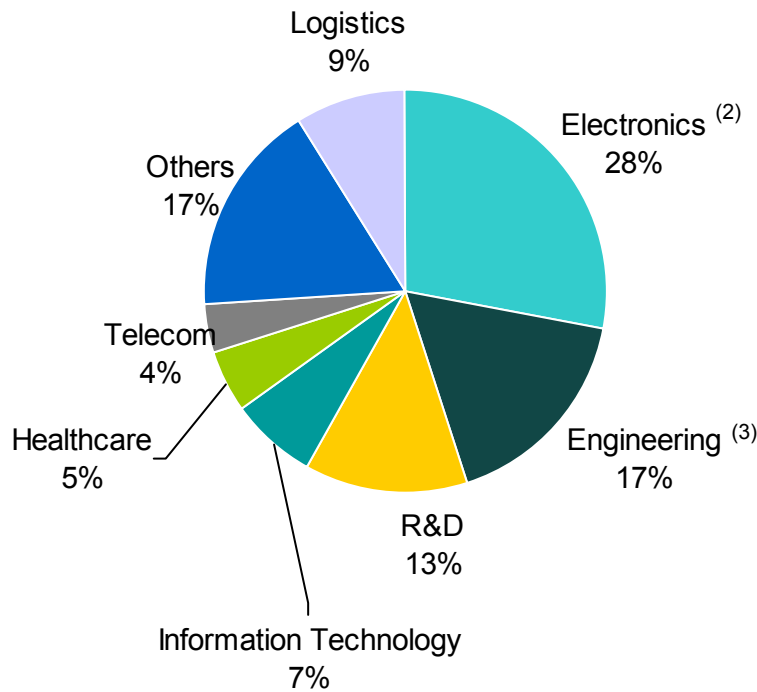
Acquisition Summary



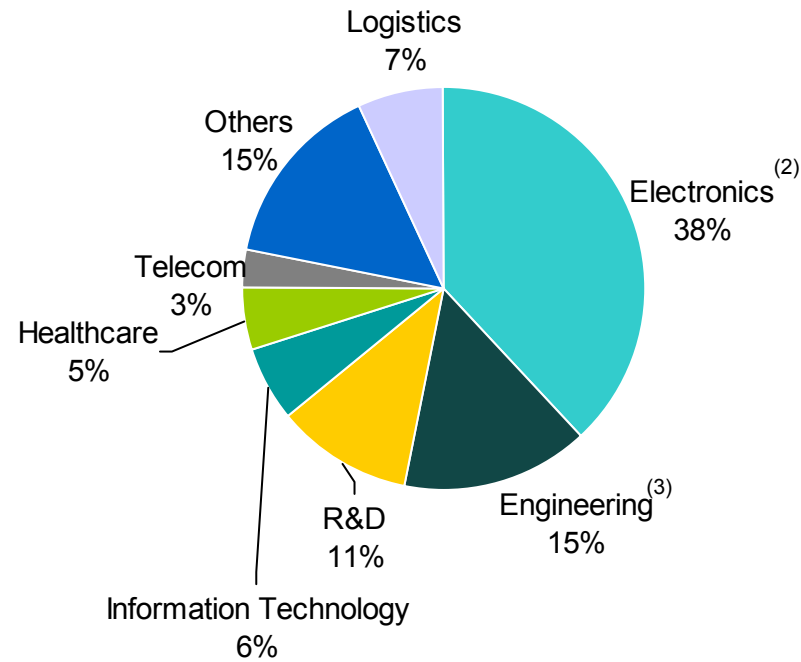
Note : Calculated using net property income as at 30 September 2003. Assumes all existing properties in the portfolio as well as new acquisitions are held for the full six months ended 30 September 2003.

Diversifies Tenant Industry Mix

Before Acquisition



After Acquisition



Notes:

(1) Calculated using net lettable area leased as at 30 September 2003 including Ghim Li and Ultro Buildings acquired on 13 and 30 October 2003 respectively.

(2) Includes electrical products & components

(3) Includes fabricated metal products, machinery & equipment

Source : Ascendas-MGM Funds Management Limited

The Property

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Extends Lease Expiry Profile

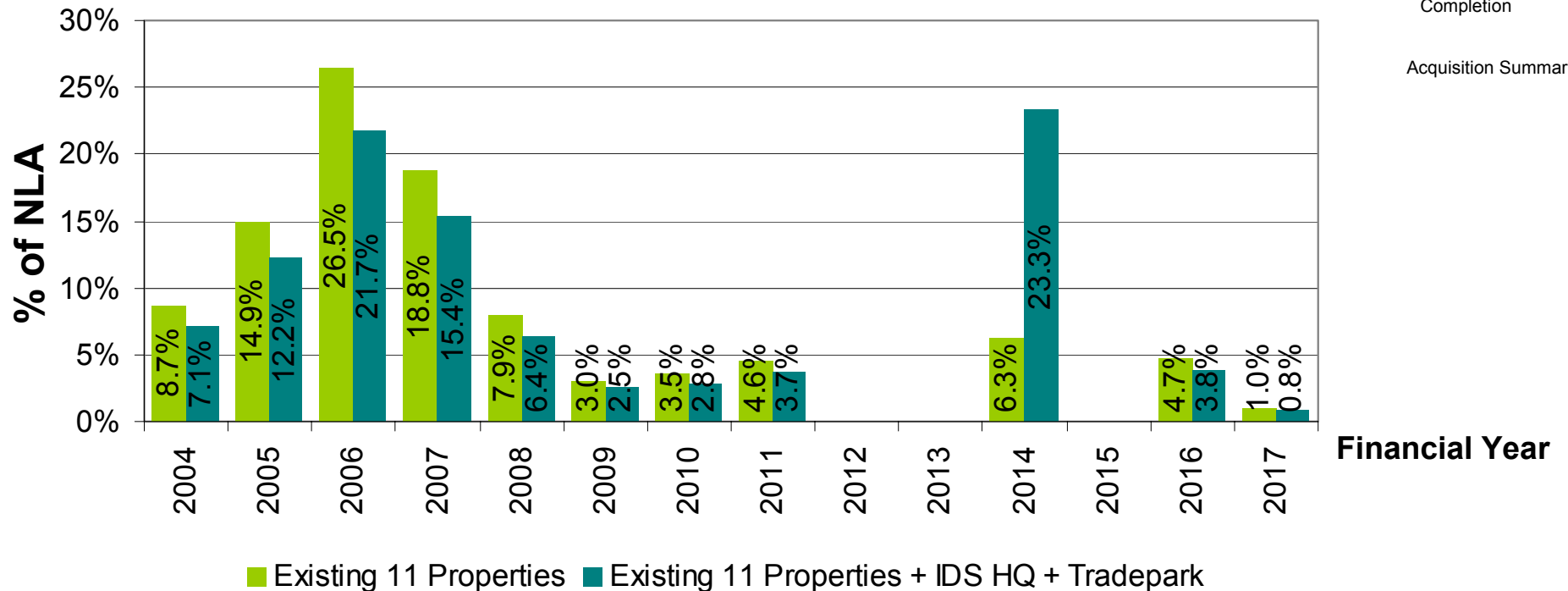
The Property

Impact on A-REIT

Timetable for Completion

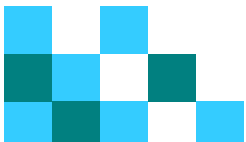
Acquisition Summary

A-REIT Lease Expiry Profile



Note : A-REIT's financial year end is 31 March.

Source : Ascendas-MGM Funds Management Limited (information as at 30 September 2003)



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Yield-Accretive

<u>For Year One</u>	TT International TradePark (\$ million)
Income	6.62
Property Expenses	0.07
Net Income	6.55
Yield Before Acquisition Costs (for year one)	7.87% *

Source : Ascendas-MGM Funds Management Limited

The Property

Impact on A-REIT

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* Based on partly paid purchase price of S\$83.2m to be paid at settlement. Remainder of S\$8.8m to be paid at the end of year 3 whereupon the rent also increases commensurately to S\$7.2m.

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Timetable for Completion

	TT International TradePark
Nov 2003	Signed Put and Call Option Agreement
Dec 2003/ Jan 2004	TT International Limited (holding company of T.T. International TradePark Pte Ltd) to hold EGM to obtain approval for sale of property
Mar 2004	<ul style="list-style-type: none"> • Exercise option • Execution of Sale and Purchase and Lease Agreement • Completion

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Acquisition Summary

The Property

Impact on A-REIT

Timetable for
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Acquisition Summary

- **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 -

