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## SGX-ST Announcement<sup>1</sup>

### PROPOSED EQUITY FUND RAISING AND ACQUISITION BY MI-REIT

MacarthurCook Investment Managers (Asia) Limited, as manager of MacarthurCook Industrial REIT (“**MI-REIT**”) and the manager of MI-REIT, the “**Manager**”, wishes to announce that it will be seeking approvals from Unitholders for the following transactions:

- (i) the issue of 78,571,429 new Units (“**AMP Capital Investment Units**”) to AMP Capital Investors (Luxembourg) No. 4 s.a.r.l. (“**AMPCIL**”), an indirect wholly-owned subsidiary of AMP Capital Holdings Limited (“**AMP Capital**”) at a price of S\$0.280 per AMP Capital Investment Unit (the “**Investment Unit Issue Price**”) in order to raise gross proceeds of S\$22.0 million (the “**AMP Capital Investment**”);
- (ii) the issue of 142,857,143 new Units (“**Cornerstone Investment Units**”) at the Investment Unit Issue Price on an underwritten basis to a number of investors (the “**Cornerstone Investors**”) in order to raise gross proceeds of S\$40.0 million (the “**Cornerstone Investments**”);
- (iii) as part of the Cornerstone Investments, the issue of 9,821,429 Units to Great World Capital Holdings Limited (“**GWCH**”) a member of the AIMS group of entities and companies ultimately controlled by Mr George Wang (the “**AIMS Financial Group**”);
- (iv) the issue of 975,627,332 new Units (“**Rights Units**”) to Eligible Unitholders<sup>2</sup> (including AMPCIL and the Cornerstone Investors) at the price of S\$0.159 per Rights Unit (“**Rights**”);

<sup>1</sup> The material set forth herein is for informational purposes only and is not intended, and should not be construed, as an offer of securities for sale in the United States. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the laws of any state, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state laws. Neither the Manager nor any seller of securities intends to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.

<sup>2</sup> “**Eligible Unitholders**” refers to unitholders of MI-REIT (“**Unitholders**”) with units in MI-REIT (“**Units**”) standing to the credit of their securities accounts with The Central Depository (Pte) Limited (“**CDP**”) and (a) whose registered addresses with CDP are in Singapore as at the date of the Rights Issue and Special Distribution Books Closure (the “**Rights Issue and Special Distribution Books Closure Date**”) or who have, at least three Market Days (being a day on which Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) is open for trading in securities) prior to the Rights Issue and Special Distribution Books Closure Date, provided CDP with addresses in Singapore for the service of notices and

**Issue Price**") by way of an underwritten and renounceable rights issue to raise gross proceeds of S\$155.1 million (the "**Rights Issue**"); and

- (v) the acquisition from DB International Trust (Singapore) Limited, in its capacity as trustee of AMP Capital Business Space REIT (the "**AMP Capital Business Space REIT Trustee**") of AMP Capital of four industrial properties located in Singapore (the "**AMP Capital Properties**") for a total purchase consideration of S\$68.6 million (the "**Acquisition**").

The AMP Capital Investment, the Cornerstone Investments, the Rights Issue and the Acquisition are collectively referred to as the "**Transactions**". The AMP Capital Investment, the Cornerstone Investments and the Rights Issue are collectively referred to as the "**Equity Fund Raising**".

In addition to the Transactions, it should be noted that AMP Capital Investors International Holdings Limited ("**AMP Capital Investors**"), a direct wholly-owned subsidiary of AMP Capital, will be acquiring, concurrently with the completion of the Rights Issue:

- (i) 50.0% of the total issued share capital of the Manager (the "**Manager Share Acquisition**"), pursuant to a share purchase agreement dated 5 November 2009 between MacarthurCook Limited ("**MCK**") and AMP Capital Investors and (the "**Manager Share Purchase Agreement**"); and
- (ii) 50.0% of the total issued share capital of MacarthurCook Property Management Pte Limited (the "**Property Manager**" and the acquisition, the "**Property Manager Share Acquisition**"), pursuant to a share purchase agreement dated 5 November 2009 between MCK and AMP Capital Investors.

Upon completion of the Manager Share Acquisition and the Property Manager Share Acquisition, MCK will transfer its remaining interest in the Manager and the Property Manager to AIMS Financial Holding Ltd, a member of the AIMS Financial Group.

## **(1) BACKGROUND AND RATIONALE FOR THE TRANSACTIONS**

As at 30 September 2009, the ratio of MI-REIT's total borrowings and deferred payments (if any) to the value of the Deposited Property<sup>3</sup> (the "**Aggregate Leverage**") was 44.7% with gross borrowings of S\$226.0 million<sup>4</sup>, all of which mature in December 2009. In addition, MI-REIT has a contractual obligation to purchase Private Lot of A2339601 at 1A International Business Park, Singapore 609933 ("**1A IBP**") for the remaining purchase consideration of S\$90.0 million (after deducting the initial deposit of S\$0.2 million) from

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documents or (b) who the Manager, on behalf of MI-REIT, and the Joint Bookrunners and Underwriters agree may be offered Rights Units without breaching applicable securities laws.

<sup>3</sup> The gross assets of MI-REIT, including the properties and the Authorised Investments for the time being held or deemed to be held upon the trusts under MI-REIT's trust deed.

<sup>4</sup> Consisting of S\$202.3 million outstanding under a term loan from Commonwealth Bank of Australia ("**CBA**") and National Australia Bank ("**NAB**") which is due on 31 December 2009 ("**S\$ Term Loan**"), and JPY1,500.0 million (S\$23.7 million based on an exchange rate of S\$1.00 = JPY63.46) outstanding under a term loan from Resona Bank Ltd. and Shutoken Leasing Co. Ltd. ("**Japanese Lenders**") which is due on 18 December 2009 ("**JPY Term Loan**").

Eurochem Corporation Pte Ltd (“**Eurochem**”), pursuant to a sale and purchase agreement that was entered into on 25 August 2007. The original expected date of completion of the purchase of 1A IBP was in November 2009, but Eurochem has by a supplemental deed dated 23 September 2009 agreed to extend this date to 31 December 2009. MI-REIT currently does not have the funds to complete this purchase.

The Manager believes it is critical that MI-REIT obtain refinancing of the maturing debt and financing for the acquisition of 1A IBP for it to remain as a going concern. The Manager has extensively considered various options for refinancing MI-REIT’s debt and funding the acquisition of 1A IBP and is of the view that the Transactions are the most viable option to ensure the success of the necessary refinancing and funding of MI-REIT.

The Trustee has on 5 November 2009 entered into a facility agreement with Standard Chartered Bank, CBA and NAB for a term loan of S\$175.0 million (the “**S\$ Refinancing Facility**”) to partially refinance the existing S\$ Term Loan. The Manager is also in advanced negotiations with the Japanese Lenders for a new term loan of JPY1,000.0 million (equivalent to S\$15.8 million)<sup>5</sup> (the “**JPY Refinancing Facility**”) to partially refinance the JPY Term Loan.

The S\$ Refinancing Facility and the JPY Refinancing Facility are conditional upon the recapitalisation of MI-REIT.

## (2) KEY BENEFITS OF THE TRANSACTIONS

The Manager believes that the key benefits of the Transactions below outweigh the dilutive effect of the Transactions on MI-REIT’s distribution per Unit (“**DPU**”) and net asset value (“**NAV**”) per Unit and that the Transactions are beneficial to MI-REIT and in the best interests of Unitholders.

### ***Removal of financing risk, reduction of Aggregate Leverage and strengthening of MI-REIT’s balance sheet***

The Transactions will allow MI-REIT to pay for the acquisition of 1A IBP and facilitating the refinance of MI-REIT’s existing debt facilities, thus removing any going concern issues. Furthermore, MI-REIT’s Aggregate Leverage will be reduced from 44.7% as at 30 September 2009 to 29.0% on a pro forma basis.

### ***Enable MI-REIT and its Unitholders to gain the support of an internationally recognised funds management company***

Upon completion of the Transactions, AMP Capital, through AMPCIL, will own 16.1% of MI-REIT (assuming AMPCIL only takes up the AMP Proportionate Rights Units (as defined herein)). In the event that AMPCIL subscribes for all the AMP Capital Sub-Underwritten Rights Units (as defined herein), AMP Capital will, through AMPCIL, own 19.1% of MI-REIT. In addition, AMP Capital will, through AMP Capital Investors, acquire 50.0% of the Manager and the Property Manager. The Manager believes that these investments by AMP Capital provide a strong demonstration of support and commitment, which is likely to

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<sup>5</sup> Based on the exchange rate of S\$1.00 = JPY63.46.

boost investors' confidence in MI-REIT, and position MI-REIT for future performance and growth.

***Enhanced portfolio diversification***

The Acquisition and the acquisition of 1A IBP are expected to benefit Unitholders by improving income diversification and reducing the reliance of MI-REIT's income stream on any single asset. The maximum contribution to MI-REIT's Rental Income by any single property within MI-REIT's property portfolio for the quarter ended 30 September 2009 will decrease from 20.2% to 15.3% on a pro forma basis. In addition, the acquisitions will increase the size of MI-REIT's portfolio by 21.2% based on net lettable area ("**NLA**").

***Enhanced tenant base***

The Acquisition and the acquisition of 1A IBP will further enhance the tenancy profile of MI-REIT's tenant base with the addition of tenants that include Excalibur Holdings (S) Pte Ltd, Tavica Logistics Pte Ltd and Crescendas Pte Ltd (all tenants which are related to the shareholders of Crescendas Pte Ltd) and Eurochem.

***Opportunity to subscribe for Rights Entitlement and Excess Rights Units at an attractive price***

The Rights Issue Price is at a discount of 61.2% to the closing price of S\$0.41 per Unit (the "**Closing Price**") on 5 November 2009, being the last trading day of the Units prior to the announcement of the Rights Issue, and 28.7% to the theoretical ex-rights price ("**TERP**") of S\$0.223 per Unit.

Further details of the Transactions will be set out in the circular (the "**Unitholders' Circular**") to be issued in connection with the extraordinary general meeting of MI-REIT ("**EGM**") to be convened in connection with the Transactions.

**(3) OVERVIEW OF AMP AND ITS COMMITMENT**

AMP Capital is a specialist investment manager with A\$96.9 billion in assets under management as at 30 September 2009. AMP Capital is a wholly owned subsidiary of AMP Limited. AMP Capital's teams of specialists operate across direct and listed real estate, infrastructure, equities, fixed income and credit.

As one of the largest institutional real estate fund managers in Australia and New Zealand, AMP Capital has A\$22.1 billion in global real estate assets under management. The group has over 45 years of real estate investment expertise and is ranked a Global Top 20 real estate investment manager by Watson Wyatt in 2009.

AMP Capital has demonstrated its alignment of interests with Unitholders and its commitment and support for MI-REIT by:

- committing to invest up to S\$54.1 million in MI-REIT through AMPCIL, consisting of S\$22.0 million through the AMP Capital Investment and S\$32.1 million by sub-underwriting a portion of the Rights Issue (including S\$25.0 million for its pro rata Rights Entitlements which AMPCIL has undertaken to subscribe for); and

- acquiring 50.0% of the Manager and Property Manager through AMP Capital Investors, following which MI-REIT will be re-named “AIMS AMP Capital Industrial REIT” and the Manager and the Property Manager will be similarly re-branded.

Further, pursuant to a shareholders’ agreement between AMP Capital Investors, AIMS Financial Holding Ltd and the Manager, the Board will have six directors upon completion of the Manager Share Acquisition, comprising two AIMS Financial Group appointees, two AMP Capital appointees and two independent directors and the number of directors will be increased to eight by 28 February 2010, comprising two AIMS Financial Group appointees, two AMP Capital appointees, three independent directors and one executive director.

#### **(4) THE ACQUISITION**

##### **Information on the AMP Capital Properties**

MI-REIT is proposing to acquire the AMP Capital Properties from DB International Trust (Singapore) Limited, in its capacity as trustee of AMP Capital Business Space REIT (the “**AMP Capital Business Space REIT Trustee**”).

The AMP Capital Properties comprise four industrial and warehouse buildings located in Singapore at 23 Tai Seng Drive, 3 Toh Tuck Link, 56 Serangoon North Avenue 4 and 30/32 Tuas West Road, within Singapore’s industrial estates, that cater to the warehouse and logistics space industry. The AMP Capital Properties have a NLA of 44,512.0 square metres (“**sq m**”).

##### **Certain Terms and Conditions of the AMP Capital Put and Call Option Agreements**

The Trustee has today entered into four separate put and call option agreements with the AMP Capital Business Space REIT Trustee in respect of each of the AMP Capital Properties (the “**AMP Capital Put and Call Option Agreements**”).

The completion of each of the Acquisitions will be subject to the satisfaction of a number of conditions including:

- (i) the approval by Unitholders given at an extraordinary general meeting for the Acquisition;
- (ii) none of the AMP Capital Placement Agreement, the AMP Sub-Underwriting Agreement, the Manager Share Purchase Agreement and the Property Manager Share Purchase Agreement being terminated;
- (iii) the receipt of approval from Jurong Town Corporation for the assignment to the Trustee and the terms and conditions thereof being found acceptable by both the AMP Capital Business Space REIT Trustee and the Trustee; and
- (iv) there being no rescission of any of the AMP Capital Put and Call Option Agreements due to the requirement for an environmental clean-up, decontamination and/or remediation or preventive works required after a result of an environmental baseline study being conducted on the relevant AMP Capital Property.

##### **Purchase Consideration**

The Manager has commissioned CB Richard Ellis (Pte) Ltd. (“**CBRE**”) and the Trustee has

commissioned Cushman & Wakefield VHS Pte Ltd (“**C&W**”) as independent property valuers to carry out independent valuations on the AMP Capital Properties using the discounted cash flow analysis and the capitalisation approach.

The following table sets out the values of each of the AMP Capital Properties appraised by two independent valuers, and the purchase consideration for each of the AMP Capital Properties:

<b>Property</b>	<b>Appraised value</b>		<b>Purchase consideration<sup>(1)</sup></b>
	<b>by CBRE</b>	<b>by C&amp;W</b>	
	<b>(S\$ million)</b>	<b>(S\$ million)</b>	<b>(S\$ million)</b>
23 Tai Seng Drive .....	18.8	16.4	17.2
3 Toh Tuck Link .....	17.8	21.7	19.3
56 Serangoon North Avenue 4 ..	15.7	14.7	14.8
30/32 Tuas West Road .....	18.1	17.5	17.3
<b>Total</b>	<b>70.4</b>	<b>70.3</b>	<b>68.6</b>

**Note:**

- (1) The purchase consideration was arrived at on a willing-buyer, willing-seller basis and does not exceed the higher of the two independent valuations obtained in relation to each of the AMP Capital Properties.

**Interests of the Directors and Substantial Unitholders**

As at 29 October 2009 (the “**Latest Practicable Date**”), Mr George Wang (through the AIMS Financial Group) holds an aggregate deemed interest in 41,743,094 Units (15.7%) and is accordingly a Controlling Unitholder<sup>6</sup>. As it is a condition of the Manager Share Acquisition and the Property Manager Share Acquisition that the Acquisition is completed, Mr George Wang (through the AIMS Financial Group, of which MCK and GWCH are members) is deemed to be interested in the Acquisition.

As at the Latest Practicable Date, both Mr Gregory Allen Bundy and Mr Mark Thorpe-Apps are also directors of MCK. As MCK will only receive its fees under the MCK Services Agreement if the Acquisition is completed, Mr Gregory Allen Bundy and Mr Mark Thorpe-Apps are deemed to be interested in the Acquisition.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the directors of the Manager or the Controlling Unitholders has an interest, direct or indirect, in the Acquisition.

**Other Information**

***Director’s Service Contracts***

Pursuant to the Manager Share Acquisition and the Property Manager Share Acquisition, two AMP Capital appointees will be appointed to the Board upon completion of the Manager Share Acquisition and the Property Manager Share Acquisition.

Save for the above, no person is proposed to be appointed as a director of the Manager in

<sup>6</sup> Has the meaning ascribed to it in the Listing Manual of the SGX-ST.

connection with the proposed Acquisition, the AMP Capital Put and Call Option Agreements, the AMP Capital Sale and Purchase Agreement or any other transactions contemplated in relation to the Acquisition.

***Disclosure under Rule 1010(13) of the Listing Manual***

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by MI-REIT. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

The relative figure of the number of Units issued by MI-REIT as consideration for an acquisition compared with the number of Units previously in issue does not apply in relation to the Acquisition as no Units will be issued as consideration for the Acquisition.

The relative figures for the Acquisition computed on the following bases of comparison are set out in the table below:

- (a) the aggregate value of the consideration given, compared with MI-REIT's market capitalisation; and
- (b) the number of Units issued by MI-REIT as consideration for an acquisition, compared with the number of Units previously in issue.

<b>Comparison of:</b>	<b>Acquisition</b>	<b>MI-REIT</b>	<b>Relative figure</b>
	(S\$ million)	(S\$ million)	(%)
Net property income ("NPI") <sup>(1)(2)</sup> .....	6.1	36.9	16.5
Consideration against market capitalization <sup>(3)</sup> ...	68.6	109.2	62.8

**Notes:**

- (1) In the case of a REIT, the net property income is a more appropriate measure of the economic contribution of an asset to the REIT.
- (2) Based on gross revenue net of property operating expenses for FY 2009 in respect of MI-REIT and Pro Forma FY 2009 in respect of the Acquisition.
- (3) Based on the number of Units in issue as at the Latest Practicable Date and the Closing Price.

***Interested Person Transaction and Interested Party Transaction***

As at the Latest Practicable Date, neither AMP Capital Business Space REIT nor AMP Capital holds any interest in Units but AMPCIL will be acquiring a substantial interest in Units pursuant to the AMP Capital Investment and the Rights Issue. AMP Capital will, through AMP Capital Investors, also be acquiring a 50.0% stake in both the Manager and the Property Manager.

The value of the Acquisition is 23.7% of MI-REIT's latest audited net tangible assets ("NTA").

Although AMP Capital Business Space REIT is therefore neither an “interested person” of MI-REIT under Chapter 9 of the Listing Manual nor an “interested party” of MI-REIT under the Property Funds Guidelines, in the interests of good corporate governance and transparency, the Manager is seeking the approval of Unitholders for the Acquisition as if it were an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Guidelines.

Details of the interested person transactions entered into between (i) MI-REIT and (ii) AMP Capital arising from the Transactions are set out below<sup>(1)</sup>:

Interested Person	Nature of Transaction	Value of Transaction (S\$ '000)	Percentage of NTA <sup>(2)</sup>
AMP Capital Business Space REIT	The Acquisition	68,600	23.7%
AMPCIL	AMP Capital Investment	22,000	7.6%
<b>Total</b>		<b>90,600</b>	<b>31.3%</b>

**Notes:**

(1) As AMPCIL, an indirect wholly-owned subsidiary of AMP Capital, will be acquiring a substantial interest in MI-REIT pursuant to the AMP Capital Investment and the Rights Issue, and AMP Capital Investors will also be acquiring a 50.0% stake in the Manager and the Property Manager, in the interest of good corporate governance and transparency, the Manager is seeking Unitholders' approval for the Acquisition and the AMP Capital Investment as if they were interested person transactions under the Listing Manual, and in the case of the Acquisition, also an interested party transaction under the Property Funds Guidelines.

(2) Latest audited NTA as at 31 March 2009 was S\$289.1 million.

**Audit Committee Statement**

On the recommendation of the independent directors of the Manager (the “**Independent Directors**”), the Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the “**IFA**”), to provide an opinion on the Acquisition. Based on the opinion of the IFA, the audit committee of the Manager (the “**Audit Committee**”) <sup>7</sup> is of the view that the Acquisition is on normal commercial terms and would not be prejudicial to the interests of MI-REIT and the Unitholders.

**(5) PRO FORMA FINANCIAL EFFECTS**

As the Acquisition, the AMP Capital Investment, the Cornerstone Investments (including the AIMS Investment) and the Rights Issue are inter-conditional upon each other being approved, the financial effects of the Acquisition required under Rule 1010 are set out below on the basis of the following assumptions.

**Assumptions**

The pro forma financial effects of the Transactions presented below are strictly for illustrative purposes only and were prepared based on the audited historical financial statements of MI-REIT and its subsidiaries (the “**Group**”) for the financial year ended 31

<sup>7</sup> The Audit Committee comprises Mr Lim How Teck, Mr Tan Kai Seng and Mr Mark Thorpe-Apps. Mr Mark Thorpe-Apps is however abstaining from taking part in any decisions relating to the Acquisition, as he is also a director of MCK as well as an employee of the AIMS Financial Group.



March 2009 (the “**MI-REIT FY 2009 Audited Financial Statements**”) and the unaudited historical consolidated financial statements of the Group for the six-month period ended 30 September 2009 (the “**MI-REIT 1H 2010 Unaudited Financial Statement Announcement**”) and assuming:

- (i) 78,571,429 AMP Capital Investment Units are issued at the Investment Unit Issue Price of S\$0.280 per AMP Capital Investment Unit and the AMP Capital Investment Units are entitled to participate in the Rights Issue.
- (ii) 142,857,143 Cornerstone Investment Units are issued at the Investment Unit Issue Price of S\$0.280 per Cornerstone Investment Unit and the Cornerstone Investment Units are entitled to participate in the Rights Issue.
- (iii) 975,627,332 Rights Units are issued at the Rights Issue Price of S\$0.159 per Rights Unit.
- (iv) The gross proceeds from the Equity Fund Raising are assumed to be used as follows:
  - (a) S\$69.4 million to satisfy the cash component of the AMP Capital Total Acquisition Cost;
  - (b) S\$91.6 million to satisfy the IBP Total Acquisition Cost, comprising the IBP Purchase Consideration and the related acquisition costs payable estimated at S\$1.6 million;
  - (c) the partial repayment to reduce the S\$ Term Loan to S\$175.0 million and the repayment of JPY500.0 million of the JPY Term Loan. As a result, the annual interest expenses were computed based on the lower loan balances. The S\$ Term Loan and the JPY Term Loan are assumed to be refinanced by the S\$ Refinancing Facility and the JPY Refinancing Facility only upon the respective expiry dates of 31 December 2009 and 18 December 2009;
  - (d) the payment for issue expenses relating to the AMP Capital Investment, the Cornerstone Investments and the Rights Issue, which are estimated to be S\$11.1 million; and
  - (e) the remaining proceeds are assumed to be retained for the payment of debt related costs and for general corporate and working capital purposes. It is assumed that no interest income was earned on the funds set aside for working capital purpose.
- (v) MI-REIT will immediately upon completion of the acquisitions, revalue the AMP Capital Properties and 1A IBP (collectively the “**New Properties**”) to the valuations assumed of S\$70.3 million and S\$73.0 million respectively. The valuations of the New Properties are assumed to remain unchanged through out the periods presented.
- (vi) Acquisition fees to the Manager on the acquisition of the New Properties are assumed at 1.0% of the AMP Capital Purchase Consideration and IBP Purchase Consideration. The acquisition fees are assumed to be:

- (a) S\$0.7 million and payable in Units, for the AMP Capital Properties; and
  - (b) S\$0.9 million and payable in cash, for 1A IBP.
- (vii) The existing lease agreements of the AMP Capital Properties are assumed to be novated to the Trustee upon Completion, at an aggregate annual Rental Income of S\$6.2 million. Based on assessment of historical financial information relating to the AMP Capital Properties, it is assumed that the property operating expenses of the AMP Capital Properties are S\$1.8 million per annum for FY 2009 (as defined herein) and S\$0.7 million for 1H 2010 and 100.0% of the property operating expenses (other than valuation fees and property and lease management fees payable to the Property Manager) are recoverable from the respective tenants of the AMP Capital Properties.
- (viii) The construction of 1A IBP is completed and the Trustee entered into a 10-year master lease agreement with Eurochem upon completion of the acquisition, at an annual Rental Income of S\$6.0 million. Property operating expenses of Eurochem are assumed to be S\$2.1 million per annum for FY 2009 and S\$1.0 million for 1H 2010 based on the Manager's estimate after taking into consideration suppliers' quotations and actual expenses of comparable properties. It is assumed that 100.0% of the property operating expenses (other than valuation fees and property and lease management fees payable to the Property Manager) are recoverable from Eurochem.
- (ix) Property and lease management fees payable to the Property Manager are computed pursuant to the terms of the Property Management Agreement entered into by the Property Manager, the Manager and the Trustee on 16 March 2007 as supplemented by the Property Management Amendment Agreement dated 16 October 2008.
- (x) Trustee fees and the Manager's base fees are computed pursuant to the terms as set out in the Trust Deed and are paid in cash.
- (xi) 100.0% of the taxable income available for distribution to Unitholders are declared for distribution at each distribution period. It is assumed that the additional distributions to Unitholders due to pro forma adjustments are declared and paid on the same dates as the dates of the actual distributions for these periods.

It should be noted that the pro forma financial information in this Circular has not been prepared in connection with an offering registered with the U.S. Securities and Exchange Commission ("**SEC**") under the Securities Act and consequently is not compliant with the SEC's rules on presentation of the pro forma financial statements. Furthermore, the preparation and presentation of pro forma financial information has not been carried out in accordance with accounting standards generally accepted in the U.S. and accordingly should not be relied upon as if it has been carried out in accordance with these standards.

#### **Financial Year Ended 31 March 2009 ("FY 2009")**

##### **(i) Pro Forma DPU and Distribution Yield, NPI and NPI Yield**

The table below sets out the pro forma financial effects of the Transactions as if the Group had on 1 April 2008 (i) completed the AMP Capital Investment and

Cornerstone Investments, (ii) purchased 1A IBP, and held and operated the property through to 31 March 2009, (iii) completed the Rights Issue, (iv) purchased the AMP Capital Properties, and held and operated the AMP Capital Properties through to 31 March 2009, and (v) repaid S\$26.3 million of the S\$ Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)<sup>8</sup> of the JPY Term Loan.

### **Pro Forma DPU and Distribution Yield**

	FY 2009	
	Actual <sup>(1)</sup>	Pro Forma
Distributable income (S\$'000).....	23,421	34,920
Units in issue ('000) .....	266,385	1,459,467 <sup>(2)</sup>
DPU (cents) .....	8.92	2.39
Distribution yield (%).....	21.8 <sup>(3)</sup>	10.7 <sup>(4)</sup>

#### **Notes:**

- (1) Based on the MI-REIT FY 2009 Audited Financial Statements.
- (2) Includes 695,134 Units issued to the Manager or its nominee for payment of the AMP Capital Acquisition Fee at an issue price of S\$1.007 per Unit, calculated based on the VWAP for a Unit for all trades completed on the SGX-ST for the 10 business days prior to 1 April 2008.
- (3) Based on the actual DPU divided by the Closing Price of a Unit of S\$0.410.
- (4) Based on the Pro Forma DPU divided by the TERP of S\$0.223.

### **NPI and NPI Yield**

	FY 2009			
	Existing Portfolio	1A IBP	AMP Capital Properties	Enlarged Portfolio
NPI (S\$'000) .....	36,856	6,355	6,140	49,351
Appraised value / purchase price (S\$'000) .....	533,242 <sup>(1)</sup>	90,223 <sup>(2)</sup>	68,600 <sup>(3)</sup>	692,065 <sup>(4)</sup>
NPI yield <sup>(5)</sup> (%).....	6.9	7.0	9.0	7.1

#### **Notes:**

- (1) Based on the value of the properties as at 31 March 2009 as disclosed in MI-REIT FY 2009 Audited Financial Statements.
- (2) Based on the purchase price of 1A IBP.
- (3) Based on the purchase price of the AMP Capital Properties.
- (4) Based on appraised values of the Existing Portfolio and purchase price of the New Properties.
- (5) Based on NPI divided by appraised value/purchase price.

### **(ii) Pro Forma NAV**

The table below sets out the pro forma financial effects of the Transactions as if the Group had on 31 March 2009, (i) completed the AMP Capital Investment and Cornerstone Investments, (ii) purchased 1A IBP, (iii) completed the Rights Issue, (iv) purchased the AMP Capital Properties, and (v) repaid S\$26.3 million of the S\$

<sup>8</sup> Based on the exchange rate of S\$1.00 = JPY63.46

Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)<sup>9</sup> of the JPY Term Loan.

	As at 31 March 2009	
	Actual <sup>(1)</sup>	Pro Forma
NAV (S\$'000) <sup>(2)(3)</sup> .....	284,236	492,113
Units in issue ('000) .....	266,385	1,466,445 <sup>(4)</sup>
NAV per Unit (S\$) .....	1.07	0.34

Notes:

- (1) Based on the MI-REIT FY 2009 Audited Financial Statements.
- (2) Adjusted for distribution paid on 29 June 2009 of MI-REIT's distributable income for the period from 1 January 2009 to 31 March 2009.
- (3) Based on the assumption that the Group had adopted the Amendments to Financial Reporting Standards ("FRS") 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation* which has resulted in the reclassification of net assets of the Group attributable to Unitholders and minority interest from financial liability to equity.
- (4) Includes 3,004,292 Units issued to the Manager or its nominee for payment of the AMP Capital Acquisition Fee at an issue price of S\$0.233 per Unit, calculated based on the VWAP for a Unit for all trades completed on the SGX-ST for the 10 business days prior to 31 March 2009.

### Six months ended 30 September 2009 ("1H 2010")

#### (i) Pro Forma DPU and Distribution Yield, NPI and NPI Yield

The table below sets out the pro forma financial effects of the Transactions as if the Group had on 1 April 2009 (i) completed the AMP Capital Investment and Cornerstone Investments, (ii) purchased 1A IBP, and held and operated the property through to 30 September 2009, (iii) completed the Rights Issue, (iv) purchased the AMP Capital Properties, and held and operated the AMP Capital Properties through to 30 September 2009, and (v) repaid S\$27.3 million of the S\$ Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)<sup>10</sup> of the JPY Term Loan.

#### Pro Forma DPU and Distribution Yield

	1H 2010	
	Actual <sup>(1)</sup>	Pro Forma
Distributable income (S\$'000) .....	9,188	15,321
Units in issue ('000) .....	266,385	1,446,445 <sup>(2)</sup>
DPU (cents) .....	3.45	1.04
Distribution yield (annualised) <sup>(3)</sup> .....	16.8% <sup>(4)</sup>	9.3% <sup>(5)</sup>

Notes:

- (1) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.

<sup>9</sup> Based on the exchange rate of S\$1.00 = JPY63.46

<sup>10</sup> Based on the exchange rate of S\$1.00 = JPY63.46

- (2) Includes 3,004,292 Units issued to the Manager for payment of the AMP Capital Acquisition Fee at an issue price of S\$0.233 per Unit, calculated based on the VWAP for a Unit for all trades completed on the SGX-ST for the 10 business days prior to 1 April 2009.
- (3) The distribution yield is annualised on the assumption that the distributable income for the next six-month period ending 31 March 2010 will be the same as the distributable income for 1H 2010. There is no guarantee that the distribution income for the six-month period ending 31 March 2010 will be the same as that for 1H 2010.
- (4) Based on the annualised DPU divided by the Closing Price of a Unit of S\$0.410.
- (5) Based on the annualised Pro Forma DPU divided by the TERP of S\$0.223.

### **NPI and NPI Yield**

	1H 2010			
	Existing Portfolio	1A IBP	AMP Capital Properties	Enlarged Portfolio
NPI (S\$'000) .....	18,370	3,177	3,090	24,637
Appraised value/purchase price(S\$'000) .....	494,043 <sup>(1)</sup>	90,223 <sup>(2)</sup>	68,600 <sup>(3)</sup>	652,866 <sup>(4)</sup>
NPI yield (annualised) <sup>(5)</sup> .....	7.4%	7.0%	9.0%	7.6%

#### Notes:

- (1) Based on the values appraised as at 30 September 2009 by:  
(a) CBRE for the properties located in Singapore; and  
(b) Richi Valuation Institute, Tokyo for the property located in Japan.
- (2) Based on the purchase price of 1A IBP.
- (3) Based on the purchase price of the AMP Capital Properties.
- (4) Based on appraised values of the Existing Portfolio and purchase price of the New Properties.
- (5) Based on NPI divided by appraised value/purchase price. The NPI yield is annualised on the assumption that the NPI for the next six-month period ending 31 March 2010 will be the same as the NPI for 1H 2010. There is no guarantee that the NPI for the six-month period ending 31 March 2010 will be the same as that for 1H 2010.

### **(ii) Pro Forma NAV**

The table below sets out the pro forma financial effects of the Transactions as if the Group had on 30 September 2009, (i) completed the AMP Capital Investment and Cornerstone Investments, (ii) purchased 1A IBP, (iii) completed the Rights Issue, (iv) purchased the AMP Capital Properties and (v) repaid S\$27.3 million of the S\$ Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)<sup>11</sup> of the JPY Term Loan.

	As at 30 September 2009	
	Actual <sup>(1)</sup>	Pro Forma
NAV (S\$'000) <sup>(2)</sup> .....	244,560	452,246
Units in issue ('000) .....	266,385	1,465,308 <sup>(3)</sup>
NAV per Unit (S\$) .....	0.92	0.31

<sup>11</sup>

Based on the exchange rate of S\$1.00 = JPY63.46.

**Notes:**

- (1) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.
- (2) Adjusted for distribution payable on 15 December 2009 of MI-REIT's distributable income for the period from 1 July 2009 to 30 September 2009.
- (3) Includes 1,866,667 Units issued to the Manager for payment of the AMP Capital Acquisition Fee at an issue price of S\$0.375 per Unit, calculated based on the VWAP for a Unit for all trades completed on the SGX-ST for the 10 business days prior to 30 September 2009.

**(6) THE AMP CAPITAL INVESTMENT**

The Manager intends to issue a total of 78,571,429 AMP Capital Investment Units to AMPCIL at the Investment Unit Issue Price of S\$0.280 per AMP Capital Investment Unit, in order to raise gross proceeds of S\$22.0 million. The Investment Unit Issue Price represents a discount of 31.7% to the Closing Price and a discount of 26.5% to the Clean Closing Price.

The Clean Closing Price refers to the Closing Price as adjusted for the DPU of 1.939 cents for the quarter ended 30 September 2009 and the distribution to be declared for the period commencing from 1 October 2009 to the date prior to the date on which the AMP Capital Investment Units and the Cornerstone Units are issued under a temporary counter on the Main Board of the SGX-ST (the "**Special Distribution**"), as the AMP Capital Investment Units and the Cornerstone Investment Units will not be entitled to these distributions.

The current expectation of the Manager is that the DPU for the Special Distribution will be approximately 0.95 cents, estimated based on the actual revenue and expenses for the quarter ended 30 September 2009. The actual quantum of the Special Distribution will be announced at a later date. For the avoidance of doubt, the AMP Capital Investment Units and the Cornerstone Investment Units will not be entitled to the Special Distribution.

Following the AMP Capital Investment and the Cornerstone Investments, which will occur simultaneously, AMP Capital will, through AMPCIL, own 16.1% of MI-REIT.

**Interested Person Transaction**

As at the Latest Practicable Date, neither AMPCIL nor AMP Capital holds any interest in Units although AMP Capital will, through AMP Capital Investors, also be acquiring a 50.0% stake in the Manager and the Property Manager.

The value of the Acquisition is approximately 7.6% of MI-REIT's latest audited NTA. The aggregate value of all transactions entered into between MI-REIT and AMP Capital arising from the Transactions is S\$90.6 million or 31.3% of MI-REIT last audited NTA.

Although AMPCIL is therefore not an "interested person" of MI-REIT under Chapter 9 of the Listing Manual, in the interests of good corporate governance and transparency, the Manager is seeking the approval of Unitholders for the AMP Capital Investment as if it were an "interested person transaction" under Chapter 9 of the Listing Manual. The aggregate value of the AMP Capital Investment together with the value of the Acquisition is 31.3% of MI-REIT's latest audited NTA.

### Use of Proceeds

The Manager intends to use the net proceeds of approximately S\$21.2 million raised from the AMP Capital Investment for part payment of the IBP Total Acquisition Cost<sup>12</sup>.

### Temporary Stock Counter and Special Distribution

MI-REITs policy is to distribute its distributable income on a quarterly basis to Unitholders. In the event that approval for the AMP Capital Investment is obtained, in order to ensure fairness to holders of the Units in issue on the day immediately prior to the date on which the AMP Capital Investment Units are issued under the AMP Capital Investment (“**Existing Units**”), the Manager will issue the AMP Capital Investment Units under a temporary stock counter and carry out a distribution of MI-REIT’s distributable income accruing for the period commencing from 1 October 2009 to the day immediately prior to the issue of the AMP Capital Investment Units (the “**Special Distribution**”).

The temporary stock counter will be maintained for the period commencing from the date of issue of the AMP Capital Investment Units and the Cornerstone Investment Units to the Rights Issue and Special Distribution Books Closure Date. The temporary stock counter will also apply to the Cornerstone Investment Units. The temporary stock counter will merge with the existing MI-REIT stock counter on the Main Board of the SGX-ST on the Market Day immediately after the Rights Issue and Special Distribution Books Closure Date, whereupon the AMP Capital Investment Units, the Cornerstone Investment Units will be traded together with the Existing Units on the existing MI-REIT stock counter. The next distribution following the Special Distribution will comprise MI-REIT’s distributable income for the period from the date of the issuance of the AMP Capital Investment Units and the Cornerstone Investment Units to 31 December 2009. Quarterly distributions will resume thereafter.

## (7) THE CORNERSTONE INVESTMENTS (INCLUDING THE AIMS INVESTMENT)

Pursuant to the terms and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Bookrunners and Underwriters on 5 November 2009 (the “**Underwriting Agreement**”), the Joint Bookrunners and Underwriters have agreed to subscribe for 142,857,143 Cornerstone Investment Units at the Investment Unit Issue Price of S\$0.28. The Joint Bookrunners and Underwriters have further identified and signed placee letters with the Cornerstone Investors listed in the table below, following a book-building process. Subject to the approval of Unitholders, the Manager, on behalf of MI-REIT, will procure the issuance of the 142,857,143 Cornerstone Investment Units to these Cornerstone Investors or other entities as the Joint Bookrunners and Underwriters shall direct.

Cornerstone Investor	Number of Cornerstone Investment Units Allocated	Proportion of Cornerstone Investment Units
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<sup>12</sup> The estimated total cost of acquiring 1A IBP

		<b>Allocated</b>
Stichting Depository APG Tactical Real Estate Pool .....	35,714,286	25.0%
Indus Asia Pacific Master Fund, Ltd .....	23,569,548	16.5%
Universities Superannuation Scheme Ltd.....	18,287,166	12.8%
Hunter Hall Investment Management Limited <sup>(1)</sup> .....	17,142,857	12.0%
Tolaram Corporation Pte Ltd .....	14,679,000	10.3%
Cohen & Steers Asia Limited .....	12,142,857	8.5%
GWCH.....	9,821,429	6.9%
Henderson Global Investors .....	11,500,000	8.0%
<b>TOTAL</b>	<b>142,857,143</b>	<b>100%</b>

Notes:

(1) As responsible entity of the Hunter Hall Global Ethical Trust and the Hunter Hall Value Growth Trust, and as investment manager of Hunter Hall Global Value Limited and the Hunter Hall International Ethical Fund, which will own the Cornerstone Investment Units.

The Cornerstone Investments are underwritten in full by the Joint Bookrunners and Underwriters on the terms and subject to the conditions of the Underwriting Agreement. In consideration of the agreement of the Joint Bookrunners and Underwriters to subscribe and to pay for, the Cornerstone Investment Units to be issued pursuant to the Cornerstone Investments, the Joint Bookrunners and Underwriters will be entitled to an underwriting and selling commission of 2.0% of the Investment Unit Issue Price multiplied by the total number of Cornerstone Investment Units, together with any goods and services tax payable thereon.

### **Use of Proceeds**

The Manager intends to use the net proceeds of approximately S\$38.7 million raised from the Cornerstone Investments for part payment of the IBP Total Acquisition Cost.

### **Temporary Stock Counter and Special Distribution**

Similar to the AMP Capital Investment Units issued under the AMP Capital Investment, in the event that Unitholders' approval for the Cornerstone Investments is obtained, in order to ensure fairness to holders of the Existing Units, the Manager will issue the Cornerstone Investment Units under a temporary stock counter and carry out the Special Distribution.

The AMP Capital Investment Units and the Cornerstone Investment Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the AMP Capital Investment Units and the Cornerstone Investment Units, including the right to any distributions which may accrue from the date of issuance of the AMP Capital Investment Units and the Cornerstone Investment Units to 31 December 2009.

## **(8) THE AIMS INVESTMENT**



As part of the Cornerstone Investments, the Manager proposes to issue 9,821,429 Cornerstone Investment Units to GWCH, a member of the AIMS Financial Group, at a discount of 32.0% to the VWAP of S\$0.4119 for trades done on the SGX-ST for the full market day on 5 November 2009. Rule 812(1)(c) of the Listing Manual prohibits the placement of Units to related companies, associated companies and sister companies of MI-REIT's Substantial Unitholders (as defined herein) without the approval of Unitholders.

As the AIMS Financial Group has, at the Latest Practicable Date, an aggregate interest of 15.7% in MI-REIT, the Manager is seeking the specific approval of Unitholders for the AIMS Investment pursuant to Rule 812(2) of the Listing Manual. GWCH and its associates will abstain from voting on this resolution. As GWCH is a related party of the Manager, the issuance of 9,821,429 Cornerstone Investment Units to GWCH would also constitute an interested person transaction under Chapter 9 of the Listing Manual. The AIMS Investment will amount to 1.0% of the value of MI-REIT's latest audited NTA as at 31 March 2009.

The AIMS Financial Group will have an aggregate interest in 10.6% of the total number of issued Units subsequent to the issue of the AMP Capital Investment Units and the Cornerstone Investment Units.

Details of:

- (i) the on-going interested person transactions entered into, between (i) MI-REIT and (ii) AIMS Financial Group; and
- (ii) the interested person transactions proposed to be entered into between (i) MI-REIT and (ii) AIMS Financial Group,

for the current financial year up until the Latest Practicable Date are as follows:

Interested Person	Nature of Transaction	Value of Transaction (S\$ '000)	Percentage of NTA <sup>(1)</sup>
The Manager	Manager's management fees (base fees) <sup>(2)(6)</sup>	1,346	0.5%
	Acquisition fees <sup>(3)</sup>	1,588	0.5%
The Property Manager	Property management fees <sup>(4)(6)</sup>	362	0.1%
	Lease management fees <sup>(4)(6)</sup>	181	0.1%
	Marketing service commission <sup>(4)(6)</sup>	4	0.0%
	Project management fees <sup>(4)(6)</sup>	21	0.0%
MCK	Advisory and arrangement fees <sup>(5)</sup>	565	0.2%
AIMS	AIMS Investment <sup>(5)</sup>	2,750	1.0%
<b>TOTAL</b>		<b>6,817</b>	<b>2.4%</b>

**Notes:**

- (1) Latest audited NTA as at 31 March 2009 was S\$289.1 million.
- (2) These are recurring fees payable to the Manager pursuant to the fee arrangements in the Trust Deed which are deemed to have been approved by Unitholders at the initial public offering of MI-REIT.
- (3) These relate to AMP Capital Acquisition Fee and the acquisition fee payable to the Manager under the Trust Deed in respect of the acquisition of 1A IBP.

- (4) These are recurring fees payable to the Property Manager pursuant to the fee arrangements in the property management agreement between the Manager and the Property Manager which are deemed to have been approved at the initial public offering of MI-REIT.
- (5) Specific Unitholders' approval is presently sought in respect of this transaction.
- (6) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.

### **Audit Committee Statement**

In light of the rationale for the AIMS Investment, the Audit Committee<sup>13</sup> is of the view that the AIMS Investment is based on normal commercial terms and would not be prejudicial to the interests of MI-REIT.

## **(9) THE RIGHTS ISSUE**

The Manager intends to issue a total of 975,627,332 Rights Units pursuant to the Rights Issue in order to raise gross proceeds of S\$155.1 million, on the basis of two (2) Rights Units for every one (1) existing Unit ("**Existing Unit**") held as at the Rights Issue and Special Distribution Books Closure Date. The Rights Issue Price is S\$0.159. The Rights Issue and Special Distribution Books Closure Date will be separately notified to Unitholders.

The Rights Issue Price represents a discount of 61.2% to the Closing Price, and a discount of 28.7% to the TERP of S\$0.223 per Unit.

### **Use of Proceeds**

The Manager intends to use the net proceeds of approximately S\$146.1 million raised from the Rights Issue as follows:

- (i) S\$69.4 million to satisfy the cash portion of the AMP Capital Total Acquisition Cost;
- (ii) S\$39.9 million to repay the Bridge Loan;
- (iii) S\$27.3 million to repay a portion of the S\$ Term Loan; and
- (iv) approximately S\$9.5 million to pay for debt related costs and for general corporate and working capital purposes.

### **Underwriting of the Rights Issue**

The Rights Issue is fully underwritten by Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company), Macquarie Capital Securities (Singapore) Pte. Limited and National Australia Bank Limited (the "**Joint Bookrunners and Underwriters**") on the terms and subject to the conditions of the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Joint Bookrunners and Underwriters have agreed, subject to the terms and conditions of that agreement, to subscribe for, and/or procure the subscription for, at the Rights Issue Price, the Rights Units for which valid applications have not been submitted. The Joint Bookrunners and Underwriters are entitled to a commission, which comprises:

- (i) 2.00% of the Rights Issue Price multiplied by the number of AMP Capital Proportionate

<sup>13</sup> Mr Mark Thorpe-Apps is abstaining from taking part in any decisions relating to the Acquisition, including the MCK Services Agreement, as he is also a director of MCK as well as an employee of the AIMS Financial Group.

- Rights Units (which is equivalent to S\$0.5 million); and
- (ii) 3.25% of the Rights Issue Price multiplied by the total number of Rights Units less the AMP Capital Proportionate Rights Units (which is equivalent to S\$4.2 million),
- together with any goods and services tax payable thereon.

#### **AMP Capital's Commitment**

To demonstrate AMP Capital's support for MI-REIT and the Rights Issue, AMPCIL has:

- (i) provided an undertaking to the Manager and the Joint Bookrunners and Underwriters (the "**AMP Capital Pro Rata Undertaking**"), pursuant to which AMPCIL will subscribe for 157,142,858 Rights Units represented by its Rights Entitlements (the "**AMP Capital Proportionate Rights Units**"); and
- (ii) entered into a sub-underwriting agreement (the "**AMP Capital Sub-Underwriting Agreement**") with the Joint Bookrunners and Underwriters, pursuant to which AMPCIL has agreed to sub-underwrite 202,138,556 Rights Units representing 20.7% of the total number of Rights Units, including the AMP Capital Proportionate Rights Units (the "**AMP Capital Sub-Underwritten Rights Units**").

Pursuant to the AMP Capital Sub-Underwriting Agreement, the Joint Bookrunners and Underwriters agree to pay to AMPCIL a fee of 2.0% of the Rights Issue Price multiplied by the AMP Capital Sub-Underwritten Rights Units (which is equivalent to S\$0.6 million) (the "**AMP Capital Commitment Fees**").

#### **AIMS Commitment**

To demonstrate their support for MI-REIT and the Rights Issue, GWCH and Mr George Wang, who ultimately controls the AIMS Financial Group, have entered into a commitment letter pursuant to which:

- (i) Mr George Wang has provided an undertaking to the Joint Bookrunners and Underwriters (the "**AIMS Financial Group Pro Rata Undertaking**") to procure that (a) MacarthurCook Fund Management Limited (in its own capacity and not in its capacity as manager of MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund) and GWCH will subscribe for the 41,215,046 Rights Units represented by their Rights Entitlements (the "**AIMS Proportionate Rights Units**"); and
- (ii) GWCH has irrevocably agreed to, directly and/or through one or more of its wholly-owned subsidiaries, sub-underwrite 41,215,046 Rights Units (the "**AIMS Sub-Underwriting Commitment**"), including the AIMS Proportionate Rights Units.

In consideration of the AIMS Sub-Underwriting Commitment, the Joint Bookrunners and Underwriters agree to pay to GWCH a fee of 2.0% of the Rights Issue Price multiplied by the AIMS Proportionate Rights Units (which is equivalent to S\$0.1 million) (the "**AIMS Commitment Fees**").

#### **Commitment of Cornerstone Investors**

In addition, Stitchting Depository APG Tactical Real Estate Pool, Universities Superannuation Scheme Ltd, Hunter Hall Investment Management Limited and Indus Asia

Pacific Master Fund, Ltd. have agreed to sub-underwrite 71,428,572 Rights Units, 44,000,000 Rights Units (including the Rights Entitlements in respect of the Units it currently owns), 45,822,541 Rights Units (including the Rights Entitlements in respect of the Units it currently owns) and 31,446,541 Rights Units respectively pursuant to the placee letters entered into with the Joint Bookrunners and Underwriters.

The Joint Bookrunners and Underwriters have agreed to pay to a fee of 2.0% of the Rights Issue Price multiplied by the number of sub-underwritten Rights Units to each of Stitching Depository APG Tactical Real Estate Pool, Universities Superannuation Scheme Ltd, Hunter Hall Investment Management Limited and Indus Asia Pacific Master Fund, Ltd. (which is equivalent to S\$0.2 million, S\$0.1 million, S\$0.1 million and S\$0.1 million, respectively). These fees will be paid by the Joint Bookrunners and Underwriters out of the Underwriting Commission and the percentage level of the commission payable by the Joint Bookrunners and Underwriters will not be more than the percentage level of the commission which the Joint Bookrunners and Underwriters will receive.

### **Eligibility to participate in the Rights Issue**

Unitholders with Units standing to the credit of their securities accounts with The Central Depository (Pte) Limited (“**CDP**”, and the securities accounts with CDP, “**Securities Accounts**”) and (a) whose registered addresses with CDP are in Singapore as at a time and date to be determined by the directors of the Manager for the purpose of determining the Unitholders’ entitlements under the Rights Issue or who have, at least five Market Days prior to the Rights Issue and Special Distribution Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents (b) who MI-REIT considers, in its sole discretion, may be offered Rights Units without breaching applicable securities laws.

In the allotment of the Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their provisional allotments of Rights Units under the Rights Issue (during the “nil-paid” Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the “nil-paid” Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renouncees of the provisional allotments or the purchasers of the “nil-paid” Rights Entitlements (collectively, the “**Excess Rights Units**”), preference will be given to rounding of odd lots, followed by allotment to Unitholders who are neither Substantial Unitholders<sup>14</sup> nor Directors. AMPCIL, the Cornerstone Investors, the Substantial Unitholders and Directors will rank last in priority.

The Rights Issue is subject to, *inter alia*, the approval of Unitholders at the EGM for the Rights Issue and the lodgement of the offer information statement to be lodged with the Monetary Authority of Singapore in connection with the Rights Issue.

Further details of the Rights Issue will be set out in the Unitholders’ Circular.

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<sup>14</sup> A person with an interest in one or more Units constituting not less than 5.0% of all outstanding Units.

## **(10) LISTING APPROVAL**

The Transactions are subject to, *inter alia*, the approval of Unitholders at the EGM to be convened on 23 November 2009. In this respect, the Manager is pleased to announce that approval in-principle was received on 5 November 2009 from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of the AMP Capital Investment Units, the Cornerstone Investment Units and the Rights Units.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the AMP Capital Investment, the Cornerstone Investments, the AIMS Investment, the Acquisition, the AMP Capital Investment Units, the Cornerstone Investment Units (including the Cornerstone Investment Units to be issued pursuant to the AIMS Investment), the Rights Issue, the Rights Units, MI-REIT and/or its subsidiaries.

The SGX-ST's approval in-principle is subject to, *inter alia* the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) Unitholders' approval of the Acquisition;
- (iii) a written undertaking from MI-REIT that it will make periodic announcements on the use of the proceeds from the Rights Issue and that it will provide status report on the use of the proceeds in the annual report;
- (iv) a written undertaking from MI-REIT that in the allotment of any Excess Rights Units, preference will be given to the rounding of odd lots, and Directors and Substantial Unitholders will rank last in priority; and
- (v) a written confirmation(s) from financial institution(s) that the Unitholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under their undertakings.

## **(11) OTHER INFORMATION**

### **Documents for Inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>15</sup> at 1 Raffles Place, #21-01 OUB Centre, Singapore 048616 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the AMP Capital Put and Call Option Agreements;
- (ii) the IFA Letter;
- (iii) the full valuation reports of the AMP Capital Properties;
- (iv) the MI-REIT FY 2009 Audited Financial Statements;
- (v) the MI-REIT 1H 2010 Unaudited Financial Statement Announcement; and

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<sup>15</sup> Prior appointment would be appreciated.

(vi) the written consents of each of the IFA and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MI-REIT is in existence.

### **Unitholders' Circular**

In conjunction with the Transactions, the Manager will on 6 November 2009 issue the Unitholders' Circular to Unitholders setting out, among other things, the details of and other relevant information pertaining to Acquisition, the AMP Capital Investment, the Cornerstone Investments (including the AIMS Investment), the Rights Issue and the Acquisition, together with a notice of the EGM for the purpose of seeking Unitholders' approvals in connection with the above. The EGM will be held on 23 November 2009 at 2.00 p.m. at the Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594.

The table below sets out the key dates. Any changes to the timetable below will be announced.

### **Timetable**

Despatch of Notice of EGM to Unitholders	6 November 2009
Notice of Books Closure Date to determine rights entitlements and eligibility to receive Special Distribution	19 November 2009
EGM	23 November 2009
Completion of AMP Capital Investment and Cornerstone Investments	24 November 2009
Commencement of Ex-Rights Trading	25 November 2009
Rights Issue and Special Distribution Books Closure Date	30 November 2009
Completion of the acquisition of 1A IBP	30 November 2009
Lodge Offer Information Statement with the MAS	30 November 2009
Commencement of Trading of Rights Entitlements	3 December 2009
Close of trading of Rights Entitlements	17 December 2009
Last date for acceptance and payment for Rights Units	17 December 2009
Commencement of trading of the Rights Units	28 December 2009

BY ORDER OF THE BOARD

MacarthurCook Investment Managers (Asia) Limited

(Company Registration No. 200615904N)

(as Manager of MacarthurCook Industrial REIT)

Name: Nicholas Paul McGrath

Designation: Chief Executive Officer

6 November 2009

**Important Notice**

The value of Units and the income derived from them may fall as well as rise. The 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 of MI-REIT 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.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of MI-REIT is not necessarily indicative of the future performance of MI-REIT.

This document 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 costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.