

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES
CIRCULAR DATED 6 NOVEMBER 2009

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the new units in MacarthurCook Industrial REIT (“MI-REIT”) to be issued for the purpose of each of (i) the AMP Capital Investment (as defined herein) and the Cornerstone Investments (as defined herein) and (ii) the Rights Issue (as defined herein) on the Main Board of the SGX-ST. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the AMP Capital Investment, the Cornerstone Investments, the AIMS Investment (as described herein), the Acquisition (as described herein), 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 (as defined herein), MI-REIT and/or its subsidiaries.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not an offer of securities for sale in the United States (“U.S.”). The Cornerstone Units, the Rights Units and the Rights Entitlements (as described herein) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state or other jurisdiction of the U.S., and the Cornerstone Units, Rights Units and the Rights Entitlements may not be offered or sold within the U.S. absent registration or an exemption from registration under the Securities Act. Any public offering of securities of MI-REIT in the United States would be made by means of a prospectus that would contain detailed information about the company and its management, as well as financial statements. The Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.



MACARTHURCOOK INDUSTRIAL REIT

(a unit trust constituted in the Republic of Singapore pursuant to a trust deed dated 5 December 2006 (as amended))
MANAGED BY

MACARTHURCOOK INVESTMENT MANAGERS (ASIA) LIMITED

**CIRCULAR TO UNITHOLDERS
IN RELATION TO:**

- (1) **THE AMP CAPITAL INVESTMENT;**
- (2) **THE CORNERSTONE INVESTMENTS;**
- (3) **THE AIMS INVESTMENT (AS PART OF THE CORNERSTONE INVESTMENTS);**
- (4) **THE UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE; AND**
- (5) **THE ACQUISITION OF THE AMP CAPITAL PROPERTIES.**

Sole Financial Adviser for the Rights Issue and the Cornerstone Investments

CAZENOVE ASIA

Joint Global Co-ordinators for the Rights Issue and Cornerstone Investments

CAZENOVE ASIA



MACQUARIE

Joint Bookrunners and Underwriters for the Rights Issue and the Cornerstone Investments

CAZENOVE ASIA



MACQUARIE



National Australia Bank

Sole Financial Adviser to the Manager for the AMP Capital Investment

**Standard
Chartered**



IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms	:	21 November 2009 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	23 November 2009 at 2.00 p.m.
Place of Extraordinary General Meeting	:	Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594

TABLE OF CONTENTS

	<u>Page</u>
CORPORATE INFORMATION	ii
SUMMARY	1
INDICATIVE TIMETABLE	7
LETTER TO UNITHOLDERS	
1. Summary of Approvals Sought	8
2. Rationale for the Transactions	8
3. Key Benefits of the Transactions	9
4. The AMP Capital Investment	10
5. The Cornerstone Investments	13
6. The AIMS Investment (as part of the Cornerstone Investments)	16
7. The Underwritten Renounceable Rights Issue	16
8. Unitholding Structure	25
9. The Acquisition	26
10. Pro Forma Impact of the Proposed Transactions	34
11. Financing	38
12. Recommendations	39
13. Extraordinary General Meeting	40
14. Abstentions from Voting	40
15. Action to be Taken by Unitholders	40
16. Directors' Responsibility Statement	41
17. Joint Bookrunners and Underwriters' Responsibility Statement	41
18. Sole Financial Adviser's Responsibility Statement	41
19. Consents	41
20. Documents on Display	41
IMPORTANT NOTICE	43
GLOSSARY	44
APPENDICES	
Appendix A AIMS Financial Group and AMP Capital	A-1
Appendix B The AMP Capital Properties, 1A International Business Park, the Existing Portfolio and the Enlarged Portfolio	B-1
Appendix C Independent Financial Adviser's Letter	C-1
Appendix D Valuation Certificates	D-1
Appendix E Directors and Substantial Unitholders' Interest	E-1
Appendix F Interested Person Transactions	F-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	G-1
PROXY FORM	

CORPORATE INFORMATION

Directors of MacarthurCook Investment Managers (Asia) Limited (the manager of MI-REIT (the “Manager”))	: Mr George Wang (Non-Independent Non-Executive Chairman) Mr Gregory Allen Bundy (Non-Independent Non-Executive Deputy Chairman) Mr Lim How Teck (Independent Non-Executive Director) Mr Mark Thorpe-Apps (Non-Independent Non-Executive Director) Mr Tan Kai Seng (Independent Non-Executive Director) Mr Lawrence Alan Mendelowitz (Executive Director)
Chief Executive Officer of the Manager	Mr Nicholas Paul McGrath
Registered office of MacarthurCook Investment Managers (Asia) Limited	: 1 Raffles Place #21-01 OUB Centre Singapore 048616
Trustee of MI-REIT (the “Trustee”)	: HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser for the Transactions and to the Manager	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Sole Financial Adviser for the Rights Issue and the Cornerstone Investments	: Cazenove & Co. (Singapore) Pte. Limited ¹ (a Standard Chartered group company) 6 Battery Road #03-00 Singapore 049909
Joint Global Co-ordinators for the Rights Issue and the Cornerstone Investments	: Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company) 6 Battery Road #03-00 Singapore 049909 Macquarie Capital Securities (Singapore) Pte. Limited 23 Church Street #11-11 Capital Square Singapore 049481
Joint Bookrunners and Underwriters for the Rights Issue and the Cornerstone Investments	: Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company) 6 Battery Road #03-00 Singapore 049909 Macquarie Capital Securities (Singapore) Pte. Limited 23 Church Street #11-11 Capital Square Singapore 049481

¹ Cazenove & Co. (Singapore) Pte. Limited is a wholly-owned subsidiary of Cazenove Asia Limited and a Standard Chartered group company. The mark “Cazenove” and marks containing “Cazenove” are trade marks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited, its subsidiaries and affiliated companies are now subsidiaries or affiliated companies of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with J.P. Morgan Cazenove Limited, Cazenove Inc., or their subsidiaries.

	National Australia Bank Limited 5 Temasek Boulevard #15-01 Suntec Tower 5 Singapore 038985
Sole Financial Adviser to the Manager for the AMP Capital Investment	: Standard Chartered Bank 6 Battery Road #10-05 Singapore 049909
Sole Financial Adviser to AMP Capital for the Acquisition and the AMP Capital Investment	: Macquarie Capital (Singapore) Pte. Limited 23 Church Street #11-11 Capital Square Singapore 049481
Legal Adviser to the Joint Bookrunners and Underwriters as to United States Federal Law	: Allen & Overy LLP 24 Raffles Place #22-00 Clifford Centre Singapore 048621
Legal Adviser to the Joint Bookrunners and Underwriters as to Singapore Law	: WongPartnership LLP One George Street #20-01 Singapore 049145
Legal Adviser to the Trustee	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	: Boardroom Corporate & Advisory Services Pte. Ltd. 3 Church Street #08-01 Samsung Hub Singapore 049483
Independent Financial Adviser to the Independent Directors of the Manager (the “IFA”)	: Deloitte & Touche Corporate Finance Pte. Ltd. 6 Shenton Way #32-00 DBS Building Tower Two Singapore 068809
Auditors to MI-REIT	: KPMG LLP Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Independent Valuers	: Cushman & Wakefield VHS Pte Ltd (appointed by the Trustee) 20 Raffles Place #13-01 Ocean Towers Singapore 048620 CB Richard Ellis (Pte) Ltd. (appointed by the Manager) 6 Battery Road #32-01 Singapore 049909

(This page intentionally left blank)

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

INTRODUCTION

MI-REIT is a real estate investment trust, which was listed on the Main Board of the SGX-ST on 19 April 2007 (the **“Listing”**). MI-REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia. MI-REIT’s existing portfolio consists of 20 industrial properties located throughout Singapore and one industrial property in Tokyo, Japan, with a total appraised value of S\$494.0 million as of 30 September 2009.

BACKGROUND AND RATIONALE

As at 30 September 2009, the ratio of the total borrowings and deferred payments (if any) to the value of the Deposited Property¹ (the **“Aggregate Leverage”**) was 44.7% with gross borrowings of S\$226.0 million², 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 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.

MacarthurCook Investment Managers (Asia) Limited, as manager of MI-REIT (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 (as defined below) 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)³ (**“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, as described in this Circular.

(See paragraph 11 of the Letter to Unitholders of this Circular for further details.)

OVERVIEW OF THE TRANSACTIONS

Summary of the Transactions

In order to address MI-REIT’s financing issues and to position MI-REIT for future growth, the Manager is seeking approvals from Unitholders for the following transactions:

- 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”**). The Investment Unit Issue Price represents a discount of 31.7% to the closing price of Units on

¹ 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 the Trust Deed (as defined herein).

² 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”**).

³ Based on the exchange rate of S\$1.00 = JPY63.46.

the SGX-ST on 5 November 2009 of S\$0.410 (the **“Closing Price”**) and a discount of 26.5% to the Clean Closing Price¹. Following the AMP Capital Investment and the Cornerstone Investments, which will occur simultaneously, AMP Capital will, through AMPCIL, own 16.1% of MI-REIT;

- the issue of 142,857,143 new Units (**“Cornerstone Investment Units”**) at the Investment Unit Issue Price to a number of investors (the **“Cornerstone Investors”**) in order to raise gross proceeds of S\$40.0 million (the **“Cornerstone Investments”**). Following the AMP Capital Investment and the Cornerstone Investments which will occur simultaneously, the Cornerstone Investment Units will comprise 29.3% of the total number of Units then in issue. The Cornerstone Investments will be fully underwritten by the Joint Bookrunners and Underwriters;
- the issue of 9,821,429 Cornerstone Investment Units to Great World Capital Holdings Ltd (**“GWCH”**), an entity directly and wholly-owned by Mr George Wang, the ultimate controller of the AIMS Financial Group² (the **“AIMS Investment”**). The AIMS Investment comprises part of the Cornerstone Investments;
- the issue of 975,627,332 new Units (**“Rights Units”**, and the issue of the Rights Units, the **“Rights Issue”**) on an underwritten and renounceable basis to Eligible Unitholders (as defined herein) on the basis of 2 Rights Units for every 1 Unit (the **“Rights Ratio”**) standing to the credit of their Securities Accounts (as defined herein) as at the Rights Issue and Special Distribution Books Closure Date, at an issue price of S\$0.159 per Rights Unit (the **“Rights Issue Price”**), fractional entitlements to be disregarded. The Manager expects to raise gross proceeds of S\$155.1 million from the Rights Issue; and
- 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 four properties, being 23 Tai Seng Drive, 3 Toh Tuck Link, 56 Serangoon North Avenue 4 and 30/32 Tuas West Road (the **“AMP Capital Properties”**), for a total purchase consideration of S\$68.6 million (the **“Acquisition”**). The units of AMP Capital Business Space REIT are indirectly wholly-owned by AMP Capital.

The AMP Capital Investment, the Cornerstone Investments, the Rights Issue and the Acquisition are collectively referred to in this Circular as the **“Transactions”**. The AMP Capital Investment, the Cornerstone Investments and the Rights Issue are collectively referred to in this Circular 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:

- 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 (the **“Manager Share Purchase Agreement”**); and
- 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 (the **“Property Manager Share Purchase Agreement”**),

concurrently with the completion of the Rights Issue.

The acquisition by AMP Capital Investors of the abovementioned interests in the Manager and the Property Manager are ancillary to, and integral aspects of, the Transactions. In addition, each of the Manager Share Purchase Agreement, the Property Manager Share Purchase Agreement, the AMP Capital Placement Agreement, the AMP Capital Sub-Underwriting Agreement and the AMP Capital Put and Call Option Agreements are subject to and conditional upon each other not being terminated.

The AMP Capital Placement Agreement, the AMP Capital Sub-Underwriting Agreement and the AMP Capital Put and Call Option Agreements are described in greater detail in paragraphs 4, 7 and 9 of the Letter to Unitholders respectively.

¹ The Closing Price as adjusted for the distribution per Unit (**“DPU”**) for the quarter ended 30 September 2009 of 1.939 cents and the Special Distribution (as described herein), 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.

² The entities and companies controlled directly or indirectly by Mr George Wang, including MCK and GWCH.

Use of Proceeds

The Manager intends to use the net proceeds of S\$59.9 million raised from the AMP Capital Investment and the Cornerstone Investments for part payment of the IBP Total Acquisition Cost (as defined herein). Additionally, a bridge loan of S\$39.9 million from Standard Chartered Bank (the **“Bridge Loan”**) will be used to fund the remaining portion of the IBP Total Acquisition Cost, debt-related costs in relation to the Bridge Loan of S\$0.3 million and repayment of JPY 500.0 million (equivalent to S\$7.9 million)¹ in relation to the JPY Term Loan.

The Bridge Loan will be due upon the completion of the Rights Issue.

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

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

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 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 facilitate 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 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) (the **“Crescendas Group”**), and Eurochem Corporation Pte Ltd.

¹ Based on the exchange rate of S\$1.00 = JPY63.46

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 and 28.7% to the TERP (as defined herein) of S\$0.223.

(Please refer to paragraph 7 of the Letter to Unitholders for further details.)

Commitment by AMP Capital

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).
- Acquiring 50.0% of the Manager and the 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. The AIMS Financial Group presently owns 100% of the Manager. Subsequent to the completion of the Manager Share Acquisition and the Property Manager Share Acquisition, the Manager and the Property Manager will be owned in equal proportions by AIMS Financial Holding Ltd¹ and AMP Capital Investors.

AMP Capital is a specialist investment manager. Should AMP Capital be offered the opportunity to purchase industrial real estate assets in Singapore, it will ensure that MI-REIT is given the first opportunity to acquire such assets for so long as AMP Capital continues to own 50.0% of the total interest in the Manager.

AMP Capital through the AMP Capital Business Space REIT Trustee, has also entered into right of first refusal agreement made between the AMP Capital Business Space REIT Trustee and the Trustee dated 5 November 2009 (the “**ROFR Agreement**”) and granted a right of first refusal (“**ROFR**”) in favour of the Trustee over a property comprised in Lot 8136W of Mukim 5, and known as 27 Penjuru Lane Singapore 609195 (the “**Property**”), in respect of which the AMP Capital Business Space REIT Trustee is currently a lessee. The ROFR has been granted for the period commencing from the date of completion of the AMP Capital Properties until the earlier of:

- (i) 31 December 2010; or
- (ii) the date when AMPCIL ceases to hold shares representing at least 50% of the total issued share capital of the Manager,

(the “**ROFR Period**”) upon the terms and conditions set out in the ROFR Agreement such that:

- (a) if the AMP Capital Business Space REIT Trustee proposes to sell its interest in the Property during the ROFR Period, the AMP Capital Business Space REIT Trustee must give the Trustee a written notice specifying the price and terms on which the Property is to be sold (“**DBIT Notice**”);
- (b) if the Trustee wishes to purchase the Property at the price and on the terms specified in the DBIT Notice, the Trustee must give the AMP Capital Business Space REIT Trustee a written notice of acceptance (“**Acceptance Notice**”) within fourteen (14) days of receipt of the DBIT Notice;
- (c) if the Trustee does not give an Acceptance Notice, the AMP Capital Business Space REIT Trustee may sell the Property to a third party; and
- (d) if the Trustee provides the AMP Capital Business Space REIT Trustee with an Acceptance Notice, the Trustee and the AMP Capital Business Space REIT Trustee must enter into a formal agreement for sale and purchase of the Property within fourteen (14) days of the date of the Acceptance Notice on terms to be negotiated by the parties based on the price and terms set out in the DBIT Notice.

Overview of AMP Capital

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**”). AMP Capital’s teams of specialists operate across direct and listed real estate, infrastructure, equities, fixed income and credit.

¹ Upon Completion (as defined herein), 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.

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.

With established operations in Australia, New Zealand, China, India, Japan, Singapore and the United Kingdom, AMP Capital has almost 240 in-house investment professionals, around 1,000 staff globally and a carefully selected network of regional investment partners who can source competitive international investment opportunities catering for the varying needs of its clients.

AMP Capital expanded its Singapore office in 2006 and is committed to building its investment business in Asia. As AMP Capital's Asian regional hub, the Singapore team specialises in Asian real estate, equities and distribution.

AMP is one of Australia's largest retail and corporate pension providers, and one of the region's most significant investment managers with over A\$104 billion in assets under management as at 30 June 2009. AMP was established in 1849 as a mutual company and listed on the Australian and New Zealand stock exchanges in 1998. AMP has more than 3.4 million customers and over 3,600 employees. It has one of Australia's largest shareholder registers, with approximately 820,000 shareholders. One in six Australian adults is an AMP customer.

(Please refer to paragraph 3.2 of the Letter to Unitholders and **Appendix A** for further details.)

OVERVIEW OF THE ACQUISITION

Description of the AMP Capital Properties

The AMP Capital Properties comprise four properties, 23 Tai Seng Drive, 3 Toh Tuck Link, 56 Serangoon North Avenue 4 and 30/32 Tuas West Road, located 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").

(Please refer to paragraph 9.1 and **Appendix B** for further details on the AMP Capital Properties.)

Cost of the Acquisition

The following table sets out the values of each of the AMP Capital Properties appraised by two independent valuers, CB Richard Ellis (Pte) Ltd. ("CBRE"), which has been commissioned by the Manager, and Cushman & Wakefield VHS Pte Ltd ("C&W"), which has been commissioned by the Trustee, and the purchase consideration for each of the AMP Capital Properties:

Property	Appraised Value		Purchase Consideration ⁽¹⁾ (S\$ million)
	by CBRE (S\$ million)	by C&W (S\$ million)	
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
Total	70.4	70.3	68.6

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.

The estimated total cost of the Acquisition is approximately S\$70.1 million, comprising:

- the purchase consideration of S\$68.6 million (the "AMP Capital Aggregate Purchase Consideration");
- the acquisition fee payable to the Manager under the Trust Deed in respect of the Acquisition (the "AMP Capital Acquisition Fee") which amounts to S\$0.7 million¹; and
- the professional and other fees and expenses to be incurred in connection with the Acquisition which amounts to approximately S\$0.8 million,

(the "AMP Capital Total Acquisition Cost").

¹ The Acquisition Fee shall be payable to the Manager in Units and such Units shall not be sold within one year from their date of issue, in accordance with paragraph 5.6 of the Property Funds Guidelines.

Method of Financing and Completion

The Manager intends to finance S\$69.4 million¹ of the AMP Capital Total Acquisition Cost in cash from the proceeds of the Rights Issue.

Completion of the Acquisition is expected to occur on the day the Rights Units are issued.

(See paragraph 9.3 of the Letter to Unitholders for further details.)

OVERVIEW OF THE 1A IBP ACQUISITION

Description of 1A IBP

1A IBP is situated at Private Lot A2339601 Plot 4A in International Business Park, Singapore, with a NLA of 16,697.0 sq m and is developed by Eurochem. MI-REIT will be acquiring 1A IBP from Eurochem.

(Please refer to **Appendix B** for further details on 1A IBP.)

Cost of Acquiring 1A IBP

The estimated total cost of acquiring 1A IBP is approximately S\$91.6 million, comprising:

- the net purchase consideration after deducting the initial deposit of S\$0.2 million, of S\$90.0 million (the **“IBP Purchase Consideration”**);
- the acquisition fee payable to the Manager under the Trust Deed in respect of the acquisition of 1A IBP, which amounts to S\$0.9 million and which will be paid in cash; and
- the estimated professional and other fees and expenses to be incurred in connection with the acquisition of 1A IBP which amounts to approximately S\$0.7 million,

(the **“IBP Total Acquisition Cost”**).

Valuation

As at 30 September 2009, 1A IBP has been independently valued by CBRE at S\$73.0 million. The Manager had in the audited historical financial statements of MI-REIT and its subsidiaries (the **“Group”**) for the financial year ended 31 March 2009 (the **“MI-REIT FY 2009 Audited Financial Statements”**) (which are not included in this Circular) taken a write-down of S\$20.0 million in relation to 1A IBP. Therefore, upon the acquisition, no further write-down in relation to 1A IBP will be required and it will be carried on MI-REIT's balance sheet at S\$73.0 million.

Method of Financing and Completion

The Manager intends to finance the IBP Total Acquisition Cost of S\$91.6 million in cash with the proceeds from the AMP Capital Investment, the Cornerstone Investments and the Bridge Loan.

Completion of the acquisition of 1A IBP is expected to occur on or around 30 November 2009.

¹ The AMP Capital Total Acquisition Cost less the AMP Capital Acquisition Fee.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place pursuant to the matters set out in the Notice of EGM is indicative only and is subject to change at the Manager's absolute discretion. The Manager intends to announce any changes (including any determination of the relevant dates) to the timetable below once the Manager becomes aware of such changes.

<u>Event</u>	<u>Date and Time</u>
Notice of date on which the Transfer Books and Register of Unitholders of MI-REIT will be closed to determine (i) the Rights Entitlements of Eligible Unitholders and (ii) the eligibility of Unitholders to receive the Special Distribution (as defined herein) (the "Rights Issue and Special Distribution Books Closure Date")	: 19 November 2009
Last date and time for lodgement of Proxy Forms	: 21 November 2009 at 2.00 p.m.
Date and time of the EGM	: 23 November 2009 at 2.00 p.m.
<i>If the approvals sought at the EGM are obtained:</i>	
Issue and trading of the AMP Capital Investment Units and the Cornerstone Investment Units under a temporary stock counter on the SGX-ST	: 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
Merger of main stock counter and temporary stock counter	: 1 December 2009
Commencement of trading of Rights Entitlements	: 3 December 2009
Close of trading of Rights Entitlements	: 11 December 2009
Last date for acceptance of and payment for Rights Units	: 17 December 2009
Completion of (i) the issue of the Rights Units, (ii) the Acquisition, (iii) the Manager Share Acquisition and (iv) the Property Manager Share Acquisition ("Completion")	: 24 December 2009
Commencement of trading of the Rights Units on the SGX-ST	: 28 December 2009

MACARTHURCOOK INDUSTRIAL REIT

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 5 December 2006 (as amended))

Directors and Chief Executive Officer of the Manager

Mr George Wang (Non-Independent Non-Executive Chairman)
Mr Gregory Allen Bundy (Non-Independent Non-Executive Deputy Chairman)
Mr Lim How Teck (Independent Non-Executive Director)
Mr Mark Thorpe-Apps (Non-Independent Non-Executive Director)
Mr Tan Kai Seng (Independent Non-Executive Director)
Mr Lawrence Alan Mendelowitz (Executive Director)
Mr Nicholas Paul McGrath (Chief Executive Officer of the Manager)

Registered Office

1 Raffles Place
#21-01 OUB Centre
Singapore 048616

6 November 2009

To: Unitholders of MacarthurCook Industrial REIT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approval for each of the following resolutions at the EGM:

- (i) the AMP Capital Investment;
- (ii) the Cornerstone Investments;
- (iii) the AIMS Investment (as part of the Cornerstone Investments);
- (iv) the Rights Issue; and
- (v) the Acquisition.

Approval by way of an Ordinary Resolution is required in respect of all five resolutions.

Unitholders should note that each of Resolutions 1, 2, 3, 4, and 5 is subject to, and contingent upon, the other Resolutions being approved.

2. RATIONALE FOR THE TRANSACTIONS

As at 30 September 2009, MI-REIT's Aggregate Leverage was 44.7% with gross borrowings of S\$226.0 million¹, all of which mature in December 2009. In addition, MI-REIT has a contractual obligation to purchase 1A IBP for the remaining purchase consideration of S\$90.0 million (after deducting the initial deposit of S\$0.2 million) from 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, however, 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 the S\$ Refinancing Facility to partially refinance the existing S\$ Term Loan. The Manager is also in advanced negotiations with the Japanese Lenders for 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, as described in this Circular.

(Please refer to paragraph 11 for details on the refinancing facilities.)

¹ Consisting of S\$202.3 million outstanding under the S\$ Term Loan and S\$23.7 million under the JPY Term Loan.

3. KEY BENEFITS OF THE TRANSACTIONS

The Manager believes that the key benefits below outweigh the dilutive effects of the Transactions on MI-REIT's DPU and NAV per Unit and therefore that the Transactions are beneficial to MI-REIT and in the best interests of Unitholders.

3.1 Removal of financing risk, reduction of Aggregate Leverage and strengthening of MI-REIT's balance sheet

The proceeds from the AMP Capital Investment and the Cornerstone Investments, along with the Bridge Loan, will be used to complete the acquisition of 1A IBP. The Manager also intends to repay JPY500.0 million (equivalent to S\$7.9 million)¹ of the JPY Term Loan from the Bridge Loan as this is one of the conditions indicated by the Japanese Lenders for purposes of the JPY Refinancing Facility. Upon completion of the Transactions, the S\$ Refinancing Facility will be available for draw down by MI-REIT, thus facilitating a refinance of MI-REIT's existing debt facilities. The Manager believes this will remove any going concern issues and will therefore be positive for MI-REIT's Unit price.

The Manager expects that upon completion of the Transactions and the completion of the acquisition of 1A IBP, MI-REIT's Aggregate Leverage will be reduced from 44.7% as at 30 September 2009 to 29.0% on a pro forma basis. With the reduced Aggregate Leverage upon completion of the Transactions and the refinancing, the Manager believes that MI-REIT will have sufficient financial flexibility to carry out its capital management initiatives and business plans. Further, the Manager believes that the reduction of MI-REIT's Aggregate Leverage will strengthen MI-REIT's balance sheet and enhance its credit profile, thus enabling MI-REIT to withstand further deterioration in asset values (if any). Following the refinancing of the S\$ Term Loan and the JPY Term Loan, MI-REIT will have no S\$ debt due until December 2012 and the Manager does not expect MI-REIT to have JPY debt due until December 2011.

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

Upon completion of the Transactions, AMP Capital will, through AMPCIL, own 16.1% of the total number of Units in issue (assuming AMPCIL only takes up the AMP Capital Proportionate Rights Units (as defined below)). In the event that AMPCIL subscribes for all the AMP Capital Sub-Underwritten Rights Units, AMP Capital will, through AMPCIL, own 19.1% of MI-REIT. In addition, AMP Capital will separately, through AMP Capital Investors, acquire 50.0% of the Manager and the Property Manager.

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. 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.

With established operations in Australia, New Zealand, China, India, Japan, Singapore and the United Kingdom, AMP Capital has almost 240 in-house investment professionals, around 1,000 staff globally and a carefully selected network of regional investment partners who can source competitive international investment opportunities catering for the varying needs of its clients.

AMP Capital expanded its Singapore office in 2006 and is committed to building its investment business in Asia. As AMP Capital's Asian regional hub, the Singapore team specialises in Asian real estate, equities and distribution.

AMP is one of Australia's largest retail and corporate pension providers, and one of the region's most significant investment managers with over A\$104 billion in assets under management as at 30 June 2009. AMP was established in 1849 as a mutual company and listed on the Australian and New Zealand stock exchanges in 1998. AMP has more than 3.4 million customers and over 3,600 employees. It has one of Australia's largest shareholder registers, with approximately 820,000 shareholders. One in six Australian adults is an AMP customer.

The Manager believes that the acquisition of a substantial interest by AMP Capital in MI-REIT, and the investment of AMP Capital in the Manager and Property Manager provide a strong demonstration of

¹ Based on the exchange rate of S\$1.00 = JPY63.46.

support and commitment, which is likely to boost investors' confidence in MI-REIT, and position MI-REIT for future performance and growth.

(Please refer to **Appendix A** for more information in relation AMP Capital.)

3.3 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. Following the completion of the acquisitions of the AMP Capital Properties and 1A IBP, the maximum contribution to MI-REIT's Rental Income by any single property for the quarter ended 30 September 2009 will decrease from 20.2% to 15.3% on a pro forma basis. This further diversification means that Unitholders can expect to enjoy more stable income as there will be less dependence on any particular property. In addition, the Acquisition and the acquisition of 1A IBP will increase the size of MI-REIT's portfolio by 21.2% based on NLA.

3.4 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 part of the Crescendas Group), and Eurochem Corporation Pte Ltd. The Manager is of the view that a wider tenant base will help further enhance the stability of MI-REIT's Rental Income.

Set up in 1982, the Crescendas Group currently engages in a diversified range of businesses in real estate, manufacturing, distribution, technology and hospitality. In real estate, the Crescendas Group offers an integrated one-stop service package that includes design and build, pre-construction evaluation, construction services, build-to-suit and facilities management. In manufacturing, the Crescendas Group is involved in the production of fully tested wire and cable harnesses used in a wide range of industries, medical devices and products, and building materials. The group also has investments in a logistics business and in emerging technologies in water treatment, tissue engineering and biodegradable packaging. In addition, the Crescendas Group operates and manages a portfolio of executive class hotels under the branding, Aqueen Hotels. Apart from Singapore, the Crescendas Group has facilities and operations located in the Malaysia, Laos and the People's Republic of China. The Crescendas Group's total workforce is currently estimated about 1,600 employees.¹

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

The Rights Issue Price represents a discount of:

3.5.1 61.2% to the Closing Price (being the last trading day of the Units prior to the announcement of the Rights Issue; and

3.5.2 28.7% to the TERP of S\$0.223.

4. THE AMP CAPITAL INVESTMENT

The AMP Capital Investment will be conducted as a private placement of Units in accordance with Section 302C of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and no offer information statement will therefore be issued in respect of the AMP Capital Investment.

4.1 Requirement for Unitholder Approval

4.1.1 Rules 811(3) and 887(1)(a) of the Listing Manual

Rule 811(1) of the Listing Manual provides that the Manager may not price an issue of Units at a discount of more than 10.0% to the volume-weighted average price ("VWAP") for trades done on the SGX-ST for the full market day on 5 November 2009 of S\$0.4119. Rule 811(3) further provides that Rule 811(1) shall not apply where Unitholders have specifically approved the placement of Units.

¹ Source: <http://www.crescendas.com/about.htm>. Crescendas has not provided its consent and is therefore not liable for such information. While the Manager has taken reasonable action to ensure that this information has been reproduced in its proper form and context, and that it has been extracted accurately and fairly, neither the Manager nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

Additionally, the Trust Deed, read together with Rule 887(1)(a) of the Listing Manual, provides that specific prior approval of Unitholders by Ordinary Resolution is required, in the absence of a general mandate given by Unitholders, for an issue of new Units if the number of such new Units exceeds 10.0% of the outstanding Units as at 31 March 2009.

As the AMP Capital Investment Units will be issued to AMPCIL 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, and the number of AMP Capital Investment Units to be issued pursuant to the AMP Capital Investment will be 30.0% of the outstanding Units as at 31 March 2009, the Manager is seeking the approval of Unitholders for the issue of the AMP Capital Investment Units.

4.1.2 Interested Person Transaction

Under Chapter 9 of the Listing Manual, where MI-REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MI-REIT's latest audited net tangible assets ("NTA"), Unitholders' approval is required in respect of the 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.

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.

By approving the AMP Capital Investment, Unitholders will be deemed to also have approved the principal terms of the AMP Capital Placement Agreement (as described below).

Details of the interested person transactions which MI-REIT proposes to enter into with AMP Capital and its associates in connection with the Transactions may be found in **Appendix F** of this Circular.

4.2 Principal Terms

Pursuant to a placement agreement dated 5 November 2009 entered into with the Manager (the "**AMP Capital Placement Agreement**"), AMPCIL has agreed to subscribe for 78,571,429 AMP Capital Investment Units at the Investment Unit Issue Price of S\$0.280, so as to acquire a 16.1% interest in MI-REIT immediately upon the issue of the AMP Capital Investment Units and the Cornerstone Investment Units.

The completion of the AMP Capital Investment is subject to and conditional upon, *inter alia*, the following:

- (i) the approval of the Unitholders for the AMP Capital Investment, the Rights Issue and the Acquisition;
- (ii) none of the AMP Capital Sub-Underwriting Agreement, the Manager Share Purchase Agreement, the Property Manager Share Purchase Agreement and the AMP Capital Put and Call Option Agreements being terminated; and
- (iii) the SGX-ST's approval in-principle for the listing and quotation of the AMP Capital Investment Units on the Main Board of the SGX-ST not having been revoked or amended, and to the extent that any conditions in the Listing Approval are required to be fulfilled on or before the date on which the AMP Capital Investment Units are to be issued, they are so fulfilled.

4.3 Use of Proceeds and Costs of the AMP Capital Investment

If the Manager proceeds with the AMP Capital Investment, the Manager estimates that MI-REIT will have to pay an advisory fee to Standard Chartered Bank Limited of S\$0.8 million.

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.

4.4 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.

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.

4.5 Acquisition by AMP Capital of Shares in the Manager and the Property Manager

The Manager and the Property Manager are currently 100.0% owned by certain members of the AIMS Financial Group. As part of its investments in MI-REIT, AMP Capital will, through AMP Capital Investors, acquire 50.0% of the Manager and the Property Manager from MCK, a member of the AIMS Financial Group. Upon Completion, 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.

The investment in MI-REIT, the Manager and Property Manager have all been negotiated between the parties as part of the same transaction and completion of the Acquisition is conditional upon completion of the AMP Capital Investment, the Manager Share Acquisition and the Property Manager Share Acquisition.

At Completion, AMP Capital Investors will execute a shareholders’ agreement with AIMS Financial Holding Ltd and the Manager to regulate their relationship, *inter se*, as shareholders of the Manager (the “**Manager Shareholders’ Agreement**”). Pursuant to the terms of the Manager Shareholders’ Agreement, 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.

Following completion of the Transactions, the Manager Share Acquisition and the Property Manager Share Acquisition, MI-REIT will be re-named “AIMS AMP Capital Industrial REIT” and the Manager and the Property Manager will be similarly rebranded.

4.6 Listing Approval

Approval-in-principle has been obtained from the SGX-ST for the listing and quotation of the AMP Capital Investment Units on the Main Board of the SGX-ST. The SGX-ST’s approval in-principle is not to be taken as an indication of the merits of the AMP Capital Investment, the AMP Capital Investment Units, MI-REIT and/or its subsidiaries.

The Manager has provided undertakings to the SGX-ST to:

- (i) make periodic announcements on the use of proceeds from the AMP Capital Investment and the Cornerstone Investments (including the AIMS Investment) as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in MI-REIT's announcement, and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation; and
- (ii) provide a status report on the use of the proceeds from the AMP Capital Investment and the Cornerstone Investments (including the AIMS Investment) in the annual reports of MI-REIT.

5. THE CORNERSTONE INVESTMENTS

The Cornerstone Investments will be conducted as a private placement of Units in accordance with Section 302C of the SFA and no offer information statement will therefore be issued in respect of the Cornerstone Investments.

5.1 Requirement for Unitholder Approval

Rule 811(1) of the Listing Manual provides that the Manager may not price an issue of Units at a discount of more than 10.0% to the VWAP for trades done on the SGX-ST for the full market day on 5 November 2009. Rule 811(3) further provides that Rule 811(1) shall not apply where Unitholders have specifically approved the placement of Units.

Additionally, the Trust Deed, read together with Rule 887(1)(a) of the Listing Manual, provides that specific prior approval of Unitholders by Ordinary Resolution is required, in the absence of a general mandate given by Unitholders, for an issue of new Units if the number of such new Units exceeds 10.0% of the outstanding Units as at 31 March 2009.

As the Cornerstone Investment Units will be issued to each of the Cornerstone Investors at a discount of 32.0% to the VWAP for trades done on the SGX-ST for the full market day on 5 November 2009 and the number of Cornerstone Investment Units to be issued pursuant to the Cornerstone Investments will be 54.6% of the outstanding Units as at 31 March 2009, the Manager is seeking the approval of Unitholders for the issue of the Cornerstone Investment Units.

5.2 Principal Terms

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\$0.280. 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.

<u>Cornerstone Investor</u>	<u>Number of Cornerstone Investment Units Allocated</u>	<u>Proportion of Cornerstone Investment Units Allocated</u>
Stichting Depositary 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 ⁽¹⁾	17,142,857	12.0%
Tolaram Corporation Pte Ltd.	14,679,000	10.3%
Cohen & Steers Asia Limited	12,142,857	8.5%
Henderson Global Investors (Singapore) Limited	11,500,000	8.0%
GWCH.	9,821,429	6.9%
Total.	<u>142,857,143</u>	<u>100.0%</u>

Notes:

- (1) As the responsible entity of the Hunter Hall Global Ethical Trust and the Hunter Hall Value Growth Trust, and as the 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.

Any changes to the identity of the Cornerstone Investors will be separately announced in accordance with Rule 810 of the Listing Manual.

5.3 Description of Cornerstone Investors

Stichting Depositary APG Tactical Real Estate Pool (“**APG Real Estate Mutual Fund**”) is an asset holding company managed by APG Algemene Pensioen Groep N.V.. Algemene Pensioen Groep N.V. manages various investment institutions in the form of mutual funds, it invests on behalf of the mutual funds globally in equities, fixed income, commodities, money markets, alternative investments, real estate, infrastructure, hedge funds and private equity. Algemene Pensioen Groep N.V. currently has asset under management of more than €200 billion.

Indus Asia Pacific Master Fund, an exempted company incorporated and existing under the laws of the Cayman Islands, was established in December 2000. It invests in equities in the Asia Pacific region, excluding Japan. The fund’s mandate is to maintain a portfolio of public stocks using a long-short strategy complemented by selective investments in regional private securities. The fund is managed by Indus Capital Partners, LLC.

Universities Superannuation Scheme Ltd. (“**USS**”) is the trustee of the Universities Superannuation Scheme, which is the principal defined benefit pension scheme in the United Kingdom for academic and academic-related staff (including senior administrative staff). It has more than 400 participating universities, higher education and other associated institutions across the UK. As at the Latest Practicable Date, USS holds 22,000,000 Units or 8.3% of the Units outstanding as the Latest Practicable Date and is a Substantial Unitholder.

Pursuant to Rule 812(3) of the Listing Manual, the placement restrictions under Rule 812(1)(a) of the Listing Manual do not apply to the placement to USS as a Substantial Unitholder as part of the Cornerstone Investments for the following reasons:

- (i) USS does not have any representation (whether directly or indirectly through a nominee) on the Board;
- (ii) USS does not have control or influence over the Manager or MI-REIT in connection with the day-to-day affairs of the Manager or MI-REIT and the terms of the placement which USS has negotiated separately with the Joint Bookrunners and Underwriters on an arm’s length basis;
- (iii) as part of the Cornerstone Investments, the placement to USS is effected through an independent book-building process;
- (iv) the Cornerstone Investments is being made to more than one placee; and
- (v) USS’s ownership stake in MI-REIT after the Cornerstone Investments and AMP Capital Investment, which will occur on the same day, will not be more than its ownership stake as at the Latest Practicable Date.

Hunter Hall Investment Management Limited (“**Hunter Hall**”) is one of Australia’s leading global investors and Australia’s largest dedicated manager of ethically screened managed funds. As at the Latest Practicable Date, funds managed by it held in aggregate 7,188,000 Units.

Tolaram Corporation Pte Ltd is a Singapore-based investment holding company indirectly wholly-owned by Wishart Investments Inc., which also directly owns 100.0% of Eurochem. Wishart Investments Inc., is the holding company of the Tolaram group that has business interests in six countries and several business sectors including manufacturing of food, paper and textile, marketing and distribution, financial services, and real estate investment, management and development. As at the Latest Practicable Date, two of Wishart Investments Inc.’s shareholders hold in aggregate 2,920,000 Units and a director of Tolaram Corporation Pte Ltd holds 716,000 Units.

Cohen & Steers Asia Limited (“**Cohen & Steers**”) is a manager of income-oriented equity portfolios specializing in U.S. and international real estate securities, large cap value stocks, listed infrastructure and utilities, and preferred securities. Cohen & Steers also manages alternative investment strategies such as hedged real estate securities portfolios and private real estate multimanager strategies for qualified investors. Headquartered in New York City, with offices in London, Brussels, Hong Kong and Seattle, Cohen & Steers serves individual and institutional investors through a broad range of investment vehicles.

Henderson Global Investors is a leading international investment manager with £57.7 billion in assets under management (as at 30 September 2009) across all asset classes and employs around 1000 people worldwide.

For a description of GWCH and the AIMS Financial Group, of which GWCH is a member, please refer to Appendix A. As at the Latest Practicable Date, the AIMS Financial Group has an interest in 41,743,094 Units.

5.4 Use of Proceeds and Costs of the Cornerstone Investments

If the Manager proceeds with the Cornerstone Investments, MI-REIT will have to bear:

- (i) management, underwriting and selling commissions payable to the Joint Bookrunners and Underwriters of S\$0.8 million (excluding goods and services tax payable); and
- (ii) financial advisory fees to Cazenove & Co. (Singapore) Pte. Limited of S\$0.5 million (excluding goods and services tax payable).

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.

5.5 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 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 AMP Capital 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.

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.

5.6 Listing Approval

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Cornerstone Investment Units on the Main Board of the SGX-ST.

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

Please refer to paragraph 4.6 for further details of the SGX-ST’s in-principal approval.

6. THE AIMS INVESTMENT (AS PART OF THE CORNERSTONE INVESTMENTS)

6.1 Requirement for Unitholder Approval

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. Details of the interested person transactions which MI-REIT has entered into with the AIMS Financial Group may be found in **Appendix F** of this Circular.

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.

6.2 Rationale for the AIMS Investment

The Manager believes that the size of the unitholding of the AIMS Financial Group provides a degree of stability to MI-REIT as an investment vehicle. The placement to GWCH of 6.9% of the total number of Cornerstone Investment Units that will be issued would mitigate the dilutive effect of the Cornerstone Investments and enable the AIMS Financial Group to maintain a material stake in MI-REIT.

The fact that the AIMS Financial Group, the principal sponsor of MI-REIT, is willing to invest additional funds in MI-REIT, will also provide the other Cornerstone Investors with comfort, and provide a higher degree of certainty for the successful completion of the Cornerstone Investments.

6.3 Audit Committee

In light of the rationale for the AIMS Investment, the audit committee of the Manager (the "**Audit Committee**")¹ 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.

7. THE UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

7.1 Requirement for Unitholder Approval

The measures introduced by the SGX-ST as set out in its news release dated 19 February 2009 titled "SGX Introduces Further Measures to Facilitate Fund Raising" allows the Manager to issue up to 100.0% of the total number of Units in issue via a pro-rata renounceable rights issue. Assuming that MI-REIT proceeds with the Rights Issue, the number of Rights Units will exceed 100.0% of the total number of outstanding Units as at 31 March 2009. Accordingly, the Manager is seeking the approval of Unitholders for the Rights Issue.

7.2 Principal Terms of the Rights Issue

Issue Size	:	975,627,332 Rights Units to raise gross proceeds of S\$155.1 million.
Basis of Provisional Allotment	:	Each Eligible Unitholder is entitled to subscribe for 2 Rights Units for every 1 Unit standing to the credit of his Securities Account (as defined herein) as at the Rights Issue and Special Distribution Books Closure Date, fractional entitlements to be disregarded.

¹ 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 AIMS Investment, as he is also a director of MCK as well an employee of the AIMS Financial Group.

It should be noted that AMPCIL and the Cornerstone Investors will receive Rights Entitlements based on the new Units which they will be subscribing for pursuant to the AMP Capital Investment and the Cornerstone Investments respectively.

Rights Issue Price : S\$0.159 for each Rights Unit. The Rights Issue Price is payable in full upon acceptance and/or application.

The Rights Issue Price represents a discount of 61.2% to the Closing Price and a discount of 28.7% to the theoretical ex-rights price (“**TERP**”) of S\$0.223 which is calculated as follows:

$$\text{TERP} = \frac{\begin{array}{l} \text{Market capitalisation of MI-REIT based on the} \\ \text{Closing Price + Gross proceeds from (i) the} \\ \text{Rights Issue, (ii) the AMP Capital Investment and} \\ \text{(iii) the Cornerstone Investments} \end{array}}{\text{Units outstanding after the Rights Issue}}$$

Status of the Rights Units : The Rights 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 Rights Units, including the right to any distributions which may accrue for the period from the date of the issuance of the AMP Capital Investment Units and the Cornerstone Investment Units (expected to be on 24 November 2009) to 31 December 2009 as well as all distributions thereafter.

Unitholders should note that by approving the Rights Issue, they are also approving the issuance of Rights Units which will rank *pari passu* in all respects with the existing Units in issue as at the date of the Rights Units, including the right to any distributions which may accrue from the date of the issuance of the AMP Capital Investment Units and the Cornerstone Investment Units to 31 December 2009 notwithstanding that the Rights Units are expected to be issued on 24 December 2009.

Eligible Unitholders who validly accept in full, their Rights Entitlements, will receive such amount of the accrued distributions for the period from date of the issuance of the AMP Capital Investment Units and the Cornerstone Investment Units to 31 December 2009 which they would have been entitled to had the Rights Issue not occurred.

Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as described in paragraph 7.2.3 below.

Eligible Unitholders : Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue and Special Distribution Books Closure Date or who have, at least three 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 and such Unitholders 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.

Entitlement of Eligible Unitholders : Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units.

The procedures for acceptance, applications for Excess Rights Units and payment by Eligible Unitholders will be set out in the offer information statement in connection with the Rights Issue to be lodged with the Monetary Authority of Singapore (“MAS”) and issued to Eligible Unitholders (the “**Offer Information Statement**”).

Ineligible Unitholders No provisional allotment of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application thereof by Ineligible Unitholders will be valid.

Further details on this are set out in the paragraphs under the heading “Ineligible Unitholders” below.

Trading of the Rights Units/
Trading of Rights Entitlements : The Rights Units and the Rights Entitlements will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units and Rights Entitlements will comprise 1,000 Units or Rights Entitlements, as the case may be. All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or The Central Depository (Pte) Limited (“CDP”) shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP.

Eligible Unitholders can trade in odd lots of Units or the Rights Entitlements on the SGX-ST’s Unit Share Market.

Governing Law : Laws of the Republic of Singapore.

The above terms and conditions of the Rights Issue are subject to such changes as the Manager may deem fit. The final terms and conditions of the Rights Issue will be set out in the Offer Information Statement to be despatched by the Manager to Eligible Unitholders in due course, subject to, *inter alia*, the approval of the Unitholders for the Rights Issue at the EGM.

The Rights Issue is conditional upon, *inter alia*, the following:

- (i) approval of the Unitholders at the EGM; and
- (ii) lodgement of the Offer Information Statement with the MAS.

In addition, the resolution relating to the Rights Issue is subject to and conditional upon the passing of Resolutions 1, 2, 3 and 5.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST.

7.2.1 Excess Rights Units

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 Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, annualize of the provisional allotments of the purchasers of the Rights Entitlements (collectively, the **“Excess Rights Units”**), subject to the requirements or otherwise of the SGX-ST, will be issued to satisfy Excess Rights Units applications as the Manager may, in its discretion, deem fit.

Both AMPCIL and the Cornerstone Investors may choose to apply for Excess Rights Units, provided that in the allotment of Excess Rights Units, preference will be given to rounding of odd lots, followed by allotment to Unitholders who are neither Substantial Unitholders (as defined herein) nor Directors. AMPCIL, the Cornerstone Investors, the Substantial Unitholders and Directors will rank last in priority.

7.2.2 Eligible Unitholders

Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue and Special Distribution Books Closure Date or who have, at least three 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, including such Unitholders 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.

Eligible Unitholders will be at liberty to accept in part or in full, decline or otherwise renounce or trade (during the rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units in excess of their Rights Entitlements under the Rights Issue.

Eligible Unitholders who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme (**“CPFIS”**) and/or the Supplementary Retirement Scheme (**“SRS”**) can only accept their Rights Entitlements by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS accounts to do so on their behalf.

7.2.3 Ineligible Unitholders

No provisional allotment of Rights Units will be made to Unitholders other than Eligible Unitholders (**“Ineligible Unitholders”**) and no purported acceptance thereof or application hereof by Ineligible Unitholders will be valid.

The making of the Rights Issue may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders. Ineligible Unitholders who wish to participate in the Rights Issue will have to provide CDP with addresses in Singapore for the service of notice and documents and any other evidence of eligibility that the Manager, in its discretion, requires at least three Market Days prior to the Rights Issue and Special Distribution Books Closure Date. Save as provided herein and for the avoidance of doubt, the Ineligible Unitholders are not eligible to participate in the Rights Issue.

The Rights Entitlements, the Rights Units and the Cornerstone Units will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the U.S. and, accordingly, they may not be offered, sold or delivered, directly or indirectly, in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

If it is practicable to do so, the Manager may, at its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings determined as at the Rights Issue and Special Distribution Books Closure Date and sent to them by ordinary post, provided that where the amount to be distributed to any Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of MI-REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Bookrunners and Underwriters, the Trustee or CDP in connection herewith.

7.3 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.

7.4 Costs of the Rights Issue

If MI-REIT proceeds with the Rights Issue, the Manager estimates that MI-REIT will have to bear total costs and expenses of approximately S\$9.0 million consisting of:

- (i) management, underwriting and selling commissions payable to the Joint Bookrunners and Underwriters of S\$4.7 million, (excluding goods and services tax payable); and
- (ii) professional and other fees and expenses (including a financial advisory fee to Cazenove & Co. (Singapore) Pte. Limited and National Australia Bank Limited) of approximately S\$4.3 million (excluding goods and services tax payable).

7.5 Underwriting of the Rights Issue and the Commitment of AMP Capital

7.5.1 Underwriting of the Rights Issue

The Rights Issue is underwritten in full by 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 will be entitled to a commission of:

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

In addition, an incentive fee of up to S\$500,000 is payable by the Manager, at its discretion, to the Joint Bookrunners and Underwriters. This incentive fee is payable by the Manager at its discretion depending on its assessment of the performance of the Joint Bookrunners and Underwriters in relation to the Cornerstone Investments and the Rights Issue, including the execution of the Rights Issue, the advice rendered to the Manager in relation to the Cornerstone Investments and the Rights Issue and the outcome of the Cornerstone Investments and the Rights Issue. The rationale for the inclusion of an incentive fee in the fee structure is to incentivise the Joint Bookrunners and Underwriters in relation to the Cornerstone Investments and the Rights Issue.

It should be noted that the Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Bookrunners and Underwriters will not be entitled to rely on *force majeure* to terminate the Underwriting

Agreement after the date on which ex-rights trading commences, in compliance with Rule 818 of the Listing Manual.

7.5.2 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"**).

The AMP Capital Sub-Underwriting Agreement is subject to and conditional upon, *inter alia*, none of the Underwriting Agreement AMP Capital Placement Agreement, the Manager Share Purchase Agreement, the Property Manager Share Purchase Agreement and the AMP Capital Put and Call Option Agreements being terminated.

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"**).

The AMP Capital Commitment Fees payable to AMPCIL 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 to AMPCIL will not be more than the percentage level of the commission which the Joint Bookrunners and Underwriters will receive.

7.5.3 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 (the **"AIMS Placing and 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 MacarthurCook Fund Management Limited (**"MCKFM"**) (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"**).

The AIMS Commitment Fees payable to GWCH 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 to GWCH pursuant to the AIMS Sub-Underwriting Agreement will not be more than the percentage level of the commission which the Joint Bookrunners and Underwriters will receive.

7.5.4 Commitment of Cornerstone Investors

Pursuant to the placee letters which the Cornerstone Investors have signed with the Joint Bookrunners and Underwriters, the Cornerstone Investors have each undertaken to the Joint Bookrunners and Underwriters to subscribe for the Rights Units represented by their respective Rights Entitlements arising from the Cornerstone Investments.

In addition, APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund 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 (the “**Cornerstone Investors Sub-Underwritten Units**”) 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 APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund (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.

7.5.5 Underwriting conditional upon Entry into Pro Rata Undertakings and Sub-underwriting Agreements

Given the current challenging market conditions, the Joint Bookrunners and Underwriters have indicated that they will only underwrite the Rights Issue if (i) AMPCIL enters into the AMP Capital Sub-Underwriting Agreement; (ii) Mr George Wang and GWCH enter into the AIMS Placing and Commitment Letter; (iii) APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund agree to sub-underwrite the Cornerstone Investors Sub-Underwritten Units, pursuant to the respective placee letters.

7.5.6 Board Confirmation

The Board has considered the terms of:

- (i) the Underwriting Agreement (including the commission payable to the Joint Bookrunners and Underwriters) and is of the view that they have been entered into on an arm’s length basis and on normal commercial terms; and
- (ii) the AMP Capital Sub-Underwriting Agreement, the AIMS Sub-Underwriting Agreement, and the placee letters with APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund (including the fee payable to each of AMPCIL, GWCH, APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund and is of the view that the terms are fair, and not prejudicial to MI-REIT and to other Unitholders and are in the interest of MI-REIT and its Unitholders as a whole,

on the basis that:

- (A) given the on-going market uncertainty and volatility, the execution risks posed by the long rights issue execution period and the likely material adverse consequences of an unsuccessful rights issue, it is important for the Rights Issue to be fully underwritten;
- (B) the Joint Bookrunners and Underwriters have indicated that they will only underwrite the Rights Issue if (i) AMPCIL enters into the AMP Capital Sub-Underwriting Agreement, (ii) Mr George Wang and GWCH enter into the AIMS Placing and Commitment Letter, and (iii) APG Real Estate Mutual Fund, USS, Hunter Hall and Indus Asia Pacific Master Fund enter into and agree, under the placee letters, to sub-underwrite the Cornerstone Investors Sub-Underwritten Units; and
- (C) by committing to this arrangement, AMP Capital and Mr George Wang are demonstrating their support for MI-REIT and facilitating the full underwriting of the Rights Issue by the Joint Bookrunners and Underwriters, thereby enhancing the chances

of a successful Rights Issue. As AMP Capital and Mr George Wang are making an upfront commitment, they will be assuming market risks for the entire Rights Issue period and foregoing their ability to trade their respective Rights Entitlements.

None of the Directors dissented with the above opinion.

7.6 AMP Capital Lock-up

Each of AMPCIL and its holding company AMP Capital has undertaken to the Joint Bookrunners and Underwriters that it will not, without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed), from the date of issue of the AMP Capital Investment Units until the date falling 180 days from the date the Rights Units are listed on the SGX-ST (the “**Moratorium Period**”):

- (i) offer, sell or contract to sell, grant any option to purchase or otherwise grant security over, create any encumbrance over or otherwise dispose of, or enter into any transaction (including a derivative transaction) which is designed to, or might reasonably be expected to, result in the sale or disposition (whether by actual sale or disposition or effective economic sale or disposition due to cash settlement or otherwise) of any or all of their effective or direct interests in the Units held by them as at the date of issue of the AMP Capital Investment Units and any Rights Units subscribed for, directly or indirectly, by them under the Rights Issue (the “**Moratorium Units**”) or any part thereof (or any securities convertible into or exchangeable for Moratorium Units or which carry rights to subscribe for or purchase Moratorium Units or part thereof);
- (ii) deposit any Moratorium Units (or any securities convertible into or exchangeable for Moratorium Units or which carry rights to subscribe for or purchase Moratorium Units or part thereof) in which they have an effective or direct interest in any depository receipt facility; and/or
- (iii) make any announcement with respect to any of the foregoing transactions, other than as required by applicable laws and regulations,

(collectively, the “**Lock-up Restrictions**”).

The Lock-up Restrictions described above do not apply to the transfer of any effective interest in the Moratorium Units to any of AMPCIL or AMP Capital’s affiliates or wholly-owned subsidiaries provided that in the event that AMPCIL transfers its interest in all or part of the Moratorium Units to an affiliate, AMPCIL shall procure such affiliate enter into a similar moratorium undertaking in respect of such Units transferred.

7.7 AIMS’ Lock-up

GWCH and Mr George Wang have irrevocably undertaken to the Joint Bookrunners and Underwriters that they will not, during the period commencing from 5 November 2009 until 180 days from the date the Rights Units are listed on the SGX-ST, whether directly or indirectly:

- (i) offer, sell, contract to sell, grant any option to purchase or otherwise dispose of or grant security over or create any encumbrances in respect of any Units that they have a direct or indirect interest in as at 5 November 2009 (other than those Units held by MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund), the AIMS Proportionate Rights Units and any other Rights Units subscribed for pursuant to the AIMS Sub-Underwriting Commitment (collectively, the “**AIMS Moratorium Units**”); or
- (ii) enter into a transaction (including a derivative transaction) with a similar economic effect to any of the above or publicly announce any intention to do any of the above,

(collectively, the “**AIMS Lock-up Restrictions**”).

The AIMS Lock-up Restrictions described above do not apply to the transfer of their effective interests in the AIMS Moratorium Units to any member of the AIMS Financial Group.

7.8 The Manager’s Lock-Up

The Manager has, pursuant to the Underwriting Agreement, agreed not to, among other things, offer, issue or contract to issue any Units, and make any announcements in connection with any of the foregoing transactions, until the date falling 90 days after the date on which the Rights Units are listed on the

SGX-ST. The restrictions set out in this paragraph do not apply to the AMP Capital Investment Units, the Cornerstone Investment Units, the Rights Units, the Units to be issued to the Manager in full or part payment of the Manager's fees.

7.9 Approval-in-Principle

Approval-in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST. The SGX-ST's approval-in-principle is not an indication of the merits of the Rights Issue, the Rights Units, MI-REIT and/or its subsidiaries.

The Manager has provided undertakings to the SGX-ST to:

- (i) make periodic announcements on the specific utilisation of the proceeds from the Rights Issue as and when such proceeds are materially disbursed; and
- (ii) provide a status report on the specific use of the proceeds from the Rights Issue in the annual report of MI-REIT to Unitholders.

Unitholders should note that the Manager will only proceed with the Rights Issue if all of Resolutions 1, 2, 3, 4 and 5 are approved by Unitholders.

7.10 Listing Approval

The details of the conditions imposed by the SGX-ST's in-principal approval of the listing and quotation of the Rights Units are, *inter alia*, as follows:

- (i) compliance with the SGX-ST's listing requirements and guidelines;
- (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.

8. UNITHOLDING STRUCTURE

	Current Unitholdings		Unitholdings After the AMP Capital Investment and Cornerstone Investments		Unitholdings After the Transactions ⁽¹⁾⁽²⁾			
					Assuming only full acceptance of pro-rata Rights Entitlement ⁽¹⁾⁽²⁾		Assuming Sub-Underwriting is Called Upon ⁽²⁾⁽³⁾	
	Units	%	Units	%	Units	%	Units	%
AIMS Financial Group	41,743,094 ⁽⁴⁾	15.7	51,564,523 ⁽⁴⁾⁽⁵⁾	10.6	95,855,802 ⁽⁶⁾	6.5	95,855,802 ⁽⁶⁾	6.5
Others	195,454,000	73.3	195,454,000	40.0	648,276,000	44.2	468,958,648	32.0
AMP Capital ⁽⁷⁾	—	—	78,571,429	16.1	235,714,287	16.1	280,709,985	19.1
Cornerstone Investors⁽⁸⁾								
Stitching Depository APG Tactical Real Estate Pool . . .	—	—	35,714,286	7.3	107,142,858	7.3	178,571,430	12.2
USS	22,000,000	8.3	40,287,166	8.3	120,861,498	8.2	120,861,498	8.2
Hunter Hall Investment Management Limited ⁽⁹⁾	7,188,000	2.7	24,330,857	5.0	72,992,571	5.0	104,439,112	7.1
Indus Asia Pacific Master Fund, Ltd	—	—	23,569,548	4.8	70,708,644	4.8	102,155,185	7.0
Tolaram Corporation Pte Ltd	—	—	14,679,000	3.0	44,037,000	3.0	44,037,000	3.0
Cohen & Steers Asia Limited	—	—	12,142,857	2.5	36,428,571	2.5	36,428,571	2.5
Henderson Global Investors	—	—	11,500,000	2.4	34,500,000	2.4	34,500,000	2.4
	<u>266,385,094</u>	<u>100.0</u>	<u>487,813,666</u>	<u>100.0</u>	<u>1,466,517,231</u>	<u>100.0</u>	<u>1,466,517,231</u>	<u>100.0</u>

Notes:

- (1) Assumes that AMP Capital (through AMPCIL) and the Cornerstone Investors subscribe fully for their pro-rata entitlements under the Rights Issue pursuant to their undertakings.
- (2) Includes 3,076,233 Units assumed to be issued to the Manager at the TERP of S\$0.223 for the AMP Capital Acquisition Fee.
- (3) Assumes that the Cornerstone Investors subscribe fully for their pro-rata entitlements under the Rights Issue, and AMP Capital (through AMPCIL) subscribes for its pro-rata entitlements and the maximum Units under its sub-underwriting arrangement with the Joint Bookrunners and Underwriters.
- (4) AIMS Financial Group has a deemed interest in these Units as follows: (i) 7,786,094 Units held by MCK, (ii) 3,000,000 Units held by MacarthurCook Industrial Property Fund which is listed on the ASX and is managed by MCKFM and (iv) 8,957,000 Units held by MacarthurCook Property Securities Fund which is listed on the ASX and is managed by MCKFM. See **Appendix A** for more details.
- (5) AIMS Financial Group has a deemed interest in the 9,821,429 Units acquired by GWCH as part of the Cornerstone Investments.
- (6) Assumes that MCK, MCKFM and GWCH fully subscribe for their pro-rata entitlements under the Rights Issue pursuant to their undertakings, and that MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund do not subscribe for their pro-rata entitlements under the Rights Issue.
- (7) AMP Capital has a deemed interest in these Units through AMPCIL.
- (8) Excludes GWCH whose unitholding is reflected under the AIMS Financial Group for purposes of this table.
- (9) 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.

9. THE ACQUISITION

9.1 Description of the AMP Capital Properties

9.1.1 23 Tai Seng Drive, Singapore 535224

The property comprises a purpose-built six-storey light industrial building with a basement car park. The building accommodates reception/ancillary office/production areas on the first storey and production areas for clean and light industry uses and ancillary office areas on the upper levels. The building is facilitated with two loading/unloading bays with a raised platform, located at the front section of the building and facing the main entrance to the development. The property has a net lettable area of 8,561.0 sq m.

The property is located within the Tai Seng Industrial Estate at the junction of Tai Seng and Tai Seng Avenue, off Eunos Road to the east or Paya Lebar Road to the West. It is situated some 9 km away from the city centre at Raffles Place, in the north-eastern part of Singapore.

The property is well served by major roads and expressways such as the Paya Lebar Road, Eunos Link and Pan-Island Expressway, which provide efficient links to the city centre, airport and other parts of the island.

The property was acquired by the AMP Capital Business Space REIT Trustee on behalf of AMP Capital Business Space REIT on 18 December 2007 and has since been fully leased to Excalibur Holdings (S) Pte Ltd, which is a member of the Crescendas Group. Excalibur Holdings (S) Pte Ltd has been approved by Jurong Town Corporation (“JTC”) for the business of product/prototype and engineering design.

9.1.2 3 Toh Tuck Link, Singapore 596228

The property comprises a purpose-built part-two/part-five storey warehouse building with ancillary offices. It accommodates high-bay and conventional warehouse areas on the first and third storeys; and ancillary office areas on all levels. The property has a net lettable area of 11,446.0 sq m.

The property is located within the Toh Tuck Industrial Estate and is bounded by Toh Tuck Link, Old Toh Tuck Road and Toh Tuck Avenue. It is situated some 10 km to the west of the city centre at Raffles Place.

The property is well served by major roads and expressways such as Boon Lay Way, Commonwealth Avenue West and the Pan-Island Expressway, which provide efficient links to the city centre, port and other parts of the Island.

The property was acquired by the AMP Capital Business Space REIT Trustee on behalf of AMP Capital Business Space REIT on 1 February 2008 and has since been fully leased to Tavica Logistics Pte Ltd, which is a member of the Crescendas Group. Tavica Logistics Pte Ltd has been approved by JTC for the business of regional districentre and warehouse facilities and, in addition, assembly and repair of computer hardware, audio-visual equipment, and other communication/electronic equipment, apparatus and parts.

9.1.3 56 Serangoon North Avenue 4, Singapore 555851

The property comprises a purpose-built seven-storey light industrial building incorporating warehouse areas on the first storey and factory areas incorporating ancillary office areas on the upper floors. The units generally have regular configurations with direct access to the cargo lift lobbies on the upper floors, leading to the loading/unloading bays on the first storey. The building is facilitated with six loading/unloading bays and two dock levelers at the first storey. The loading/unloading area is located at the front section of the building, near the entrance to the development. The property has a net lettable area of 10,424.0 sq m.

The property is situated within the Serangoon North Industrial Estate, at the end of Serangoon North Avenue 4, off Ang Mo Kio Avenue 5 to the north and Yio Chu Kang Road to the west. It is situated some 12 km away from the city centre at Raffles Place, in the north-eastern part of Singapore.

The property is well served by major roads and expressways such as Yio Chu Kang Road, Ang Mo Kio Avenue 5 and the Central Expressways, which provide efficient links to the city centre, airport and other parts of the Island.

The property was acquired by the AMP Capital Business Space REIT Trustee on behalf of AMP Capital Business Space REIT on 15 January 2008 and has since been fully leased to Crescendas Pte Ltd, which is a member of the Crescendas Group. Crescendas Pte Ltd has been approved by JTC for the business of product/prototype design, industrial and engineering design.

9.1.4 30/32 Tuas West Road, Singapore 638386/638387

The property comprises two detached three-storey industrial buildings with a covered link at the first-storey driveway. No. 30 Tuas West Road is a single-user factory-cum-office building. No. 32 Tuas West Road accommodates warehouse areas/production areas/offices on the first storey and production areas/ancillary office areas on the upper floors. Vertical access within 32 Tuas West Road is facilitated by two cargo lifts and a passenger lift. The property has a net lettable area of 14,081.0 sq m.

The property is located along Tuas West Road, within the Tuas Industrial Estate, off Ayer Rajah Expressway (“**AYE**”). It is situated some 25 km away from the city centre at Raffles Place, in the western part of Singapore.

Accessibility to other parts of Singapore as well as the Second Link to Johor Malaysia, is facilitated by its close proximity to the AYE.

The property was acquired by the AMP Capital Business Space REIT Trustee on behalf of AMP Capital Business Space REIT on 15 January 2008 and has since been fully leased to Tavica Logistics Pte Ltd, which is a member of the Crescendas Group.

(See **Appendix B** of this Circular for further details about the AMP Capital Properties.)

9.2 Issues affecting the AMP Capital Properties

Issue relating to occupancy requirements

In relation to all four AMP Capital Properties, the AMP Capital Business Space REIT Trustee had a leaseback arrangement with its then vendors for various companies designated by the then vendors to lease back each of the AMP Capital Properties as master tenants. In granting its approval for the sale of the AMP Capital Properties by the then vendors to the AMP Capital Business Space REIT Trustee, JTC, as the head lessor of the AMP Capital Properties had imposed a condition requiring each of the master tenants (being companies designated by the then vendors) to occupy for itself and not sublet a specified minimum gross floor area of the AMP Capital Properties for a number of years.

The Manager has been informed by AMP Capital Investors (Singapore) REIT Management Limited, as manager of AMP Capital Business Space REIT (the “**AMP Capital Business Space REIT Manager**”), that the master tenants at each of the AMP Capital Properties may be having difficulty fulfilling this minimum occupancy requirement and is currently in discussion with JTC and the master tenants to resolve the issues.

Issue relating to subletting approvals

Any subletting of the AMP Capital Properties requires JTC and the AMP Capital Business Space REIT Trustee to approve the subletting.

The Manager has been informed by the AMP Capital Business Space REIT Manager that some sublettings at each of the AMP Capital Properties currently do not have JTC’s and the AMP Capital Business Space REIT Trustee’s approval, and that the AMP Capital Business Space REIT Manager is working with the master tenants of each of the AMP Capital Properties to regularise the unauthorised sublettings. Based on data provided by the AMP Capital Business Space REIT Manager to the Manager, the net lettable area occupied by the unauthorised sub-lessees constitute approximately 7% of the aggregate net lettable area of the AMP Capital Properties.

Issue relating to building approvals

The Manager has been informed by the AMP Capital Business Space REIT Manager that a sub-tenant at 23 Tai Seng Drive is currently in the process of making alterations and additions to the floors in the

building which it is occupying. The sub-tenant is responsible for obtaining all necessary approvals in relation to such works and also obtaining the Certificate of Statutory Completion, which it is in the course of doing.

The Manager has been informed by the AMP Capital Business Space REIT Manager that it is working with the master tenant at 23 Tai Seng Drive and the relevant sub-tenant to resolve this issue.

Consequences

To the extent these issues are not addressed prior to completion of the Acquisition, MI-REIT will work with JTC, the relevant master tenants and/or sub-tenants to continue the process of resolution.

If the relevant waivers or approvals cannot be obtained from JTC or any relevant parties or regulatory authorities in respect of the above-mentioned breaches and/or non-compliance, the unauthorised sub-tenancies will be terminated, the relevant master tenants will be required to satisfy the minimum occupancy requirements and the sub-tenant at 23 Tai Seng Drive will be required to rectify the unauthorised alterations and additions. In addition, JTC (as the head lessor of the AMP Capital Properties) is entitled to impose certain fees and/or fines on MI-REIT in respect of the breaches and/or non-compliance for which MI-REIT is entitled to recover from the Master tenants under the relevant master tenancy agreement. Although JTC also has a right of re-entry and termination of the JTC lease in the event that any of the obligations of the lessee are not performed, fulfilled or observed, to the best of the Manager's knowledge, information and belief, it is not aware of JTC having enforced that right of re-entry and termination without first giving the lessee an opportunity to rectify or resolve the breach or non-compliance.

Recourse of MI-REIT

In the event that MI-REIT suffers any loss or damage as a result of the issues described above (including such fees and/or fines that may be imposed by JTC), MI-REIT has recourse to the relevant master tenant under the respective master tenancy agreement. In addition, the Manager has also negotiated with the AMP Capital Business Space REIT Trustee for the provision of the AMP Capital Properties Indemnities (as defined below), and is of the view that the AMP Capital Properties Indemnities are more than adequate to compensate MI-REIT in relation to any loss or damage which it might suffer as a result of the issues affecting the AMP Capital Properties. Therefore, even if the issues described above are unable to be resolved by the completion date for the Acquisition, it is intended that MI-REIT will proceed with the Acquisition notwithstanding.

9.3 Details of the Acquisition

9.3.1 The AMP Capital Put and Call Option Agreements

On 5 November 2009, the Trustee 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"**).

Pursuant to the AMP Capital Put and Call Option Agreements, the Manager (on behalf of the Trustee) and the AMP Capital Business Space REIT Trustee have negotiated in good faith with each other on arms' length commercial terms and have finalised the terms and conditions of:

- (i) the AMP Capital Put and Call Option Agreements and all other agreements or documents required to give effect to the sale and purchase agreements (the **"AMP Capital Sale and Purchase Agreements"**) which will need to be executed to facilitate the completion of the Acquisition; and
- (ii) a disclosure letter in respect of each of the AMP Capital Properties to be executed by the AMP Capital Business Space REIT Trustee in favour of the Trustee.

Each AMP Capital Put and Call Option Agreement must be exercised concurrently and only after each of the Trustee and the AMP Capital Business Space REIT Trustee have issued a notice of fulfilment of the relevant conditions under the AMP Capital Put and Call Option Agreement. The Trustee is in particular required to give written notice to the AMP Capital Business Space REIT Trustee when MI-REIT has obtained Unitholders approval at the EGM for the Acquisition, and such written notice (the **"Unitholders Approval Notice"**) shall be given no later than 5.00 p.m. on the date falling five business days after Unitholders' approval is obtained.

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

(i) Conditions Precedent

The sale and purchase of the AMP Capital Properties is subject to and conditional upon the following:

- (a) the approval by Unitholders given at an extraordinary general meeting for the Acquisition;
- (b) none of the AMP Capital Placement Agreement, the AMP Capital Sub-Underwriting Agreement, the Manager Share Purchase Agreement and the Property Manager Share Purchase Agreement being terminated;
- (c) 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;
- (d) 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;
- (e) Jurong Town Corporation has provided confirmation of the lease tenures of each of the AMP Capital Properties;
- (f) there being no damage to any part of the property or the mechanical and electrical equipment thereon amounting to an aggregate of at least 15% of the purchase price or valuation of the property (whichever is the higher) as assessed by an independent surveyor jointly appointed by the Vendor and the Trustee happening to any of the AMP Capital Properties;
- (g) there being no compulsory acquisition or notice of compulsory acquisition of whole or part of any of the AMP Capital Properties; and
- (h) unless otherwise waived there being no resolution or court order passed for the winding up or appointment of a liquidator, receiver or judicial manager or legal process levied against either party.

(ii) Purchase Consideration

The purchase consideration of each of the AMP Capital Properties shall be paid on Completion.

(iii) Indemnities

The Manager has negotiated with the AMP Capital Business Space REIT Trustee for the provision of indemnities by the AMP Capital Business Space REIT Trustee under the AMP Capital Put and Call Option Agreements in respect of loss or damage suffered as a result of any of the issues affecting the AMP Capital Properties set out in paragraph 9.2 above, with a maximum aggregate claim amount set at S\$21.0 million (the “**AMP Capital Properties Indemnities**”). The Manager is of the view that the AMP Capital Properties Indemnities are more than adequate to compensate MI-REIT in relation to any loss or damage which it might suffer as a result of the issues affecting the AMP Capital Properties.

9.3.3 Cost of the Acquisition

The AMP Capital Total Acquisition Cost is estimated to amount to S\$70.1 million and consists of the following:

(i) AMP Capital Aggregate Purchase Consideration

While the Acquisition would not be considered an interested party transaction under the Property Funds Guidelines, in the interests of good corporate governance and transparency, the Manager is treating the Acquisition as if it were an interested

party transaction (see paragraph 9.4.2 below for more details), which would require two independent valuations to be obtained in relation to each of the AMP Capital Properties. Accordingly, the following table sets out the appraised values of CBRE and C&W and the purchase consideration of each of the AMP Capital Properties:

<u>Property</u>	<u>Appraised Value</u>		<u>Purchase Consideration⁽¹⁾</u>
	<u>By CBRE</u>	<u>By C&W</u>	
	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>
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	<u>18.1</u>	<u>17.5</u>	<u>17.3</u>
Total	<u>70.4</u>	<u>70.3</u>	<u>68.6</u>

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.

(ii) **Other Additional Costs**

The following additional costs are also expected to be incurred by MI-REIT in connection with the Acquisition:

- (a) the AMP Capital Acquisition Fee which amounts to S\$0.7 million. As the Acquisition is being treated as an “interested party transaction” under the Property Funds Guidelines for good corporate governance and transparency, the AMP Capital Acquisition Fee will be paid in the form of Units, which shall not be sold within one year from their date of issuance; and
- (b) estimated professional and other fees and expenses of S\$0.8 million incurred or to be incurred by MI-REIT in connection with the Acquisition.

9.3.4 Method of Financing

The Manager intends to finance the AMP Capital Total Acquisition Cost as follows:

- (i) S\$68.6 million of the AMP Capital Aggregate Purchase Consideration in cash from the proceeds of the Rights Issue;
- (ii) the AMP Capital Acquisition Fee of S\$0.7 million in Units. The AMP Capital Acquisition Fee will be payable as soon as practicable upon Completion; and
- (iii) the estimated professional and other fees and expenses of S\$0.8 million in cash from the proceeds of the Rights Issue.

9.3.5 Completion

In respect of each of the relevant AMP Capital Properties, pursuant to Completion, AMP Capital shall procure the execution and delivery to the Trustee of the certificates of title and instruments of transfer in respect of each of the AMP Capital Properties and other documents delivered pursuant to each of the AMP Capital Put and Call Option Agreements.

Completion is expected to take place on the date of issue of the Rights Units.

9.4 Requirement for Unitholders’ Approval

9.4.1 Major Acquisition

- (i) 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.
- (ii) A proposed acquisition by MI-REIT may fall into any of the categories set out in sub-paragraph 9.4.1. (i) above depending on the size of the relative figures computed on the following bases of comparison:
- (a) the net profits attributable to the assets acquired, compared with MI-REIT's net profits;
 - (b) the aggregate value of the consideration given, compared with MI-REIT's market capitalisation; and
 - (c) the number of Units issued by MI-REIT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving MI-REIT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only the relative figure computed using the base of comparison described in sub-paragraph 9.4.1(ii)(a) exceeds the relevant 20.0% threshold.

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 using the applicable bases of comparison described in sub-paragraphs 9.4.1(ii)(a) to 9.4.1(ii)(b) are set out in the table below.

	<u>Acquisition</u> (S\$ million)	<u>MI-REIT</u> (S\$ million)	<u>Relative Figure</u> (%)
Comparison of:			
FY 2009 Net property income (“NPI”) ⁽¹⁾⁽²⁾	6.1	36.9	16.5
Consideration against market capitalisation ⁽³⁾	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) NPI calculated as Gross Revenue net of property operating expenses for the financial year ended 31 March 2009 (“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.

9.4.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MI-REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MI-REIT's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Paragraph 5 of the Property Funds Guidelines also imposes a requirement for Unitholders' approval for an interested party transaction by MI-REIT whose value exceeds 5.0% of MI-REIT's latest audited NAV.

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.

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.

By approving the Acquisition, Unitholders will be deemed to also have approved the principal terms of the AMP Capital Put and Call Option Agreements (as set out in paragraph 9.3.1) and all documents which are required to be executed by the Parties in order to give effect to the provisions of the AMP Capital Put and Call Option Agreements or in order to facilitate the sale and purchase of the AMP Capital Properties pursuant to the AMP Capital Put and Call Option Agreements.

Details of the interested person transactions which MI-REIT proposes to enter into with AMP Capital and its associates in connection with the Transactions may be found in **Appendix F** of this Circular.

9.5 MCK Services Agreement

The Trustee and the Manager have entered into a services agreement with MCK, pursuant to which MCK would act as an arranger/adviser to MI-REIT in connection with the acquisition of 1A IBP and the Acquisition (the “**MCK Services Agreement**”).

The services provided by MCK as an arranger/advisor in respect of the acquisition of 1A IBP and the Acquisition consist of advising on the acquisitions, including but not limited to advising on the structure of the acquisitions; negotiating with the vendors of 1A IBP and the AMP Capital Properties in relation to the terms and conditions of the acquisition of 1A IBP (including but not limited to the purchase consideration and extending the deadline for completion of such acquisition to 31 December 2009); coordinating due diligence and reviewing due diligence reports on 1A IBP and the AMP Capital Properties; and liaising with the other professional advisers engaged by the Manager and/or the Trustee in relation to the acquisitions.

In consideration of MCK agreeing to carry out the services described above, MI-REIT shall pay MCK a fee of S\$565,000 which is equal to 0.356% of the purchase price of the acquisition of 1A IBP and the AMP Capital Properties. The fee shall be payable to MCK following the completion of the acquisitions of 1A IBP and the Acquisition. Most of the services in relation to the acquisitions were performed outside of Singapore.

In addition, regardless of whether the acquisitions of 1A IBP and the Acquisition proceed, MI-REIT shall reimburse MCK for all its reasonable out-of-pocket expenses relating to its performance of its services under the MCK Services Agreement, including the cost of travel and accommodation (provided that MI-REIT shall only be required to reimburse MCK in respect of such amount of the aggregate expenses above S\$10,000 if the prior written approval of the Manager and the Trustee is obtained in respect of the reimbursement of such amount).

The Manager intends to use part of the proceeds from Equity Fund Raising to meet the payment obligations of MI-REIT under the MCK Services Agreement.

The Manager believes that a separate services agreement with MCK is necessary as MCK has the relevant expertise and relationship to provide the services required by MI-REIT in relation to the acquisition of 1A IBP and the AMP Capital Properties.

In particular, the Manager believes that MCK’s involvement in the respective transactions was important in two key respects. First, MCK negotiated the arrangements documented in the supplemental deed dated 23 September 2009 with Eurochem pursuant to which Eurochem agreed to extend the completion date of the acquisition of the property to 31 December 2009 which affords additional time to MI-REIT to raise funding through the Equity Fund Raising in order to remain a going concern. Secondly, MCK negotiated the terms of the Acquisition, which is an important component of the overall transaction and which, together with the Equity Fund Raising, will result in the key benefits described at Section 3 of the Circular.

The services in respect of the acquisitions were provided mostly in Australia as the relevant personnel of MCK who were involved in the acquisition of 1A IBP, including negotiating the extension of the deadline for the completion of 1A IBP, were based in Australia. In addition, services provided by MCK for the acquisition of the AMP Capital Properties, including negotiations on the acquisition took place in Australia as the decision makers of the vendor are located in Sydney.

Having considered the scope and importance of the services to be provided by MCK and also reviewed available market benchmarks for various types of advisory services provided by interested parties or by third parties, the Audit Committee¹ is of the view that the advisory fee payable to MCK is based on normal commercial terms and on an arm's length basis and would not be prejudicial to the interests of MI-REIT and its minority Unitholders.

In approving the Acquisition, Unitholders are deemed to have approved the payments to MCK pursuant to the MCK Services Agreement as described above. This agreement is, therefore, not subject to Rules 905 and 906 of the Listing Manual (which require MI-REIT to make an announcement or obtain approval of Unitholders depending on the materiality of the interested person transactions) insofar as there are no subsequent changes to the fees charged thereunder which will adversely affect MI-REIT. Future renewal or extension of the MCK Services Agreement will be subject to Rules 905 and 906 of the Listing Manual.

Details of the interested person transactions which MI-REIT has entered into with MCK and its related corporations may be found in **Appendix F** of this Circular.

9.6 Advice of the Independent Financial Adviser

Under Rule 921(4)(b)(ii) of the Listing Manual, an opinion from an independent financial adviser is not required for an interested person transaction if the transaction involves the purchase of real property and if (i) the consideration for the purchase or sale is in cash, (ii) an independent professional valuation has been obtained for the purpose of the purchase of the property and (iii) the valuation of such property is disclosed in the circular. Accordingly, as the consideration for the Acquisition is in cash and independent valuations have been obtained for the Acquisition and are disclosed in the Circular, a letter from an independent financial adviser is strictly not required, notwithstanding that the Acquisition is an interested person transaction.

However, for purposes of good corporate governance and to ensure that there is an independent analysis of the Acquisition, the Manager has appointed an independent financial adviser to review the Acquisition.

Accordingly, the Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the **"IFA"**) to advise the independent directors of the Manager (the **"Independent Directors"**)² in relation to the Acquisition. A copy of the letter from the IFA to the Independent Directors (the **"IFA Letter"**), containing its advice in full, is set out in **Appendix C** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Subject to the assumptions and qualifications set out in the IFA Letter and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA is of the opinion that the Acquisition is on normal commercial terms and will not be prejudicial to MI-REIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the Acquisition to be proposed at the EGM.

9.7 Interests of Directors and Controlling Unitholders

As at 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 a Controlling Unitholder³. 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 is a member) 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.

¹ 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.

² The Independent Directors are Mr Lim How Teck and Mr Tan Kai Seng.

³ Has the meaning ascribed to it in the Listing Manual.

(See **Appendix E** for more information on the interests of the directors of the Manager and Substantial Unitholders in MI-REIT.)

9.8 Directors' 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 and Property Manager Share Acquisition.

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

10. PRO FORMA IMPACT OF THE PROPOSED TRANSACTIONS

The pro forma financial effects of the Transactions presented below are strictly for illustrative purposes only and were prepared based on the MI-REIT FY 2009 Audited Financial Statements (which are not included in this Circular) 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 Statements Announcement"**) (which are also not included in this Circular) 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 (equivalent to S\$7.9 million)¹ 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 Equity Fund Raising, 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 (before deducting the initial deposit of S\$0.2 million). 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.

¹ Based on the exchange rate of S\$1.00 = JPY 63.46

- (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 for FY 2009 (as defined herein) and S\$0.7 million for the six-month period ended 30 September 2009 (“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 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.

10.1 FY 2009

10.1.1 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)¹ of the JPY Term Loan.

Pro Forma DPU and Distribution Yield

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

¹ Based on the exchange rate of S\$1.00 = JPY63.46

Notes:

- (1) Based on the MI-REIT FY 2009 Audited Financial Statements.
- (2) Includes 695,134 Units issued to the Manager 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.
- (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 ⁽¹⁾	90,223 ⁽²⁾	68,600 ⁽³⁾	692,065 ⁽⁴⁾
NPI yield ⁽⁵⁾	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 the appraised values of the Existing Portfolio and the purchase prices of the New Properties.
- (5) Based on NPI divided by appraised value/purchase price.

10.1.2 Pro Forma NAV per Unit

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\$ Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)¹ of the JPY Term Loan.

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

10.2 1H 2010

10.2.1 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

¹ Based on the exchange rate of S\$1.00 = JPY63.46

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)¹ of the JPY Term Loan.

Pro Forma DPU and Distribution Yield

	1H 2010	
	Actual ⁽¹⁾	Pro Forma
Distributable income (S\$'000)	9,188	15,321
Units in issue ('000)	266,385	1,466,445 ⁽²⁾
DPU (cents)	3.45	1.04
Distribution yield (annualised) ⁽³⁾	16.8% ⁽⁴⁾	9.3% ⁽⁵⁾

Notes:

- (1) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.
- (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.
- (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 ⁽¹⁾	90,223 ⁽²⁾	68,600 ⁽³⁾	652,866 ⁽⁴⁾
NPI yield (annualised) ⁽⁵⁾	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 the appraised values of the Existing Portfolio and the purchase prices 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.

10.2.2 Pro Forma NAV per Unit

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)¹ of the JPY Term Loan.

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

¹ 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 or its nominee 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.

10.2.3 Pro Forma Capitalisation

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)¹ of the JPY Term Loan.

	As at 30 September 2009	
	Actual ⁽¹⁾ S\$'000	Pro Forma S\$'000
Short-term debt		
Secured debt ⁽²⁾	225,974	190,758
Unsecured debt	—	—
Total short-term debt	<u>225,974</u>	<u>190,758</u>
Long-term debt		
Secured debt	—	—
Unsecured debt	—	—
Total long-term debt	<u>—</u>	<u>—</u>
Total debt	<u>225,974</u>	<u>190,758</u>
Total Unitholders' funds ⁽³⁾	<u>244,560</u>	<u>452,246</u>
Total Capitalisation	<u><u>470,534</u></u>	<u><u>643,004</u></u>

Notes:

- (1) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.
- (2) Excluding unamortised loan transaction costs.
- (3) 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.

11. FINANCING

11.1 S\$ Refinancing Facility

On 5 November 2009, the Trustee 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, together with the proceeds from the Rights Issue, will be used to partially refinance the existing S\$ Term Loan. The S\$ Refinancing Facility is conditional, amongst others, on the completion of the AMP Capital Investment, the Cornerstone Investments, the acquisition of 1A IBP and the Rights Issue.

The Manager intends to draw down on the S\$ Refinancing Facility after completion of the Rights Issue. The right to draw down the S\$ Refinancing Facility is subject to MI-REIT's Aggregate Leverage being less than 33.0%. The maximum allowable Aggregate Leverage of MI-REIT under the S\$ Refinancing Facility is 38.0%. In addition, the minimum interest cover ratio of MI-REIT during the life of the S\$ Refinancing Facility is 2.5 times.

¹ Based on the exchange rate of S\$1.00 = JPY63.46.

The S\$ Refinancing Facility will bear interest at the relevant Singapore dollar swap offer rate plus (a) a margin of 3.5% where leverage is less than 35.0% or (b) a margin of 4.5% where leverage is equal to or greater than 35.0%. Under the terms of the S\$ Refinancing Facility, the Manager is required to hedge at least 80.0% of the floating rate exposure (which is equivalent to S\$140.0 million). MI-REIT currently has in place an interest rate swap facility for a notional sum of S\$100.0 million and will be entering into additional derivative financial instruments contracts such that it hedges at least 80% of the floating rate exposure. The S\$ Refinancing Facility has a term of three years from the date of first drawdown and will be secured by the Existing Portfolio and 1A IBP.

11.2 JPY Refinancing Facility

The Manager is in advanced negotiations with the Japanese Lenders for a new term loan of JPY1,000.0 million (equivalent to S\$15.8 million¹).

The JPY Refinancing Facility will be used to partially refinance the JPY Term Loan, but is conditional upon, amongst others, JPY500.0 million (equivalent to S\$7.9 million)¹ of the JPY Term Loan being repaid. The Manager intends to draw down on the Bridge Loan to meet this repayment.

The Manager intends to draw down on the JPY Refinancing Facility on or around 18 December 2009.

The JPY Refinancing Facility is expected to have a term of at least two years from the date of the first draw down and will be secured by the property in Japan located at 1-398-11, 13 Yoshinocho, Kita-ku, Saitama City, Tokyo.

The S\$ Refinancing Facility and the JPY Refinancing Facility are conditional upon the recapitalisation of MI-REIT, as described in this Circular.

11.3 Bridge Loan

On 5 November 2009, the Trustee entered into a facility agreement with Standard Chartered Bank, for a bridge loan of S\$39.9 million.

The net proceeds from the Bridge Loan after debt-related costs of S\$0.3 million, will be used as follows: (i) to complete the acquisition of 1A IBP together with the proceeds from the AMP Capital Investment and the Cornerstone Investments and (ii) to repay JPY 500.0 million (equivalent to S\$7.9 million)¹ of the JPY Term Loan. The Bridge Loan is conditional, amongst others, on the completion of the AMP Capital Investment and the Cornerstone Investments.

The Bridge Loan will bear interest at the relevant SOR plus a margin of 1.5%. The Bridge Loan will be due upon completion of the Rights Issue and will be secured, amongst others, by 1A IBP.

12. RECOMMENDATIONS

12.1 On the AMP Capital Investment

Having regard to the rationale for the Transactions set out above, the Independent Directors are of the opinion that the AMP Capital Investment is on normal commercial terms and is not prejudicial to the interests of MI-REIT or its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the resolution relating to the AMP Capital Investment (Resolution 1).

12.2 On the Cornerstone Investments

Having regard to the rationale for the Transactions set out above, the Directors are of the opinion that the Cornerstone Investments is on normal commercial terms and is not prejudicial to the interests of MI-REIT or its minority Unitholders.

Accordingly, the Directors recommend that Unitholders vote in favour of the resolution relating to the Cornerstone Investments (Resolution 2).

¹ Based on an exchange rate of S\$1.00 = JPY63.46.

12.3 On the AIMS Investment (as part of the Cornerstone Investments)

Having regard to the rationale for the Transactions and the AIMS Investment set out above, the Independent Directors are of the opinion that the AIMS Investment is on normal commercial terms and is not prejudicial to the interests of MI-REIT or its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the resolution relating to the AIMS Investment (Resolution 3).

12.4 On the Rights Issue

Having regard to the rationale for the Transactions set out above, the Directors are of the opinion that the Rights Issue is on normal commercial terms and is not prejudicial to the interests of MI-REIT or its minority Unitholders.

Accordingly, the Directors recommend that Unitholders vote at the EGM in favour of the resolution relating to the issue of Rights Units under the Rights Issue (Resolution 4).

12.5 On the Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix C** of this Circular) and the rationale for the Transactions as set out above, the Independent Directors believe that the Acquisition would not be prejudicial to the interests of MI-REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the resolution to approve the Acquisition (Resolution 5).

13. EXTRAORDINARY GENERAL MEETING

The EGM will be held at the Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 at 2.00 p.m. on 23 November 2009 for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages G-1 to G-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about each of these resolutions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his/her name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

14. ABSTENTIONS FROM VOTING

14.1 AMP Capital

Although AMP Capital presently does not have an interest in Units, it may acquire Units prior to the EGM. Accordingly, AMP Capital has undertaken that, in the event that it acquires Units directly and/or indirectly through its subsidiaries prior to the EGM, it will abstain and/or procure that any of its associates abstain, from voting on the resolutions relating to the AMP Capital Investment (Resolution 1) and the Acquisition (Resolution 5).

14.2 AIMS Financial Group

As the AIMS Financial Group (of which MCK is also a member of) currently has an aggregate interest of 15.7% in the total number of outstanding Units and it is a condition of the Manager Share Acquisition and the Property Manager Share Acquisition that the Acquisition is completed, Mr George Wang has undertaken to procure that the entities and companies in the AIMS Financial Group which own Units abstain from voting at the EGM on the AIMS Investment (Resolution 3) and the Acquisition (Resolution 5).

15. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Manager's appointed Unit Registrar's

office at Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street #08-01, Samsung Hub, Singapore 049483, not later than 2.00 p.m. on 21 November 2009, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of one or more of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

17. JOINT BOOKRUNNERS' AND UNDERWRITERS' RESPONSIBILITY STATEMENT

The Joint Bookrunners and Underwriters confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, based on information made available by the Manager, the information about the Cornerstone Investments and the Rights Issue contained in paragraphs 5, 6 and 7 above constitutes true disclosure of all material facts about the Cornerstone Investments and the Rights Issue as at the date of this Circular and that there are no material facts the omission of which would make any statement about the Cornerstone Investments and the Rights Issue contained in the said paragraphs misleading in any material respect as at the date of this Circular.

18. SOLE FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

Standard Chartered Bank, as the Sole Financial Adviser to the Manager for the AMP Capital Investment, confirms that, having made all reasonable enquiries and to the best of its knowledge and belief, based on information made available by the Manager, the information about the AMP Capital Investment contained in paragraph 4 above constitutes true disclosure of all material facts about the AMP Capital Investment as at the date of this Circular and that there are no material facts the omission of which would make any statement about the AMP Capital Investment contained in the said paragraph misleading in any material respect as at the date of this Circular.

19. CONSENTS

Each of the IFA and the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the valuation certificates of the AMP Capital Properties, and all references thereto, in the form and context in which they are included in this Circular.

20. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹ 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;

¹ Prior appointment would be appreciated.

- (v) the MI-REIT 1H 2010 Unaudited Financial Statements Announcement; and
- (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.

Yours faithfully

MacarthurCook Investment Managers (Asia) Limited
(as manager of MacarthurCook Industrial REIT)

Nicholas Paul McGrath
Chief Executive Officer

IMPORTANT NOTICE

The value of Units and the income derived 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. The past performance of MI-REIT is not necessarily indicative of the future performance of MI-REIT.

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.

This Circular 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 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 the Manager's current view of future events. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the issue price range specified in this Circular. The major assumptions are certain expected levels of property Rental Income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of the Circular. The forecast financial performance of MI-REIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Circular for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of MI-REIT.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not an offer of securities for sale in the U.S. The Cornerstone Units, the Rights Units and the Rights Entitlements have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the U.S., and the Cornerstone Units, Rights Units and the Rights Entitlements may not be offered or sold within the U.S. absent registration or an exemption from registration under the Securities Act. Any public offering of securities of MI-REIT in the United States would be made by means of a prospectus that would contain detailed information about the company and its management, as well as financial statements. The Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

Eligible Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or depository agent can only accept their provisional allotments of Rights Units by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS accounts or finance company and/or depository agent to do so on their behalf. Any application made directly by the above-mentioned Unitholders to the CDP or through ATMs will be rejected. Such Unitholders should refer to the Offer Information Statement for important details relating to the offer procedure in connection with the Rights Issue.

Unitholders holding Units through a finance company or depository agent may only subscribe for the Rights Entitlements through their respective finance company or depository agent.

Subscription for the Rights Entitlements arising from Units acquired under the CPFIS-OA, where the Rights Entitlements are of a type included under the CPFIS-OA, can only be made using CPF funds. In the event of insufficient CPF funds or stock limit, Unitholders should top-up their CPF funds with the relevant bank in which they hold their CPFIS accounts to ensure that they may subscribe for their Rights Entitlements.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

1H 2010	: The six-month period ended 30 September 2009
3 Toh Tuck Link	: The property located at 3 Toh Tuck Link, Singapore 596228
23 Tai Seng Drive	: The property located at 23 Tai Seng Drive, Singapore 535224
30/32 Tuas West Road	: The property located at 30/32 Tuas West Road, Singapore 638386/638387
56 Serangoon North Avenue 4	: The property located at 56 Serangoon North Avenue 4, Singapore 555851
Acceptance Notice	: The written notice of acceptance to be given by the Trustee to the AMP Capital Business Space REIT Trustee if the Trustee wishes to purchase the Property at the price and on the terms specified in the DBIT Notice
Acquisition	: The proposed acquisition of the AMP Capital Properties by MI-REIT
Aggregate Leverage	: The ratio of the total borrowings and deferred payments (if any) to the value of the gross assets of MI-REIT, including all its authorised investments held or deemed to be held under the Trust Deed Deposited Property
AIMS Financial Group	: The entities and companies controlled directly or indirectly by Mr George Wang, including GWCH and MCK
AIMS Financial Group Pro Rata Undertaking	: The irrevocable undertaking dated 5 November 2009 given by Mr George Wang to the Manager and the Joint Bookrunners and Underwriters in connection with the Rights Issue, as described in paragraph 7.5.3 of the Letter to Unitholders
AIMS Investment	: The proposed issuance of 9,821,429 Cornerstone Investment Units to GWCH as part of the Cornerstone Investments
AIMS Lock-up Restrictions	: The lock-up restrictions that GWCH and Mr George Wang have undertaken to the Joint Bookrunners and Underwriters, as described in paragraph 7.7 of the Letter to Unitholders
AIMS Moratorium Units	: Units held directly or indirectly by GWCH and/or Mr George Wang (other than those Units held by MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund) as at 5 November 2009, the AIMS Proportionate Rights Units and any other Rights Units subscribed for pursuant to the AIMS Sub-Underwriting Commitment
AIMS Proportionate Rights Units	: 41,215,046 Rights Units being the Rights Units represented by the Rights Entitlements of all the members of the AIMS Financial Group (other than those of MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund which are listed funds managed by MCKFM)
AIMS Sub-Underwritten Commitment	: The sub-underwriting commitment provided by GWCH to the Joint Bookrunners and Underwriters, pursuant to which GWCH has agreed (directly or indirectly) to sub-underwrite the AIMS Proportionate Rights Units
AMP	: AMP Limited
AMP Capital	: AMP Capital Holdings Limited

AMP Capital Acquisition Fee	: The acquisition fee which the Manager will be entitled under Clause 14.2.1(i) of the Trust Deed to receive from MI-REIT upon completion of the Acquisition
AMP Capital Aggregate Purchase Consideration	: The purchase consideration of S\$68.6 million for the AMP Capital Properties
AMP Capital Business Space REIT Trustee	: DB International Trust (Singapore) Limited, as trustee of AMP Capital Business Space REIT
AMP Capital Business Space REIT Manager	: AMP Capital Investors (Singapore) REIT Management Limited, as manager of AMP Capital Business Space REIT
AMP Capital Commitment Fees	: The fee payable by the Joint Bookrunners and Underwriters to AMPCIL pursuant to the AMP Capital Sub-Underwriting Agreement which is a fee of 2.0% of the Rights Issue Price multiplied by the number of AMP Capital Proportionate Rights Units
AMP Capital Investment	: The proposed issuance of 78,571,429 new Units to AMPCIL
AMP Capital Investment Units	: The 78,571,429 new Units to be issued pursuant to the AMP Capital Investment
AMP Capital Investors	: AMP Capital Investors International Holdings Limited
AMP Capital Placement Agreement	: The placement agreement dated 5 November 2009 entered into between AMPCIL and the Manager in respect of AMP Capital Investment
AMP Capital Properties	: 23 Tai Seng Drive, 3 Toh Tuck Link, 56 Serangoon North Avenue 4 and 30/32 Tuas West Road
AMP Capital Properties Indemnities	: The indemnities provided by the AMP Capital Business Space REIT Trustee under each of the AMP Capital Put and Call Option Agreements in respect of loss or damage suffered as a result of any of the issues affecting the AMP Capital Properties set out in paragraph 9.2 of the Letter to Unitholders, with a maximum aggregate claim amount set at S\$20.1 million or 30.0% of the aggregate purchase consideration of S\$68.6 million for the AMP Capital Properties
AMP Capital Proportionate Rights Units	: 157,142,858 Rights Units being the Rights Units represented by the Rights Entitlements of AMPCIL
AMP Capital Pro Rata Undertaking	: The irrevocable undertaking dated 5 November 2009 given by AMPCIL to the Manager and the Joint Bookrunners and Underwriters in connection with the Rights Issue, as described in paragraph 7.5.2 of the Letter to Unitholders
AMP Capital Put and Call Option Agreements	: The four put and call option agreements in respect of the AMP Capital Properties between the Trustee and the AMP Capital Business Space REIT Trustee each entered into on 5 November 2009
AMP Capital Sub-Underwriting Agreement	: The sub-underwriting agreement dated 5 November 2009 entered into between AMPCIL and the Joint Bookrunners and Underwriters
AMP Capital Sub-Underwritten Rights Units	: 202,138,556 Rights Units, including the AMP Capital Proportionate Rights Units
AMP Capital Total Acquisition Cost	: The total cost of the Acquisition, inclusive of the AMP Capital Aggregate Purchase Consideration, the AMP Capital Acquisition Fee, as well as the professional and other fees and expenses to be incurred in connection with the Acquisition, which is estimated to amount to S\$70.1 million

AMPCIL	: AMP Capital Investors (Luxembourg) No. 4 s.a.r.l.
APG Real Estate Mutual Fund	: Stichting Depository APG Tactical Real Estate Pool
Authorised Investments	: Refers to, in general (i) real estate, whether freehold or leasehold, in or outside Singapore, held singly or jointly, and/or by way of direct ownership or by a shareholding in a special purpose vehicle; (ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon; (iii) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded; (iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the MAS) unlisted shares or stock of or issued by local or foreign non-property companies or corporations; (v) Government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board; (vi) cash and cash equivalent items; (vii) financial derivatives only for the purposes of (a) hedging existing positions in MI-REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, provided that such derivatives are not used to gear the overall portfolio of MI-REIT or intended to be borrowings of the MI-REIT; and (viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Guidelines and selected by the Manager for investment by MI-REIT and approved by the Trustee in writing
Audit Committee	: Mr Lim How Teck, Mr Tan Kai Seng and Mr Mark Thorpe-Apps
Bridge Loan	: The S\$39.9 million loan facility granted to MI-REIT by Standard Chartered Bank
CBA	: Commonwealth Bank of Australia
CBRE	: CB Richard Ellis (Pte) Ltd.
CDP	: The Central Depository (Pte) Limited
Circular	: This circular to Unitholders dated 6 November 2009
Clean Closing Price	: The Closing Price as adjusted for the distribution for the quarter ended 30 September 2009 and the Special Distribution
Closing Price	: The closing price of S\$0.410 per Unit on 5 November 2009, being the last trading day of the Units prior to the announcement of the Rights Issue
Cohen & Steers	: Cohen & Steers Asia Limited
Code	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
Completion	: The completion of (i) the issue of the Rights Units, (ii) the Acquisition (iii) the Manager Share Acquisition and (iv) the Property Manager Share Acquisition
Cornerstone Investments	: The proposed issuance of 142,857,143 Cornerstone Units to the Cornerstone Investors
Cornerstone Investment Units	: The 142,857,143 new Units to be issued pursuant to the Cornerstone Investments
Cornerstone Investors	: APG Real Estate Mutual Fund, Indus Asia Pacific Master Fund Ltd., USS, Hunter Hall, Tolaram Corporation Pte Ltd, Cohen & Steers

	Asia Limited, Henderson Global Investors (Singapore) Limited and GWCH
Cornerstone Investors Sub-Underwritten Units	: 192,697,654 Rights Units
C&W	: Cushman & Wakefield VHS Pte Ltd
CPF	: Central Provident Fund
CPFIS	: Central Provident Fund Investment Scheme
Crescendas Group	: Comprising Crescendas Pte Ltd, Excalibur Holdings (S) Pte Ltd and Tavica Logistics Pte Ltd, each of which is related to the shareholders of Crescendas Pte Ltd
DBIT Notice	: The written notice to be given by the AMP Capital Business Space REIT Trustee to the Trustee if the AMP Capital Business Space REIT Trustee proposes to sell its interest in the Property during the ROFR Period, specifying the price and terms on which the Property is to be sold
Directors	: The directors of the Manager
DPU	: Distribution Per Unit
Deposited Property	: 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 the Trust Deed
EGM	: The extraordinary general meeting of Unitholders to be held on Monday, 23 November 2009 at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, to approve the matters set out in the Notice of Extraordinary General Meeting on pages G-1 to G-3 of this Circular
Eligible Unitholders	: Unitholders with Units standing to the credit of their 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 three 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 the Manager, on behalf of MI-REIT, and the Joint Bookrunners and Underwriters agree may be offered Rights Units without breaching applicable securities laws
Enlarged Portfolio	: Consisting of the Existing Portfolio, the AMP Capital Properties and 1A IBP
Equity Fund Raising	: The equity fund raising exercise comprising the AMP Capital Investment, the Cornerstone Investments and the Rights Issue
Eurochem	: Eurochem Corporation Pte. Ltd.
Excess Rights Units	: The Rights Units represented by the fractional Rights Entitlements disregarded under the terms of the Rights Issue and the Rights Entitlements (i) of Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) which would otherwise have been allotted to Ineligible Unitholders
Existing Portfolio	: 8 & 10 Pandan Crescent, 10 Changi South Lane, 11 Changi South Street 3, 23 Changi South Avenue 2, 61 Yishun Industrial Park A,

	103 Defu Lane 10, 7 Clementi Loop, 31 Admiralty Road, 15 Tai Seng Drive, 1 Bukit Batok Street 22, 20 Gul Way, 3 Tuas Avenue 2, 8 & 10 Tuas Avenue 20, 8 Senoko South Road, 10 Soon Lee Road, 26 Tuas Avenue 7, 1 Kallang Way 2A, 135 Joo Seng Road, 541 Yishun Industrial Park A, 2 Ang Mo Kio Street 65, 1-398-11, 13 Yoshinocho, Kita-Ku, Saitama City, Tokyo
Existing Units	: The Units in issue prior to the date of issue of the AMP Capital Investment Units and Cornerstone Units
FY 2009	: The financial year ended 31 March 2009
FRS	: Financial Reporting Standards
Gross Revenue	: Comprises (i) Rental Income (ii) service charge, and (iii) reimbursements which are the contributions paid by tenant(s) towards covering the operating maintenance expenses of the properties of MI-REIT and licence fees (where applicable) and (iv) other property income
Group	: MI-REIT and its subsidiaries
GWCH	: Great World Capital Holdings Ltd
Hunter Hall	: Hunter Hall Investment Management Limited
IBP Put and Call Option Agreement	: The put and call option agreement in respect of 1A IBP between Eurochem and the Trustee entered into on 25 August 2007
IFA	: Deloitte & Touche Corporate Finance Pte. Ltd.
IFA Letter	: The letter from the IFA to the Independent Directors containing its advice
Independent Valuers	: CBRE and C&W
Ineligible Unitholders	: Unitholders other than Eligible Unitholders
Investment Unit Issue Price	: S\$0.280
Japanese Lenders	: Resona Bank Ltd. and Shutoken Leasing Co. Ltd.
JPY Refinancing Facility	: The new term loan of JPY1,000.0 million (S\$15.8 million) currently being negotiated with the Japanese Lenders
JPY Term Loan	: The JPY 1,500.0 million (S\$23.7 million) term loan facility granted to MI-REIT by the Japanese Lenders
JTC	: Jurong Town Corporation
Latest Practicable Date	: 29 October 2009, being the latest practicable date prior to the printing of this Circular
Joint Bookrunners and Underwriters	: Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company), Macquarie Capital Securities (Singapore) Pte. Limited and National Australia Bank Limited
Listing	: The date on which MI-REIT was listed on the Main Board of the SGX-ST, being 19 April 2007
Listing Manual	: The Listing Manual of the SGX-ST
Lock-up Restrictions	: The lock-up restrictions that AMPCIL and AMP have each undertaken to the Joint Bookrunners and Underwriters, as described in paragraph 7.6 of the Letter to Unitholders
Manager	: MacarthurCook Investment Managers (Asia) Limited, as manager of MI-REIT
Manager Share Acquisition	: The acquisition by AMP Capital Investors of 50.0% of the issued share capital in the Manager from MCK

Manager Share Purchase Agreement	: The share purchase agreement dated 5 November 2009 between AMP Capital Investors and MCK for the Manager Share Acquisition
Market Day	: A day on which the SGX-ST is open for trading in securities
MAS	: Monetary Authority of Singapore
MCK	: MacarthurCook Limited a member of the AIMS Financial Group
MCKFM	: MacarthurCook Fund Management Limited
MCK Services Agreement	: The services agreement entered into between the Trustee, the Manager and MCK, pursuant to which MCK will act as an arranger/adviser to MI-REIT in connection with the acquisition of 1A IBP and the Acquisition
MI-REIT	: MacarthurCook Industrial REIT, a unit trust constituted in the Republic of Singapore pursuant to a trust deed dated 5 December 2006 (as amended)
MI-REIT FY 2009 Audited Financial Statements	: The audited historical consolidated financial statements of the Group for the financial year ended 31 March 2009
MI-REIT 1H 2010 Unaudited Financial Statements Announcement	: The unaudited historical consolidated financial statements of the Group for the six-month period ended 30 September 2009
Moratorium Period	: The period from the date of issue of the AMP Capital Investment Units until the date falling 180 days from the date the Rights Units are listed on the SGX-ST, during which the Lock-up Restrictions apply
Moratorium Units	: Units held by AMPCIL as at date of issue of the AMP Capital Investment Units and any Rights Units subscribed for directly or indirectly by AMPCIL and AMP in the Rights Issue
NAB	: National Australia Bank
NAV	: Net asset value
New Properties	: The AMP Capital Properties and 1A IBP
NLA	: Net lettable area
NPI	: Net property income
NTA	: Net tangible assets
Offer Information Statement	: The offer information statement to be lodged with the MAS in connection with the Rights Issue
Ordinary Resolution	: A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
1A IBP	: The property located at 1A International Business Park Singapore 609933 (previously known as Private Lot A2339601 at Plot 4A in International Business Park, Singapore)
Property	: The property comprised in Lot 8136W of Mukim 5 and known as 27 Penjuru Lane Singapore 609195
Property Funds Guidelines	: The Property Funds Guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the MAS
Property Manager	: MacarthurCook Property Management Pte Limited
Property Manager Share Acquisition	: The acquisition by AMP Capital Investors of 50.0% of the issued share capital in the Manager from MCK

Property Manager Share Purchase Agreement	: The share purchase agreement dated 5 November 2009 between AMP Capital Investors and MCK for the Property Manager Share Acquisition
REITs	: Real estate investment trusts
Rental Income	: Refers to net rental income, after rent rebates and provisions for rent free periods
Rights Entitlements	: The provisional allotments of Rights Units to Eligible Unitholders on a “nil-paid” basis under the Rights Issue
Rights Issue	: The proposed issue of new Units on a renounceable and underwritten basis to Eligible Unitholders
Rights Issue Announcement	: The announcement in connection with the Rights Issue
Rights Issue and Special Distribution Books Closure Date	: The time and date on which the Transfer Books and Register of Unitholders will be closed to determine (i) the Rights Entitlements of Eligible Unitholders under the Rights Issue and (ii) the eligibility of Unitholders to receive the Special Distribution
Rights Issue Price	: S\$0.159 being the issue price per Rights Unit
Rights Ratio	: The rights ratio of 2 Rights Units for every 1 Unit standing to the credit of an Eligible Unitholders’ Securities Account as at the Rights Issue and Special Distribution Books Closure Date
Rights Units	: The new Units proposed to be issued by way of the Rights Issue
ROFR	: Right of first refusal
ROFR Agreement	: The right of first refusal agreement made between the AMP Capital Business Space REIT Trustee and the Trustee dated 5 November 2009
ROFR Period	<p>The period for which the ROFR has been granted for, commencing from the date of completion of the AMP Capital Properties until the earlier of:</p> <p>(i) 31 December 2010; or</p> <p>(ii) the date when AMPCIL ceases to hold shares representing at least 50% of the total issued share capital of the Manager.</p>
Sale and Purchase Agreement	: The sale and purchase agreement to be entered into between the Trustee and the AMP Capital Business Space REIT Trustee pursuant to the AMP Capital Put and Call Option Agreement
SEC	: The U.S. Securities and Exchange Commission
Securities Act	: U.S. Securities Act of 1933, as amended
SFA	: Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	: Singapore Exchange Securities Trading Limited
Special Distribution	: 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
SRS	: Supplementary Retirement Scheme
Substantial Unitholder	: A person with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Transactions	: The AMP Capital Investment, the Cornerstone Investments, the Rights Issue and the Acquisition

TERP	: The theoretical ex-rights price which is calculated as follows: $\text{TERP} = \frac{\text{Market capitalisation of MI-REIT based on the Closing Price} + \text{Gross proceeds from (i) the Rights Issue, (ii) the AMP Capital Investment and (iii) the Cornerstone Investments}}{\text{Units outstanding after the Rights Issue}}$
Trust Deed	: The trust deed dated 5 December 2006 between the Manager and MacarthurCook Property Investment Pte. Ltd., as trustee of MI-REIT, constituting MI-REIT, as amended and/or supplemented by a supplemental deed of appointment and retirement of trustee dated 8 March 2007 (under which HSBC Institutional Trust Services (Singapore) Limited replaced MacarthurCook Property Investment Pte. Ltd. as trustee of MI-REIT) and a first amending and restating deed dated 8 March 2007
Trustee	: HSBC Institutional Trust Services (Singapore) Limited, as trustee of MI-REIT
Underwriting Agreement	: The management and underwriting agreement entered into between the Manager and the Joint Bookrunners and Underwriters on 5 November 2009
Unit	: A unit representing an undivided interest in MI-REIT
Unitholder	: A Depositor whose securities account with CDP is credited with Unit(s)
USS	: Universities Superannuation Scheme Ltd.
U.S	: United States of America
VWAP	: Volume-weighted average price
S\$ and cents	: Singapore dollars and cents
S\$ Refinancing Facility	: The S\$175.0 million term loan facility granted to MI-REIT by Standard Chartered Bank, CBA and NAB pursuant to a facility agreement dated 5 November 2009
S\$ Term Loan	: The S\$202.3 million term loan facility granted to MI-REIT by CBA and NAB which is due on 31 December 2009
%	: Per centum or percentage

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The exchange rates used in this Circular are for reference only. No representation is made that any amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

(This page intentionally left blank)

AIMS FINANCIAL GROUP AND AMP CAPITAL

1. AIMS Financial Group

Established in 1991 by its founder, Mr George Wang, AIMS Financial Group is an Australian diversified non-bank financial services and investment group which has a solid track record in the Australian mortgage and securitization markets. Since establishment, AIMS Financial Group has also expanded to become an international financial group focusing on lending, securitization, real estate investment, private equity, investment banking, funds management, securities exchange ownership and e-commerce across the Asia Pacific region.

In the eight years to 2007, the AIMS Financial Group has raised directly and indirectly close A\$3 billion in funds from the capital markets, with most of the residential mortgage-backed securities rated AAA by both Standard & Poors and Fitch Ratings.

The AIMS Financial Group has originated over A\$5 billion of high quality, prime home loans since 1997.

In the real estate funds management area, certain members of the AIMS Financial Group are Australian Financial Service License holders for securitization trust management, real estate funds management and mortgage funds management granted by the Australian Securities and Investments Commission.

The AIMS Financial Group has been very active in introducing international investors into the Australian real estate market, the AIMS Financial Group has attracted over \$1 billion of investment from its international clients to invest in Australian direct property.

Recent acquisitions have added to AIMS Financial Group's synergy and enhanced the vertical integration of AIMS Financial Group's real estate, funds management and capital market businesses. These include the acquisitions of Asia Pacific Exchange Limited, one of Australia's three licensed securities exchanges in 2008, and MacarthurCook Limited in 2009.

The winner of over 30 Australian Financial Services Industry awards, AIMS Financial Group is head quartered in Sydney, Australia, with offices across Australia, China and Singapore, and representations in Hong Kong, AIMS Financial Group has a strong physical presence in the Asia Pacific region.

Together with its highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group is in a very strong position to bridging the gap between Australia and China in various markets, especially in properties, resources, fund management, high-tech, banking and financial services.

GWCH, which was incorporated in the British Virgin Islands and is directly wholly-owned by Mr George Wang, is a member of the AIMS Financial Group.

2. AMP Capital

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. 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.

With established operations in Australia, New Zealand, China, India, Japan, Singapore and the United Kingdom, AMP Capital has almost 240 in-house investment professionals, around 1,000 staff globally and a carefully selected network of regional investment partners who can source competitive international investment opportunities catering for the varying needs of its clients.

AMP Capital expanded its Singapore office in 2006 and is committed to building its investment business in Asia. As AMP Capital's Asian regional hub, the Singapore team specialises in Asian real estate, equities and distribution.

AMP is one of Australia's largest retail and corporate pension providers, and one of the region's most significant investment managers with over A\$104 billion in assets under management as at 30 June 2009. AMP was established in 1849 as a mutual company and listed on the Australian and New Zealand stock exchanges in 1998. AMP has more than 3.4 million customers and over 3,600 employees. It has one of Australia's largest shareholder registers, with approximately 820,000 shareholders. One in six Australian adults is an AMP customer.

**THE AMP CAPITAL PROPERTIES, 1A INTERNATIONAL BUSINESS PARK, THE
EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO**

THE AMP CAPITAL PROPERTIES

1. Description of the AMP Capital Properties

1.1 23 Tai Seng Drive, Singapore 535224

The property comprises a purpose-built six-storey light industrial building with a basement car park. The building accommodates reception / ancillary office / production areas on the first storey and production areas for clean and light industry uses and ancillary office areas on the upper levels. The building is facilitated with two loading/unloading bays with a raised platform, located at the front section of the building and facing the main entrance to the development.

The property is located at the junction of Tai Seng and Tai Seng Avenue, off Eunos Road to the east or Paya Lebar Road to the west. It is situated some nine km away from the city centre at Raffles Place, in the north-eastern part of Singapore.

The property is located within the heart of the Tai Seng Industrial Estate in the north-eastern part of Singapore. Developments in the immediate vicinity are predominantly industrial in nature, comprising other light industrial buildings such as Global Switch Building, Axis Industrial Building, Da Vinci Building, Geo-Tele Centre, Starhub Building, Luxasia Building and Datapulse Building, amongst others. Some of these buildings presently cater to high-tech industrial uses or data centre uses. Other industrial estates nearby include Kaki Bukit Industrial Estate, Defu Industrial Estate and Kampong Ubi Industrial Estate which are located further east, north and south respectively.

To the north and south-east directions are the Housing and Development (“HDB”) Hougang and Bedok Reservoir residential estates which provide a wide variety of dwelling facilities, local shopping and eating establishments.

The property is located within easy access to public transportation plying along the nearby Airport Road, Hougang Avenue 3 and Eunos Link. 23 Tai Seng Drive is within close proximity to the upcoming Tai Seng MRT station on the new Circle Line which is expected to be operational by year 2010.

The property is well served by major roads and expressways such as the Paya Lebar Road, Eunos Link and Pan-Island Expressway, which provide efficient links to the city centre, airport and other parts of the island.

23 Tai Seng Drive may be utilised for a range of clean, light and general industrial uses, warehouse, public utilities and telecommunication uses and other public installations¹ in accordance with the guidelines pertaining to “Business 2” space under the Master Plan 2008 Written Statement published by the Urban Redevelopment Authority.

¹ Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the competent authority.

The table below sets out a summary of selected information on 23 Tai Seng Drive.

Property Description

Ownership interest	100.0%
Title	JTC leasehold estate for a term of 30 years plus 30 years commencing from 1 August 1990.
Land area	3,813.6 sq m
Gross floor area	9,493.1 sq m
NLA	8,561.0 sq m
Master Plan Zoning (2008 Edition)	Business 2
Plot Ratio	2.5

Lease Terms

Name of tenant	Excalibur Holdings (S) Pte Ltd, a member of the Crescendas Group
Lease term.	5 years commencing 18 December 2007
Rental per annum as at lease commencement date	S\$1.4 million per annum
Rental escalation	3.0% increase at the commencement of years 3 and 5
Security deposit	12 months rent in years 1 and 2 and the first half of year 3, and 6 months rent in the second half of year 3, and years 4 and 5
Other lease conditions	The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property and lease management fees to the Property Manager.
Occupancy.	100.0%

Independent Valuations

Independent valuers	CBRE	C&W
Independent valuation	S\$18.8 million	S\$16.4 million
Valuation date	30 September 2009	30 September 2009
Purchase Price	S\$17.2 million	
Initial Yield	8.2% ⁽¹⁾	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

1.2 3 Toh Tuck Link, Singapore 596228

The property comprises a purpose-built part two/part five storey warehouse building with ancillary offices. It accommodates high-bay and conventional warehouse areas on the first and third storeys; and ancillary office areas on all levels. Some of the warehouse areas on the third storey and part of the first storey are also air-conditioned.

The units generally have regular configurations with easy access to the lift lobbies or loading/unloading bays except for the third storey high bay warehouse, which is served by goods lifters and conveyer belt systems. The building has a total of seven loading/unloading bays located at the first storey of the building and fitted with a dock leveler each. These face the main entrance gates of the development, facilitating easy vehicular access.

The property is located within the Toh Tuck Industrial Estate and is bounded by Toh Tuck Link, Old Toh Tuck Road and Toh Tuck Avenue. It is situated some 10 km to the west of the city centre at Raffles Place.

Developments in the immediate vicinity are primarily industrial in nature, comprising both factory and warehouse developments such as buildings occupied by Trans-Link Logistics Centre, Popular Holdings, Sembawang Kimtrans Logistics Centre as well as numerous other industrial buildings along Toh Guan Road East. Other major industrial buildings further away include Trade Hub 21 and Cougar Building, both

fronting Boon Lay Way. Prominent landmarks in the area include the Ulu Pandan Refuse Incineration Plant and the Ulu Pandan SMRT Trains Depot. The International Business Park is located a short drive away, next to the Jurong East Regional Centre.

To the north and south-east are the Housing and Development Board (HDB) Bukit Batok and Clementi residential estates which provide a wide variety of dwelling facilities, recreational, shopping and eating establishments.

The property is located within easy access to public transportation plying along Toh Tuck Avenue and the nearby Boon Lay Way. The nearest MRT stations are the Jurong East and Clementi MRT Stations, located some 10 minutes drive away.

The property is well served by major roads and expressways such as Boon Lay Way, Commonwealth Avenue West and the Pan-Island Expressway, which provide efficient links to the city centre, port and other parts of the Island.

3 Toh Tuck Link may be utilised for clean and light industrial uses, warehousing, public utilities, telecommunication uses and other public installations¹ in accordance with the guidelines pertaining to “Business 1” space under the Master Plan 2008 Written Statement published by the Urban Redevelopment Authority.

The table below sets out a summary of selected information on 3 Toh Tuck Link.

Property Description

Ownership interest	100.0%
Title	JTC leasehold estate of 30 years plus 30 years commencing from 16 November 1996
Land area	10,724.4 sq m
Gross floor area	12,492.4 sq m
NLA	11,446.0 sq m
Master Plan Zoning (2008 Edition)	Business 1
Plot Ratio	1.6

Lease Terms

Name of tenant	Tavica Logistics Pte Ltd, a member of the Crescendas Group
Lease term	4 years commencing 1 February 2008
Rental per annum as at lease commencement date	S\$1.9 million per annum
Rental escalation	3.0% increase at the commencement of year 3
Security deposit	12 months rent in years 1 and 2 and 6 months rent in years 3 and 4
Other lease conditions	The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property and lease management fees to the Property Manager.
Occupancy	100.0%

Independent Valuations

Independent valuers	CBRE	C&W
Independent valuation	S\$17.8 million	S\$21.7 million
Valuation date	30 September 2009	30 September 2009
Purchase price	S\$19.3 million	
Initial yield	9.6% ⁽¹⁾	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

¹ For which the relevant authority does not impose a nuisance buffer greater than 50 metres.

1.3 56 Serangoon North Avenue 4, Singapore 555851

The property comprises a purpose-built seven-storey light industrial building incorporating warehouse areas on the first storey and factory areas incorporating ancillary office areas on the upper floors. The units generally have regular configurations with direct access to the cargo lift lobbies on the upper floors, leading to the loading/unloading bays on the first storey. The building is facilitated with six loading/unloading bays and two dock levelers at the 1st storey. The loading/unloading area is located at the front section of the building, near the entrance to the development.

The property is situated within the Serangoon North Industrial Estate, at the end of Serangoon North Avenue 4, off Ang Mo Kio Avenue 5 to the north and Yio Chu Kang Road to the west. It is situated some 12 km away from the city centre at Raffles Place, in the north-eastern part of Singapore.

Surrounding developments are industrial and residential in nature. Industrial developments in the vicinity comprise both conventional factories and high-tech industrial developments such as Northstar@AMK, Autron Building, First Centre, Cyberhub North, Ban Teck Han Building, Seagate Building, Ang Mo Kio Tech I and II and Ang Mo Kio Tech Link, amongst others.

To the south and west are the Housing and Development Board's (HDB) Serangoon North and Hougang residential estates and private residential estates that consist of a wide variety of public housing and private condominiums, local shopping and eating establishments.

The property is located within easy access to public transportation plying along the nearby Yio Chu Kang Road and Ang Mo Kio Avenue 5. The nearest MRT stations are the Kovan and Hougang MRT Stations which are located nearby.

The property is well served by major roads and expressways such as Yio Chu Kang Road, Ang Mo Kio Avenue 5 and the Central Expressways, which provide efficient links to the city centre, airport and other parts of the Island.

56 Serangoon North Avenue 4 may be utilised for clean and light industrial uses, warehousing, public utilities, telecommunication uses and other public installations¹ in accordance with the guidelines pertaining to "Business 1" space under the Master Plan 2008 Written Statement published by the Urban Redevelopment Authority.

The table below sets out a summary of selected information on 56 Serangoon North Avenue 4.

Property Description

Ownership interest	100.0%
Title	JTC leasehold estate for a term of 30 years plus 30 years commencing from 16 May 1995.
Land area	4,999.1 sq m
Gross floor area	11,751.0 sq m
NLA	10,424.0 sq m
Master Plan Zoning (2008 Edition). .	Business 1
Plot Ratio	2.5

¹ For which the relevant authority does not impose a nuisance buffer greater than 50 metres.

Lease Terms

Name of tenant	Crescendas Pte Ltd, a member of the Crescendas Group
Lease term.	5 years commencing 15 January 2008
Rental per annum as at lease commencement date. .	S\$1.4 million per annum
Rental escalation	3.0% increase at commencement of years 3 and 5
Security deposit	12 months rent in years 1, 2 and first-half of year 3 and 6 months rent in second-half of year 3, years 4 and 5
Other lease conditions	The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property and lease management fees to the Property Manager.
Occupancy.	100.0%

Independent Valuations

Independent valuers	CBRE	C&W
Independent valuation	S\$15.7 million	S\$14.7 million
Valuation date.	30 September 2009	30 September 2009
Purchase price	S\$14.8 million	
Initial yield.	9.1% ⁽¹⁾	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

1.4 30/32 Tuas West Road, Singapore 638386/638387

The property comprises two detached three-storey industrial buildings with a covered link at the first storey driveway. No. 30 Tuas West Road is a single-user factory-cum-office building. No. 32 Tuas West Road accommodates warehouse areas/production areas/offices on the first storey and production areas/ancillary office areas on the upper floors. Vertical access within 32 Tuas West Road is facilitated by two cargo lifts and a passenger lift.

The property is located along Tuas West Road, within the Tuas Industrial Estate, off Ayer Rajah Expressway. It is situated some 25 km away from the city centre at Raffles Place, in the western part of Singapore.

The immediate locality of the property is mainly industrial in nature comprising mainly JTC detached/terrace factories. Prominent industrial buildings in the vicinity include Asia Pacific Breweries, Fraser & Neave, Aalst Chocolate Building and Eco Resource Recovery Complex, amongst others. In addition, Raffles Country Club, Raffles Marina and Tuas Checkpoint Complex are located within the vicinity of the property.

Accessibility to other parts of Singapore as well as the Second Link to Johor Malaysia, is facilitated by its close proximity to the Ayer Rajah Expressway (AYE).

30/32 Tuas West Road may be utilised for a range of clean, light and general industrial uses, warehouse, public utilities and telecommunication uses and other public installations¹ in accordance with the guidelines pertaining to “Business 2” space under the Master Plan 2008 Written Statement published by the Urban Redevelopment Authority.

¹ Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the competent authority.

The table below sets out a summary of selected information on 30/32 Tuas West Road,

Property Description

Ownership interest	100.0%
Title	JTC leasehold estate of 30 years plus 30 years commencing from 1 January 1996
Land area	12,894.9 sqm
Gross floor area	14,838.1 sqm
NLA	14,081.0 sqm
Master Plan Zoning (2008 Edition) . .	Business 2
Plot Ratio	1.4

Lease Terms

Name of tenant	Tavica Logistics Pte Ltd, a member of the Crescendas Group
Lease term	6 years commencing on 15 January 2008
Rental per annum as at lease commencement date	S\$1.5 million per annum
Rental escalation	3.0% at commencement of years 3 and 5
Security deposit	12 months rent in years 1, 2 and 3 and 6 months rent in years 4, 5 and 6
Other lease conditions	The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property and lease management fees to the Property Manager.
Occupancy	100.0%

Independent Valuations

Independent valuers	CBRE	C&W
Independent valuation	S\$18.1 million	S\$17.5 million
Valuation date	30 September 2009	30 September 2009
Purchase price	S\$17.3 million	
Initial yield	8.9% ⁽¹⁾	

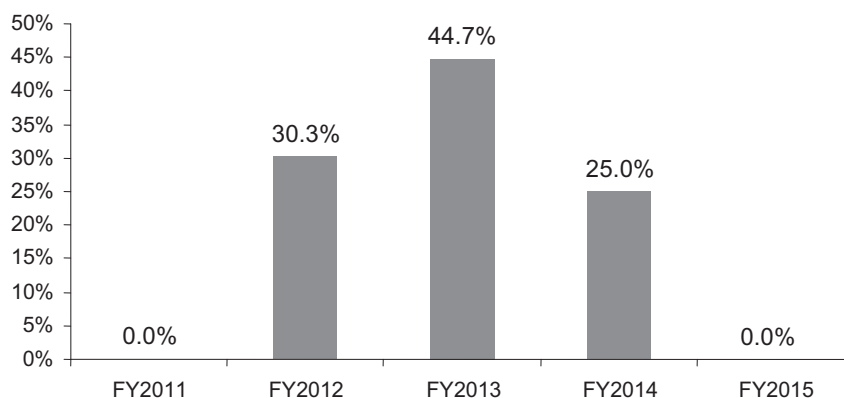
Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

1.5 Lease Expiry Profile of the AMP Capital Properties

The graph below illustrates the lease expiry profile of the AMP Capital Properties by pro forma Rental Income of the AMP Capital Properties for the quarter ended 30 September 2009. The weighted average lease expiry as at 30 September 2009 by the Rental Income of the AMP Capital Properties is 3.2 years.

Lease Expiry Profile by Rental Income



1.6 Major Usage Mix of the AMP Capital Properties

The AMP Capital Properties were primarily used for warehousing and logistics activities, as at 30 September 2009.

1.7 Tenants of the AMP Capital Properties

The table below sets out the tenants of the AMP Capital Properties by pro forma Rental Income for the quarter ended 30 September 2009. All the tenants are members of the Crescendas Group.

<u>Location/Property</u>	<u>Tenant</u>	<u>Lease Expiry</u>	<u>% of Rental Income</u>
3 Toh Tuck Link	Tavica Logistics Pte Ltd	January 2012	30.3%
30 & 32 Tuas West Road	Tavica Logistics Pte Ltd	January 2014	25.0%
23 Tai Seng Drive	Excalibur Holdings (S) Pte Ltd	December 2012	22.9%
56 Serangoon North Avenue 4	Crescendas Pte Ltd	January 2013	21.8%

2. Description of 1A International Business Park

1A IBP is a 13-storey high-tech business park building with a NLA of 16,697.0 sq m and a basement car park with line-marked provisions for 114 cars. The building is generally suitable for business park use and also incorporates office and warehouse areas in addition to ancillary showroom areas.

Located within the prestigious precinct of International Business Park, the property is well served by a network of roads that provides easy access to all parts of the island. These include the Ayer Rajah Expressway, Pan Island Expressway and major arterial roads such as Boon Lay Way, Toh Guan Road and Jurong Town Hall Road.

Approximately 16 kilometres from the city centre at Raffles Place, International Business Park is a business and technology hub for companies involved in high-technology industries of software development, research and ancillary activities. The companies that have located their businesses there include the German Centre for Industry and Trade and major names in information technology such as Creative Technology, ACS Computer, Chiyoda, Primefield and Mobile One amongst others.

The buildings within the International Business Park comprise high-quality buildings including The Synergy, and The Atrium, which is a clubhouse-cum-amenities centre providing a resort-style swimming pool, saunas, jacuzzi, gymnasium, restaurants, beer garden, food court, karaoke lounge and function rooms. Facilities such as banks, clinics and a child-care centre are also available within the business park. International Business Park is within close proximity of the Jurong East MRT station and the Jurong East regional centre. Other developments in the vicinity include Archive Building and the International Merchandise Market.

1A IBP may be utilised for warehousing and clean and light industrial uses, warehousing, public utilities, telecommunication uses and other public installations¹ in accordance with the guidelines pertaining to “Business 1” space under the Master Plan 2008 Written Statement published by the Urban Redevelopment Authority.

¹ For which the relevant authority does not impose a nuisance buffer greater than 50 metres.

The table below sets out a summary of selected information on 1A IBP.

Property Description

Ownership interest	100.0%
Title	JTC leasehold estate of 30 years plus a renewal option for 22 years expiring on 31 March 2059.
Expected date of completion of acquisition. .	30 November 2009
Issue of temporary occupation permit.	6 October 2009
Land area	7,988.0 sq m
Gross floor area.	19,969.0 sq m
NLA	16,697.0 sq m
Master Plan Zoning (2008 Edition)	Business 1
Plot ratio	2.5

Lease Terms

Name of tenant	Eurochem Corporation Pte Ltd
Lease term	10 years from the acquisition completion date with an option to renew for an additional five year term.
Rental per annum as at lease commencement date	S\$6.0 million
Rental escalation	Rent is subject to rental escalation of 5% at the commencement of years 3, 5 and 7 and will be reviewed to market at the commencement of the option.
Security deposit	12 months rent will be retained by MI-REIT for years 1 and 2, nine months rent for years 3 and 4 and six months rent for the remainder of the lease.
Other lease conditions	The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property and lease management fees to the Property Manager.

Independent Valuation

Independent valuer	CBRE
Independent valuation	S\$73.0 million
Valuation date	30 September 2009
Purchase consideration	S\$90.2 million
Initial yield	7.0% ⁽¹⁾

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price of 1A IBP.

3. THE EXISTING PORTFOLIO

3.1 Summary of the Existing Portfolio

The table below sets out selected information about the Existing Portfolio.

Location/Property ⁽¹⁾	Tenant ⁽²⁾	Net Lettable Area ⁽²⁾ (sq m)	Appraised Value ⁽²⁾ (S\$'m)	Rental Income For the Quarter Ended 30 September 2009 (S\$'000)	Occupancy ⁽²⁾ (%)	Land Lease Expiry Year ⁽³⁾
<i>Warehouse and Logistics</i>						
8 & 10 Pandan Crescent	United Tech Park Pte Ltd	65,856.4	122.9	1,929.3	100.0	2068
10 Changi South Lane	Ossia International Limited	12,655.9	26.5	619.5	100.0	2056
11 Changi South Street 3	Builders Shop Pte Ltd	11,547.4	22.4	502.9	100.0	2055
23 Changi South Avenue 2	KTL Offshore Pte. Ltd.	9,989.0	16.0	363.7	100.0	2054
61 Yishun Industrial Park A	BTH Global Pte Ltd ⁽⁴⁾	13,471.0	22.2	470.4	100.0	2052
103 Defu Lane 10	Success Global Pte Ltd ⁽⁴⁾	8,361.3	11.3	289.2	100.0	2043
7 Clementi Loop	Nova Engineering and Logistic Pte Ltd	9,081.3	12.2	351.9	100.0	2053
31 Admiralty Road	Fook Tong Nam Industries Pte Ltd	10,197.0	15.0	293.9	100.0	2037
Asahi Ohmiya Warehouse Saitama, Tokyo, Japan	MM Corporation	9,088.6	31.0	514.2	100.0	Freehold
15 Tai Seng Drive	Multi-tenanted: — Khai Huat Trading Pte Ltd. — Zenital Marine Asia Pte Ltd. — Westfalia Separator (S.E.A.) Pte Ltd — Farnell Components Pte Ltd — Kumpulan Development (S) Pte Ltd — Vanguard Interiors Pte Ltd	17,879.8	25.6	492.7	80.7	2051
Subtotal — Warehouse and Logistics	15 Tenants	168,127.7	305.1	5,827.7	97.9	

<u>Location/Property⁽¹⁾</u>	<u>Tenant⁽²⁾</u>	<u>Net Lettable Area⁽²⁾</u> (sq m)	<u>Appraised Value⁽²⁾</u> (S\$'m)	<u>Rental Income For the Quarter Ended 30 September 2009</u> (S\$'000)	<u>Occupancy⁽²⁾</u> (%)	<u>Land Lease Expiry Year⁽³⁾</u>
<u>Manufacturing</u>						
1 Bukit Batok Street 22	GRP Limited	14,134.8	20.0	361.3	100.0	2055
20 Gul Way	Enviro-Metals Pte Ltd ⁽⁵⁾	32,208.0	41.2	832.0	100.0	2041
3 Tuas Ave 2	Cimelia Resource Recovery Pte Ltd ⁽⁵⁾	14,700.0	22.0	418.7	100.0	2055
8 & 10 Tuas Ave 20	C S Graphics Pte Ltd	8,873.0	12.6	225.6	100.0	8 Tuas Ave 20 - 2050 10 Tuas Ave 20 - 2052
8 Senoko South Road	Sin Hwa Dee Food Stuff Industries Pte Ltd	7,278.8	11.3	232.6	100.0	2054
10 Soon Lee Road	Fullmark Pte Ltd	7,214.4	9.4	183.5	100.0	2041
26 Tuas Avenue 7	Aalst Chocolate Pte Ltd	5,522.0	9.4	201.4	100.0	2053
1 Kallang Way 2A	Xpress Holdings Ltd	6,910.6	13.2	245.5	100.0	2055
135 Joo Seng Road	Powernatic Data Systems Ltd	9,535.0	23.3	455.0	100.0	2054
541 Yishun Industrial Park A	King Plastic Pte Ltd	8,017.5	13.8	297.7	100.0	2054
<u>Subtotal — Manufacturing</u>	10 Tenants	114,394.1	176.2	3,453.3	100.0	
<u>Research & Technology</u>						
2 Ang Mo Kio Street 65	CIT Cosmeceutical Pte. Ltd	6,255.0	12.7	290.1	100.0	2047
TOTAL	26 Tenants	288,776.8	494.0	9,571.1	98.8	

Notes:

(1) All the properties in the portfolio are located in Singapore except the Asahi Ohmiya Warehouse, which is located in Japan.

(2) As at 30 September 2009.

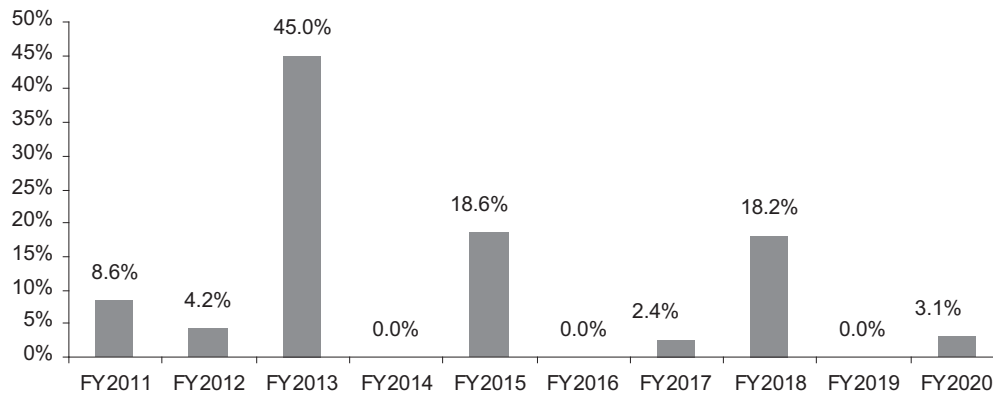
(3) Includes the period covered by the relevant options to renew.

(4) BTH Global Pte Ltd and Success Global Pte Ltd have shareholders who are related.

(5) Both Enviro-Metals Pte Ltd (formerly known as E-Hub Metals Pte Ltd) and Cimelia Resource Recovery Pte Ltd are wholly-owned subsidiaries of Enviro-Hub Holdings Ltd which is listed on the Main Board of the SGX-ST.

3.2 Lease Expiry Profile of the Existing Portfolio

The graph below illustrates the lease expiry profile of the Existing Portfolio by Rental Income for the quarter ended 30 September 2009. The weighted average lease expiry as at 30 September 2009 by the Rental Income of the Existing Portfolio is 4.2 years.



3.3 Major Usage Mix of the Existing Portfolio

The tables below provide a breakdown of the major usage mix in the Existing Portfolio by Rental Income for the quarter ended 30 September 2009 and by NLA as at 30 September 2009.

(i) By Rental Income

	<u>% of Rental Income</u>
Warehouse and Logistics	60.9%
Manufacturing	36.1%
Research and Technology	<u>3.0%</u>
Total	<u>100.0%</u>

(ii) By NLA

	<u>% of NLA</u>
Warehouse and Logistics	58.2%
Manufacturing	39.6%
Research and Technology	<u>2.2%</u>
Total	<u>100.0%</u>

3.4 Top Ten Tenants of the Existing Portfolio

The table below sets out the top ten tenants of the Existing Portfolio by Rental Income for the quarter ended 30 September 2009.

<u>Tenant</u>	<u>Location/Property</u>	<u>Lease Expiry</u>	<u>% of Rental Income</u>
United Engineers Limited.	8 & 10 Pandan Crescent	April 2012	20.2%
Enviro-Metals Pte Ltd and Cimelia Resource Recovery Pte Ltd ¹ . .	20 Gul Way 3 Tuas Avenue 2	April 2017 April 2017	13.1%
BTH Global Pte Ltd and Success Global Pte Ltd ²	61 Yishun Industrial Park A 103 Defu Lane 10	January 2013 January 2013	7.9%
Ossia International Limited	10 Changi South Lane	April 2014	6.5%
MM Corporation	1-398-3,11,13 Yoshinocho 1-Chome, Kita-ku Saitama-shi, Saitama, Tokyo, Japan	May 2012	5.4%
Builders Shop Pte Ltd.	11 Changi South St 3	December 2014	5.2%
Powermatic Data Systems Ltd.	135 Joo Seng Road	March 2013	4.7%
KTL Offshore Pte. Ltd.	23 Changi South Ave 2	April 2010	3.8%
GRP Limited	1 Bukit Batok St 22	April 2010	3.8%
Nova Engineering and Logistics Pte Limited	7 Clementi Loop	March 2013	3.7%
Top Ten Tenants			74.3%
Other Tenants			25.7%
Total			100.0%

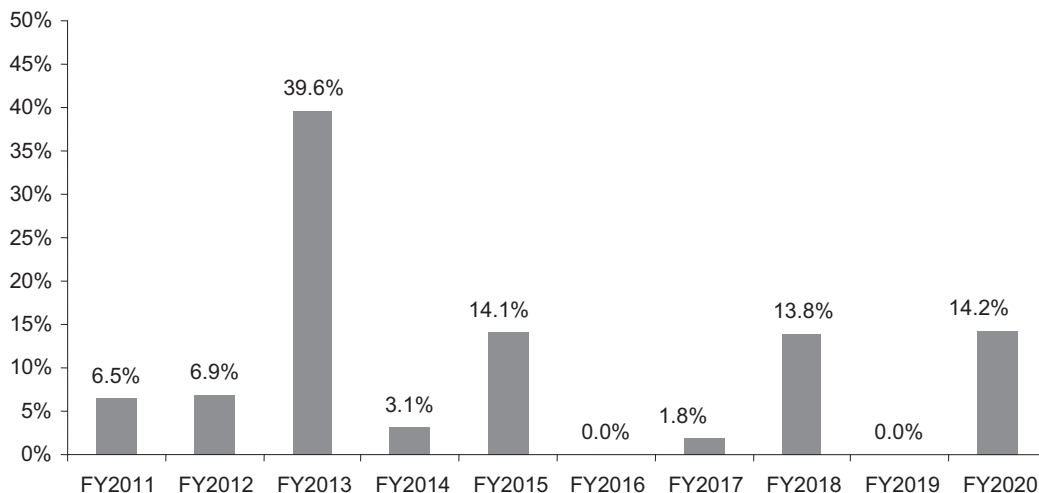
Notes:

- (1) Both Enviro-Metals Pte Ltd (formerly known as E-Hub Metals Pte Ltd) and Cimelia Resource Recovery Pte Ltd are wholly-owned subsidiaries of Enviro-Hub Holdings Ltd which is listed on the Main Board of the SGX-ST.
- (2) BTH Global Pte Ltd and Success Global Pte Ltd have shareholders who are related.

4 THE ENLARGED PORTFOLIO

4.1 Lease Expiry Profile of the Enlarged Portfolio

The graph below illustrates the lease expiry profile of the Enlarged Portfolio by pro forma Rental Income for the quarter ended 30 September 2009. With the inclusion of the AMP Capital Properties and 1A IBP, the weighted average lease expiry profile of MI-REIT increases to 4.7 years from 4.2 years and the portfolio occupancy rate increases from 98.8% to 99.0%.



4.2 Major Usage Mix of the Enlarged Portfolio

The tables below provide a breakdown of the major usage mix in the Enlarged Portfolio by pro forma Rental Income for the quarter ended 30 September 2009 and by pro forma NLA as at 30 September 2009.

(i) By Rental Income

	<u>% of Rental Income</u>
Warehouse and Logistics	58.4%
Manufacturing	27.4%
Research and Technology	2.3%
Office Park	11.9%
Total	<u>100.0%</u>

(ii) By NLA

	<u>% of NLA</u>
Warehouse and Logistics	60.7%
Manufacturing	32.7%
Research and Technology	1.8%
Office Park	4.8%
Total	<u>100.0%</u>

4.3 Top Ten Tenants of the Enlarged Portfolio

The table below sets out the top ten tenants of the Enlarged Portfolio by pro forma Rental Income for the quarter ended 30 September 2009.

<u>Tenant</u>	<u>Location/Property</u>	<u>Lease Expiry</u>	<u>% of Rental Income</u>
United Engineers Limited.	8 & 10 Pandan Crescent	April 2012	15.3%
The Crescendas Group.	56 Serangoon North Avenue 4, 3 Toh Tuck Link, 30/32 Tuas West Road, 23 Tai Seng Drive	January 2013 January 2012 January 2014 December 2012	12.3%
Eurochem Corporation Pte Ltd	1A International Business Park	November 2019	11.8%
Enviro-Metals Pte Ltd and Cimelia Resource Recovery Pte Ltd ¹	20 Gul Way, 3 Tuas Avenue 2	April 2017 April 2017	9.9%
BTH Global Pte Ltd and Success Global Pte Ltd ²	61 Yishun Industrial Park A, 103 Defu Lane 10	January 2013 January 2013	6.0%
Ossia International Limited	10 Changi South Lane	April 2014	4.9%
MM Corporation	1-398-3,11,13 Yoshinocho 1-Chome, Kita-ku Saitama-shi, Saitama, Tokyo, Japan	May 2012	4.1%
Builders Shop Pte Ltd.	11 Changi South St 3	December 2014	4.0%
Powermatic Data Systems Ltd	135 Joo Seng Road	March 2013	3.6%
KTL Offshore Pte. Ltd.	23 Changi South Ave 2	April 2010	2.9%
Top Ten Tenants			<u>74.8%</u>
Other Tenants			<u>25.2%</u>
Total			<u>100.0%</u>

Notes:

(1) Both Enviro-Metals Pte Ltd (formerly known as E-Hub Metals Pte Ltd) and Cimelia Resource Recovery Pte Ltd are wholly-owned subsidiaries of Enviro-Hub Holdings Ltd which is listed on the Main Board of the SGX-ST.

(2) BTH Global Pte Ltd and Success Global Pte Ltd have shareholders who are related.

(This page intentionally left blank)

INDEPENDENT FINANCIAL ADVISER'S LETTER
DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N)

6 November 2009

The Independent Directors of
 MacarthurCook Investment Managers (Asia) Limited
 As Manager of MacarthurCook Industrial REIT
 1 Raffles Place
 #21-01 OUB Centre
 Singapore 048616

Dear Sirs

THE PROPOSED ACQUISITION OF THE AMP CAPITAL PROPERTIES

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 6 November 2009 to the unitholders of MacarthurCook Industrial REIT (the “Circular”)

1. INTRODUCTION

MI-REIT is a real estate investment trust, which is listed on the Main Board of the SGX-ST. MI-REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia. MI-REIT's existing portfolio consists of 20 industrial properties located throughout Singapore and one industrial property in Tokyo, Japan, with a total appraised value of S\$494.0 million as of 30 September 2009.

As at 30 September 2009, the ratio of the total borrowing and deferred payments (if any) to the value of the Deposited Property¹ was 44.7% with gross borrowings of S\$226.0 million², all of which mature in December 2009. In addition, MI-REIT has a contractual obligation to purchase 1A IBP for the remaining purchase consideration of S\$90.0 million (after deducting the initial deposit of S\$0.2 million) from Eurochem. The original expected date of completion of the purchase of 1A IBP was in November 2009, but has been extended to 31 December 2009. As stands and before completion of the Transactions, MI-REIT does not have the funds to complete this purchase.

On 19 June 2009, it was announced that the Auditors had included an emphasis of matter in its Independent Auditors' Report in relation to the financial statements of MI-REIT for the financial year ended 31 March 2009. In their report, the Auditors highlighted that the ability of MI-REIT to continue as a going concern is and will be dependent upon a successful outcome to the refinancing of the total borrowings of MI-REIT and its subsidiaries of \$224.4 million maturing in December 2009 as well as obtaining financing for MI-REIT's commitment to acquire a property for \$91.0 million, which is expected to be settled in last quarter of 2009.

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.

¹ 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 the Trust Deed.

² 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”).

The Acquisition comprises the acquisition of the AMP Capital Properties from DB International Trust (Singapore) Limited, in its capacity as trustee of AMP Capital Business Space REIT, for a total purchase consideration of S\$68.6 million.

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. Furthermore, the Manager is also in advanced negotiations with the Japanese Lenders for a new term loan of JPY1,000.0 million (S\$15.8 million) (“**JPY Refinancing Facility**”) to partially re-finance the JPY Term Loan. The S\$ Refinancing Facility and the JPY Refinancing Facility are conditional upon the recapitalisation of MI-REIT.

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. 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. We note that AMP Capital Investors, a directly, wholly owned subsidiary of AMP Capital, will, at the same time, acquire a 50.0% stake in both the Manager and the Property Manager. As these are non-public transactions, the details of such transactions will not be disclosed and are not subject to approval by the Unitholders.

By approving the Acquisition, the Unitholders will be deemed to also have approved the principal terms of the AMP Capital Put and Call Option Agreements and all documents which are required to be executed by the Parties in order to give effect to the provisions of the AMP Capital Put and Call Option Agreements or in order to facilitate the sale and purchase of the AMP Capital Properties pursuant to the AMP Capital Put and Call Option Agreements.

We have been appointed as the independent financial adviser to the Independent Directors in respect of whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of MI-REIT and its minority Unitholders. This letter, which sets out our evaluation for the Independent Directors in respect of our engagement, is an integral part of the Circular.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion in respect to the Acquisition as stated above.

We were neither a party to the negotiations entered into in relation to the Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into these transactions or arrangements.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Acquisition. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of MI-REIT. We do not express any view as to the price at which the Units may trade upon completion of the Acquisition nor on the future value, financial performance or condition of MI-REIT after Acquisition.

It is also not within our terms of reference to compare the merits of the Acquisition to any alternative transactions that were or may have been available to MI-REIT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisers.

We have relied upon the assurances of the Directors who have accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Acquisition have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably

made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of MI-REIT or the Acquisition. We have been furnished with the valuation reports for the AMP Capital Properties prepared by the Independent Valuers. With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of AMP Capital Properties and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Unitholders should take note of any announcements relevant to their considerations of the Rights Issue, the Acquisition which may be released by the Manager after the Latest Practicable Date.

The Manager has been separately advised by its own legal adviser in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

Our opinion in relation to the Acquisition as set out in paragraph 6 of this letter should be considered in the context of the entirety of our advice. While a copy of this letter may be reproduced in the Circular, the Manager may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3. INFORMATION ON THE AMP CAPITAL PROPERTIES

A detailed description of the AMP Capital Properties is set out in Appendix B of the Circular. We recommend that the Independent Directors advise the Unitholders to read this very carefully.

23 Tai Seng Drive

Description	A purpose-built six-storey light industrial building with a basement car park. It may be utilised for a range of clean, light and general industrial uses, for warehouse, public utilities and telecommunication uses and for certain other public installations. It is situated within the Tai Seng Industrial Estate, located in north-eastern Singapore.	
Title	JTC leasehold estate for a term of 30 years plus 30 years commencing from 1 August 1990.	
Land area	3,813.6 sq m	
Gross floor area	9,493,1 sq m	
NLA	8,561.0 sq m	
Name of tenant	Excalibur Holdings (S) Pte Ltd, a member of the Crescendas Group	
Lease term	5 years commencing 18 December 2007	
Rental per annum as at lease commencement date	S\$1.4 million per annum	
Rental escalation	3.0% increase at the commencement of years 3 and 5	
Occupancy	100%	
Proforma NPI for FY 2009	S\$1.4 million	
Initial yield (%)	8.2% ⁽¹⁾	
Independent Valuations	CBRE	C&W
Valuation	S\$18.8 million	S\$16.4 million
Valuation date	30 September 2009	30 September 2009
Purchase price	S\$17.2 million	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

3 Toh Tuck Link

Description	A purpose-built part two/part five storey warehouse building with ancillary offices. It may be utilised for clean and light industrial uses, for warehousing, public utilities, telecommunication uses and for certain other public installations. It is situated within the Toh Tuck Industrial Estate, which is located in western Singapore.	
Title	JTC leasehold estate of 30 years plus 30 years commencing from 16 November 1996.	
Land area	10,724.4 sq m	
Gross floor area	12,492.4 sq m	
NLA	11,446.0 sq m	
Name of tenant	Tavica Logistics Pte Ltd, a member of the Crescendas Group	
Lease term	4 years commencing 1 February 2008	
Rental per annum as at lease commencement date	S\$1.9 million per annum	
Rental escalation	3.0% increase at the commencement of year 3	
Occupancy	100%	
Proforma NPI for FY 2009	S\$1.8 million	
Initial yield (%)	9.6% ⁽¹⁾	
Independent Valuations	CBRE	C&W
Valuation	S\$17.8 million	S\$21.7 million
Valuation date	30 September 2009	30 September 2009
Purchase price	S\$19.3 million	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

56 Serangoon North Avenue 4

Description	A purpose-built seven-storey light industrial building incorporating warehouse areas on the first storey and factory areas incorporating ancillary office areas on the upper floors. It may be utilised for clean and light industrial uses, for warehousing, public utilities, telecommunication uses and for certain other public installations. It is situated within the Serangoon North Industrial Estate, which is located in north-eastern Singapore.	
Title	JTC leasehold estate for a term of 30 years plus 30 years commencing from 16 May 1995.	
Land area	4,999.1 sq m	
Gross floor area	11,751.0 sq m	
NLA	10,424.0 sq m	
Name of tenant	Crescendas Pte Ltd, a member of the Crescendas Group	
Lease term	5 years commencing 15 January 2008	
Rental per annum as at lease commencement date	S\$1.4 million per annum	
Rental escalation	3.0% increase at commencement of years 3 and 5	
Occupancy	100%	
Proforma NPI for FY 2009	S\$1.3 million	
Initial yield (%)	9.1% ⁽¹⁾	
Independent Valuations	CBRE	C&W
Valuation	S\$15.7 million	S\$14.7 million
Valuation date	30 September 2009	30 September 2009
Purchase price	S\$14.8 million	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

Description	Two detached three-storey industrial buildings suitable for production, warehousing and offices. The property is situated within the Tuas Industrial Estate, which is located in western Singapore.	
Title	JTC leasehold estate of 30 years plus 30 years commencing from 1 January 1996.	
Land area	12,894.9 sq m	
Gross floor area	14,838.1 sq m	
NLA	14,081.0 sq m	
Name of tenant	Tavica Logistics Pte Ltd, a member of the Crescendas Group	
Lease term	6 years commencing on 15 January 2008	
Rental per annum as at lease commencement date	S\$1.5 million per annum	
Rental escalation	3.0% at commencement of years 3 and 5	
Occupancy	100%	
Proforma NPI for FY 2009	S\$1.5 million	
Initial yield (%)	8.9% ⁽¹⁾	
Independent Valuations	CBRE	C&W
Valuation	S\$18.1 million	S\$17.5 million
Valuation date	30 September 2009	30 September 2009
Purchase Price	S\$17.3 million	

Note:

(1) Based on the pro forma NPI for FY 2009 divided by the purchase price.

4. THE PROPOSED ACQUISITION

4.1. Details of the Acquisition

On 5 November 2009, the Trustee entered into the AMP Capital Put and Call Option Agreements. Pursuant to the AMP Capital Put and Call Option Agreements, the Manager (on behalf of the Trustee) and the AMP Capital Business Space REIT Trustee have negotiated in good faith with each other on arms' length commercial terms and have finalised the terms and conditions of:

- (i) the AMP Capital Put and Call Option Agreements and all other agreements or documents required to give effect to the sale and purchase agreements (the "**AMP Capital Sale and Purchase Agreements**") which will need to be executed to facilitate the completion of the Acquisition; and
- (ii) a disclosure letter in respect of each of the AMP Capital Properties to be executed by the AMP Capital Business Space REIT Trustee in favour of the Trustee.

Each AMP Capital Put and Call Option Agreement must be exercised concurrently and only after each of the Trustee and the AMP Capital Business Space REIT Trustee have issued a notice of fulfilment of the relevant conditions under the AMP Capital Put and Call Option Agreement. The Trustee is in particular required to give written notice to the AMP Capital Business Space REIT Trustee when MI-REIT has obtained Unitholders approval at the EGM for the Acquisition, and such written notice shall be given no later than 5.00 p.m. on the date falling five business days after Unitholders' approval is obtained.

The purchase consideration for each of the AMP Capital Properties has been agreed as follows:

<u>Property</u>	<u>Purchase Consideration</u> (S\$ million)
23 Tai Seng Drive	17.2
3 Toh Tuck Link	19.3
56 Serangoon North Avenue 4	14.8
30/32 Tuas West Road	<u>17.3</u>
Total.	<u><u>68.6</u></u>

The AMP Capital Aggregate Purchase Consideration of S\$68.6 million was arrived at on a willing-buyer and willing-seller basis and does not exceed the higher of the two independent valuations obtained in relation to each of the AMP Capital Properties.

The following additional costs are expected to be incurred by MI-REIT in connection with the Acquisition:

- (i) An AMP Capital Acquisition Fee payable to the Manager in the amount of S\$0.7 million, which is to be paid in the form of Units; and
- (ii) Estimated professional and other fees and expenses of S\$0.8 million incurred or to be incurred by MI-REIT in connection with the Acquisition.

Certain terms and conditions of the AMP Capital Sale and Purchase Agreements in relation to each of the AMP Capital Properties are set out in paragraph 9.3.2 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this paragraph of the Letter to Unitholders in the Circular carefully.

4.2. The Means of Financing for the Acquisition

The Manager intends to finance the AMP Capital Total Acquisition Cost as follows:

- S\$68.6 million of the AMP Capital Aggregate Purchase Consideration in cash from the proceeds of the Rights Issue;
- the AMP Acquisition Fee of S\$0.7 million in Units; and
- the estimated professional and other fees and expenses of S\$0.8 million in cash from the proceeds of the Rights Issue.

Completion of the Acquisition is expected to take place on the date of issue of the Rights Issue.

5. EVALUATION OF THE ACQUISITION

In reaching our recommendation in respect of the Acquisition, we have given due consideration to the following factors:

- (1) The rationale for the Acquisition;
- (2) The key benefits arising from the Transactions;
- (3) The independent valuations of the AMP Capital Properties;
- (4) Comparison of capitalisation and discount rates;
- (5) Comparison with comparable properties;
- (6) The financial effects of the Transactions; and
- (7) Certain other considerations.

5.1 The Rationale for the Acquisition

The Manager is of the opinion that MI-REIT must re-finance the S\$226.0 million of debt maturing in December 2009 and obtain financing for the acquisition of 1A IBP in order to preserve value for Unitholders.

The Manager has undertaken a review of strategic options for MI-REIT and is of the opinion that the Transactions, taken as a whole, represent the most preferred means to preserve and grow value for Unitholders.

Further, the Acquisition is consistent with MI-REIT's principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia.

5.2 The Key Benefits Arising from the Transactions

The Manager believes that the Transactions will have the following key benefits:

“3.1 Removal of financing risk, reduction of Aggregate Leverage and strengthening of MI-REIT's balance sheet

“...The Manager expects that upon completion of the Transactions and the completion of the acquisition of 1A IBP, MI-REIT's Aggregate Leverage will be reduced from 44.7% as at 30 September 2009 to 29.0% on a pro forma basis. With the reduced Aggregate Leverage upon completion of the Transactions and the refinancing, the Manager believes that MI-REIT will have sufficient financial flexibility to carry out its capital management initiatives and business plans. Further, the Manager believes that the reduction of MI-REIT's Aggregate Leverage will strengthen MI-REIT's balance sheet and enhance its credit profile, thus enabling MI-REIT to withstand further deterioration in asset values (if any). Following the refinancing of the S\$ Term Loan and the JPY Term Loan, MI-REIT will have no S\$ debt due until December 2012 and the Manager does not expect MI-REIT to have JPY debt due until December 2011.”

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

“...The Manager believes that the acquisition of a substantial interest by AMP Capital in MI-REIT, and the investment of AMP Capital in the Manager and Property Manager provide a strong demonstration of support and commitment, which is likely to boost investors' confidence in MI-REIT, and position MI-REIT for future performance and growth.”

3.3 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. Following the completion of the acquisitions of the AMP Capital Properties and 1A IBP, the maximum contribution to MI-REIT's Rental Income by any single property for the quarter ended 30 September 2009 will decrease from 20.2% to 15.3% on a pro forma basis. This further diversification means that Unitholders can expect to enjoy more stable income as there will be less dependence on any particular property. In addition, the Acquisition and the acquisition of 1A IBP will increase the size of MI-REIT's portfolio by 21.2% based on NLA.”

3.4 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 part of the Crescendas Group), and Eurochem Corporation Pte Ltd. The Manager is of the view that a wider tenant base will help further enhance the stability of MI-REIT's Rental Income.”

The Transactions are consistent with the capital and risk management policies of the Manager as set out in the annual report of MI-REIT for FY 2009. In that document, the Manager stated that it had embarked on a series of initiatives to progressively reduce MI-REIT's leverage ratio to 30%-35% over time by obtaining the optimal combination of debt and equity. The Manager's capital management initiatives were intended to strengthen the MI-REIT's financial profile, while maintaining financial flexibility and significantly enhancing the MI-REIT's attractiveness to both international and local investors.

5.3 The Independent Valuations of the AMP Capital Properties

The Trustee has commissioned C&W, an independent property valuer, and the Manager has commissioned CBRE, another independent property valuer, to value the AMP Capital Properties. The Valuation Certificates of the Independent Valuers are attached as Appendix D of the Circular.

The table below sets out the appraised values of the AMP Capital Properties as carried out by the Independent Valuers:

<u>Property</u>	<u>Appraised Values</u>	
	<u>By CBRE</u>	<u>By C&W</u>
	(S\$ million)	(S\$ million)
23 Tai Seng Drive	18.8	16.4
3 Toh Tuck Link	17.8	21.7
56 Serangoon North Avenue 4	15.7	14.7
30/32 Tuas West Road	<u>18.1</u>	<u>17.5</u>
Total	<u><u>70.4</u></u>	<u><u>70.3</u></u>

The key points to be highlighted in respect of the Independent Valuations are as follows:

- (i) The basis of valuation used is “Market Value”.
- (ii) The valuation certificate prepared by CBRE defines market value as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion, assuming:
 - (a) A willing, but not anxious, buyer and seller; and
 - (b) A reasonable period within which to negotiate the sale, having regard to the nature and situation of the Properties and the state of the market for property of the same kind; and
 - (c) That the properties will be reasonably exposed to the market; and
 - (d) That no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the properties being valued; and
 - (e) That the seller has sufficient resources to allow a reasonable period for the exposure of the properties for sale; and
 - (f) That the seller has sufficient resources to negotiate an agreement for the sale of the Properties.”
- (iii) The date for the valuations undertaken by C&W and CBRE is 30 September 2009; and
- (iv) C&W and CBRE adopted the discounted cash flow method and the capitalisation approach as the primary methods of valuation in their valuation of the AMP Capital Properties.

We note also from CBRE’s report that, owing to the absence of recent meaningful investment transactions, it did not include evidence of sales as part of its valuation commentary.

In relation to each of the AMP Capital Properties, we note the following:

- (i) The aggregate purchase consideration for the AMP Capital Properties of S\$68.6 million is in line with the aggregate appraised value of the AMP Capital Properties assessed by CBRE and C&W of S\$70.4 million and S\$70.3 million, respectively; and
- (ii) The purchase consideration for each of the AMP Capital Properties is comparable to the average of the two independent valuations of the Independent Valuers.

5.4 Comparison of Capitalisation and Discount Rates

We set out below the capitalisation rates and discount rates used by the Independent Valuers in their valuations of the AMP Capital Properties and the capitalisation rates and discount rates used in the latest independent valuation of the Existing Portfolio.

<u>Description of MI-REIT Properties</u>	<u>Capitalisation Rate</u> (%)	<u>Discount Rate</u> (%)
Existing Properties ⁽¹⁾	7.0-7.75	8.25-8.50
AMP Capital Properties ⁽²⁾	7.0-7.50	8.25-8.50

Notes:

(1) Capitalisation rates and discount rates of the Existing Portfolio have been provided by the Manager.

(2) Capitalisation rates and discount rates of the AMP Capital Properties have been extracted from the Valuation Certificates of the Independent Valuers.

Based on the table above, we note the following that the capitalisation rates and the discount rates used by the Independent Valuers in their valuations of the AMP Capital Properties are consistent with the capitalisation rates and the discount rates used in the latest independent valuation of the Existing Portfolio.

We wish to highlight that the above analysis serves only as a factor considered by us in our evaluation herein and may not be meaningful to a satisfactory extent as the AMP Capital Properties differ from the properties in the Existing Portfolio in many aspects, such as location, accessibility, profile and composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions. Accordingly, the Independent Directors should note that any comparisons made with respect to the AMP Capital Properties to the Existing Portfolio serve as an illustrative guide only.

5.5 Comparison with Comparable Properties

We have extracted information in respect of the recent valuations of selected industrial (light and heavy), warehousing and logistics properties located in Singapore owned by Singapore listed REITs and that are publicly available (the “**comparable properties**”) in order to compare the acquisition price psf and the property yields implied by the purchase consideration for the AMP Capital Properties with the price psf and the property yields for the comparable properties.

<u>Name of REIT</u>	<u>Years to Land Lease Expiry</u>	<u>Valuation per NLA (S\$ per sq ft)</u>	<u>Property Yield⁽⁵⁾ (%)</u>
Ascendas REIT	42.6 ⁽³⁾	Range: 75-399 Average: 153	Range: 5.3%-16.3% Average: 9.5%
Cambridge ⁽¹⁾	38.8 ⁽³⁾	Range: 81-307 Average: 143	N.A. ⁽⁶⁾
Mapletree Logistics Trust ⁽²⁾	40.9 ⁽³⁾	Range: 100-204 Average: 136	Range: 3.4%-11.4% Average: 7.6%
MI-REIT Existing Portfolio ⁽⁴⁾	48.8 ⁽³⁾	Range: 129-246 Average: 173	Range: 5.9%-10.0% Average: 7.9%
High	59.0	399	16.3%
Low	15.0	75	3.4%
Average	41.3⁽³⁾	145	8.3%
Median	44.5	135	7.9%
AMP Capital Properties⁽⁷⁾			
23 Tai Seng Drive	41	187	8.3%
3 Toh Tuck Link	47	157	9.7%
56 Serangoon North Avenue 4	46	132	9.2%
30/32 Tuas West Road	46	114	9.0%
Average	45.6⁽³⁾	147	9.0%
Median	46.5	144	9.1%

Source: Latest available annual reports of the respective REITs.

Notes:

- (1) Cambridge refers to Cambridge Industrial Trust, a REIT listed on the main board of the SGX-ST.
- (2) Properties included in our computation comprise properties categorised by Mapletree Logistics Trust as (i) Industrial Warehousing; (ii) Distribution Centre; (iii) Free Trade Zones, Third Party Logistics and; (iv) Non-free Trade Zone Third Party Logistics.
- (3) Weighted average years to lease expiry by NLA. The freehold properties were not taken into account.
- (4) Existing Portfolio existing portfolio refers to the existing industrial properties owned by MI-REIT prior to the Acquisition and the acquisition of 1A IBP.
- (5) Property yield of comparable properties is calculated based on the annual gross revenue divided by the market value, as extracted from the latest available annual reports of the respective REITs. Property yield of AMP Capital Properties is calculated based on the rental per annum as at lease commencement date divided by the purchase price.
- (6) Information on the annual gross revenue of Cambridge is not publicly available.
- (7) Valuation per NLA of AMP Capital Properties is the purchase price divided by the NLA.

Based on the table above, we note the following:

- (i) The weighted average lease to expiry of the AMP Capital Properties of 45.6 years is less than that of MI-REIT's Existing Properties (48.8 years) and higher than that of the selected comparable properties (41.3 years);
- (ii) The average acquisition price of the AMP Capital Properties of S\$147 psf is lower than the average valuation of S\$173 psf for MI-REIT's Existing Portfolio;

- (iii) The average acquisition price of the AMP Capital Properties of S\$147 psf is in line with the average of S\$145 psf for comparable properties. The median acquisition price of the AMP Capital Properties of S\$144 psf is higher than the median valuation of S\$135 psf of the comparable properties;
- (iv) The average gross property yield of the AMP Capital Properties of 9.0% is higher than the average gross property yield of 7.9% of MI-REIT's Existing Portfolio; and
- (v) The average gross property yield of the AMP Capital Properties of 9.0% is higher than the average gross yield of 8.3% of the comparable properties, and the median of 9.1% is higher than that of the comparable properties of 7.9%.

We wish to highlight that the above analysis serves only as a factor considered by us in our evaluation herein and may not be meaningful to a satisfactory extent as the four AMP Capital Properties differ from the selected properties in many aspects, such as location, accessibility, profile and composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions.

Accordingly, the Independent Directors should note that any comparisons made with respect to the AMP Capital Properties to the comparable properties serve as an illustrative guide only.

5.6 The Financial effects of the Transactions

The pro forma impact of the Transactions, including the Acquisition, is set out in paragraph 10 of the Letter to Unitholders in the Circular and is reproduced below for convenience. We note that assumptions were made for the purpose of preparation of the pro forma financial effects. We recommend that the Independent Directors advise Unitholders to read these carefully.

5.6.1 FY 2009

Pro Forma DPU and Distribution Yield, and Net Property Income ("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)³ of the JPY Term Loan.

NPI and NPI Yield

	<u>Existing Portfolio</u>	<u>1A IBP</u>	<u>AMP Capital Properties</u>	<u>Enlarged Portfolio</u>
Net property income ("NPI") (S\$'000)	36,856	6,355	6,140	49,351
Appraised value/purchase price (S\$'000)	533,242 ⁽¹⁾	90,233 ⁽²⁾	68,600 ⁽³⁾	692,065 ⁽⁴⁾
NPI yield ⁽⁵⁾	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.

Based on the figures above, we note that the NPI yield of the AMP Capital Properties is higher than the NPI yields of the Existing Portfolio and the 1A IBP. Furthermore, the NPI yield of the AMP Capital Properties is similar to the NPI yield of 8.7% of 1A IBP implied by the independent valuation of 1A IBP by CBRE of S\$73.0 million as at 30 September 2009.

³ Based on the exchange rate of S\$1.00 = JPY63.46

Pro Forma DPU and Distribution Yield

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

Notes:

- (1) Based on the MI-REIT FY 2009 Audited Financial Statements.
- (2) Includes 695,134 Units issued to the Manager 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.
- (4) Based on the Pro Forma DPU divided by the TERP of S\$0.223.

Based on the figures above, we note that the pro forma DPU decreases by 6.53 cents (or 73.2%) and the DPU yield decreases from 21.8% to 10.7% following the Transactions. The DPU dilution and decline in DPU yield is due to combination of the AMP Capital Investment, the Cornerstone Investments, the Rights Issue and the Acquisition as well as the proposed pricing of Units being issued pursuant to the Equity Fund Raising is at a discount to the Closing Price.

Pro Forma NAV per Unit

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\$ Term Loan to reduce the S\$ Term Loan to S\$175.0 million and repaid JPY500.0 million (equivalent to S\$7.9 million)⁴ of the JPY Term Loan.

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

Based on the figures above, we note that the pro forma NAV per Unit decreases by S\$0.73 (or 68.2%) following the Transactions. The decline in NAV per Unit is largely due to the fact that the Units being issued pursuant to the Equity Fund Raising are priced at a discount to the actual NAV per Unit as at 31 March 2009.

⁴ Based on the exchange rate of S\$1.00 = JPY63.46.

5.6.2 1H 2010

Pro Forma DPU and Distribution Yield, and 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)⁵ of the JPY Term Loan.

NPI and NPI Yield

	1H 2010			
	Existing Portfolio	4A 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 ⁽¹⁾	90,223 ⁽²⁾	68,600 ⁽³⁾	652,866 ⁽⁴⁾
NPI yield (annualised) ⁽⁵⁾	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.

Based on the figures above, we note that the NPI yield of the AMP Capital Properties is higher than the NPI yields of the Existing Portfolio and the 1A IBP. Furthermore, the NPI yield of the AMP Capital Properties is similar to the NPI yield of 8.7% of 1A IBP implied by the independent valuation of 1A IBP by CBRE of S\$73.0 million as at 30 September 2009.

Pro Forma DPU and Distribution Yield

	1H 2010	
	Actual ⁽¹⁾	Pro Forma
Distributable income (S\$'000)	9,188	15,321
Units in issue ('000)	266,385	1,466,445 ⁽²⁾
DPU (cents)	3.45	1.04
Distribution yield (annualised) ⁽³⁾	16.8% ⁽⁴⁾	9.3% ⁽⁵⁾

Notes:

- (1) Based on the MI-REIT 1H 2010 Unaudited Financial Statements Announcement.
- (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.
- (5) Based on the annualised Pro Forma DPU divided by the TERP of S\$0.223.

Based on the figures above, we note that the pro forma DPU decreases by 2.41 cents (or 69.9%) and the DPU yield decreases from 16.8% to 9.3% following the Transactions. The DPU dilution and decline in DPU yield is due to combination of the AMP Capital Investment, the Cornerstone Investments, the Rights

⁵ Based on the exchange rate of S\$1.00 = JPY63.46.

Issue and the Acquisition as well as the proposed pricing of Units being issued pursuant to the Equity Fund Raising is at a discount to the Closing Price.

Pro Forma NAV per Unit

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)⁶ of the JPY Term Loan.

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

Notes:

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

(2) Adjusted for distribution paid 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.

Based on the figures above, we note that the pro forma NAV per Unit decreases by S\$0.61 (or 66.3%) following the Transactions. The decline in NAV per Unit is largely due to the fact that the Units being issued pursuant to the Equity Fund Raising are priced at a discount to the actual NAV per Unit as at 30 September 2009.

Pro Forma Capitalisation

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)⁷ of the JPY Term Loan.

	As at 30 September 2009	
	Actual⁽¹⁾	Pro Forma
	S\$'000	S\$'000
Short-term debt		
Secured debt ⁽²⁾	225,974	190,758
Unsecured debt	—	—
Total short-term debt	<u>225,974</u>	<u>190,758</u>
Long-term debt		
Secured debt	—	—
Unsecured debt	—	—
Total short-term debt	<u>—</u>	<u>—</u>
Total debt	<u>225,974</u>	<u>190,758</u>
Total Unitholders' funds ⁽³⁾	244,560	452,246
Total Capitalisation	<u>470,534</u>	<u>643,004</u>

Notes:

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

(2) Excluding unamortised loan transaction costs.

⁶ Based on the exchange rate of S\$1.00 = JPY63.46.

⁷ Based on the exchange rate of S\$1.00 = JPY63.46.

(3) Adjusted for distribution paid on 15 December 2009 of MI-REIT's distributable income for the period from 1 July 2009 to 30 September 2009.

Based on the figures above, we note that the total debt decreases from S\$226 million to S\$190.8 million and Total Unitholders' funds increases from S\$244.6 million to S\$452.2 million.

5.7 Other Relevant Considerations

5.7.1 Conditionality of AMP Capital's Investment and Commitment

AMP Capital's investment in MI-REIT, the Manager and the Property Manager are conditional upon MI-REIT purchasing the AMP Capital Properties. In the event that the Acquisition is not approved by Unitholders, the S\$ Refinancing Facility and the JPY Refinancing Facility in its current form may not proceed and the Manager would need to find alternate methods to recapitalise MI-REIT.

5.7.2 Announcement on MI-REIT'S Credit Rating

On 3 June 2009, the Manager announced that, *"Moody's Investors Service has downgraded MI-REIT's corporate family rating to Caa1 from B2. The rating outlook is negative."*

Moody's notes that MI-REIT has achieved credit approval from its lenders, National Australia Bank Limited and Commonwealth Bank of Australia Limited, for an extension of its Singapore debt facility (the "Facility") of S\$201 million to 31 December 2009. This extension is subject to documentation and satisfaction of certain conditions which are within the control of MI-REIT.

The Manager notes that the rating may experience a further downgrade if MI-REIT is unable to make material progress in securing definitive financing for its acquisition of 1A International Business Park, which is expected to settle late fourth calendar quarter 2009, and debt maturities over the next three to six months. Moody's notes that the rating may experience upward pressure if MI-REIT is able to substantially address its funding needs or recapitalise its balance sheet.

The Manager remains in advanced negotiations with its lenders in relation to the long-term refinance of the Facility, and together with its adviser, Standard Chartered Bank Limited, is also considering the most appropriate longer term capital structure for MI-REIT."

5.7.3 Commitment by AMP Capital

AMP Capital is a specialist investment manager. Should AMP Capital be offered the opportunity to purchase industrial real estate assets in Singapore, it will ensure that MI-REIT is given the first opportunity to acquire such assets for so long as AMP Capital continues to own 50.0% of the total interest in the Manager.

AMP Capital through the AMP Capital Business Space REIT Trustee, has also entered into right of first refusal agreement made between the AMP Capital Business Space REIT Trustee and the Trustee dated 5 November 2009 (the **"ROFR Agreement"**) and granted a right of first refusal (**"ROFR"**) in favour of the Trustee over a property comprised in Lot 8136W of Mukim 5, and known as 27 Penjuru Lane Singapore 609195, in respect of which the AMP Capital Business Space REIT Trustee is currently a lessee for the ROFR Period.

6 OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Acquisition:

- (a) The Manager is of the opinion that MI-REIT must re-finance the S\$226.0 million of debt maturing in December 2009 and obtain financing for the acquisition of 1A IBP in order to preserve value for Unitholders;
- (b) The Manager has undertaken a review of strategic options for MI-REIT and is of the opinion that the Transactions, taken as a whole, represent the most preferred means to preserve and grow value for Unitholders;
- (c) The Acquisition is consistent with MI-REIT's principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia;

- (d) The aggregate purchase consideration of S\$68.6 million for the Acquisition is in line with the aggregate appraised values of the AMP Capital Properties by CBRE (of S\$70.4 million) and by C&W (of S\$70.3 million);
- (e) The average gross property yield of 9.0% for the AMP Capital Properties is higher than that of both MI-REIT's Existing Portfolio (7.9%) and of the comparable properties (8.3%);
- (f) The NPI yield of the AMP Capital Properties is higher than that of the Existing Portfolio and similar to the NPI yield of 1A IBP based on the latest appraised value of the properties;
- (g) The Transactions, taken as a whole, will result in substantial decreases in FY 2009 pro forma DPU (by 6.53 cents (or 73.2%)), in FY 2009 DPU yield (from 21.8% to 10.7%) and in FY 2009 pro forma NAV per Unit (by S\$0.73 (or 68.2%));
- (h) The Transactions, taken as a whole, reduce MI-REIT's gearing from 44.7% as at 30 September 2009 to 29.0% on a pro forma basis. This is in line with the stated intent of the Manager in respect of MI-REIT; and
- (i) The Transactions are inter-conditional. In the event the Acquisition is not approved, the recapitalisation in its current form will not proceed and an alternate method will have to be found to recapitalise MI-REIT; and
- (j) The ROFR Agreement and AMP Capital's commitment to give MI-REIT the first opportunity to purchase any industrial real estate assets in Singapore offered to AMP Capital, for so long as AMP Capital continues to own 50.0% of the total interest in the Manager.

Subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the Acquisition is on normal commercial terms and will not be prejudicial to MI-REIT and its minority Unitholders.

In arriving at our recommendation, we emphasize that we have, *inter alia*, relied on representations made by the Directors and the Manager in relation to the current intentions and future direction of MI-REIT. The Independent Directors should note that we have arrived at these conclusions based upon the information made available to us up to and including the Latest Practicable Date.

Our recommendation is addressed to the Independent Directors for their benefit in connection with and for the purpose of their consideration of the Acquisition. Any recommendation made by the Independent Directors in respect of the Acquisition shall remain their responsibility.

Our recommendation may not be used and/or relied on for any other purpose at any time and in any manner except with our prior written consent in each specific case. Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Jeff Pirie
Executive Director

VALUATION CERTIFICATES

(This page intentionally left blank)

CB Richard Ellis (Pte) Ltd

6 Battery Road #32-01
Singapore 049909

T (65) 6224 8181
F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R

2 November 2009

Our Ref.: 09-016/AR/102009/JC/MT

HSBC Institutional Trust Services (Singapore) Limited
As Trustee of the MacarthurCook Industrial REIT
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

MacarthurCook Investment Managers (Asia) Limited
(as manager of the MacarthurCook Industrial REIT)
1 Raffles Place
#21-01 OUB Centre
Singapore 048616

Dear Sirs

- 1) 3 Toh Tuck Link;**
 - 2) 23 Tai Seng Drive;**
 - 3) 30-32 Tuas West Road;**
 - 4) 56 Serangoon North Avenue 4;**
- all within Singapore (together 'the Properties')**

Instructions

We refer to instructions issued by MacarthurCook Investment Managers (Asia) Limited, requesting abbreviated valuation advice in respect of the abovementioned industrial properties. We have specifically been instructed to provide our opinion of Market Value of the remaining leasehold interest in the Properties as at 30 September 2009, subject to existing leases and occupancy arrangements as disclosed. We have also been requested to present our valuation assessment as part of an abbreviated valuation summary.

We have prepared our abbreviated valuation report in accordance with the requirements of our instructions and the following international definition of Market Value, namely:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

2 November 2009

- i. a willing, but not anxious, buyer and seller; and
- ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Properties and the state of the market for property of the same kind; and
- iii. that the Properties will be reasonably exposed to the market; and
- iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the Properties being valued; and
- v. that the seller has sufficient resources to allow a reasonable period for the exposure of the Properties for sale; and
- vi. that the seller has sufficient resources to negotiate an agreement for the sale of the Properties."

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors (RICS).

For the specific purposes of this short report format, we provide a Summary of the Reports outlining key factors that have been considered in arriving at our opinions of value. The value conclusions reflect all information known by the valuers of CB Richard Ellis (Pte) Ltd who worked on the valuations in respect to the Properties, market conditions and available data.

Reliance on This Letter

This report may only be relied upon by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of the MacarthurCook Industrial REIT) and MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT) for Corporate Reporting and Finance purposes.

This confidential document is for the sole use of persons directly provided with it by CB Richard Ellis (Pte) Ltd. Use by, or reliance upon this document by anyone other than HSBC Institutional Trust Services (Singapore) Limited (as Trustee of the MacarthurCook Industrial REIT) and MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT) is not authorised by CB Richard Ellis and CB Richard Ellis is not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

The valuations and market information are not guarantees or predictions and must be read in consideration of the following:

- The methodologies used by CB Richard Ellis in valuing the Properties – the Capitalisation of Income and Discounted Cashflow Analysis – are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for the properties is summarised in the Valuation Rationale section of this letter.
- This assessment of market values of the Properties was undertaken based upon information available as at 18 September 2009. CB Richard Ellis accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

Property Descriptions

The following pages provide a brief summary of each of the Properties.

1) 3 Toh Tuck Link

The property comprises a multi-storey office and warehouse building. The primary warehouse areas are located at Levels 1 and 3, with the latter featuring a semi-automated narrow aisle storage system, whilst the office accommodation is located over 5 levels. The Certificate of Statutory Completion was issued in December 2000 and the building is considered to be in reasonable condition overall.

The property is situated within the Toh Tuck Industrial Estate which is located within the Clementi District at the western part of Singapore. Developments within the vicinity generally comprise Jurong Town Corporation (JTC) purpose built factories. Prominent industrial buildings in the vicinity include Sembawang Kimtrans, Trans-Link Logistics Centre and LogisHub@Clementi amongst others. Located to the east is the Clementi West Distripark whilst further to the east are mainly landed residential estates. Clementi New Town is located to the south east of the property.

Tavica Logistics Pte Ltd's 4-year lease commenced on 1 February 2008 for an area of 11,446.0 square metres. The commencement rent of \$1,880,395 is subject to rental escalation of 3% at the commencement of Year 3. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.

2) 23 Tai Seng Drive

The property comprises a 6-storey light industrial building incorporating areas suitable for production, R&D, office and ancillary storage. The Certificate of Statutory Completion was issued in May 1995 and the building is considered to be in reasonable condition overall.

The property is situated within the Tai Seng Industrial Estate which is located within the eastern part of Singapore. Developments within the vicinity generally comprise other light industrial facilities and Jurong Town Corporation (JTC) purpose built factories in addition to multi-building industrial estates. Prominent industrial buildings in the vicinity include the Singtel Complex, DHL, Da Vinci and Heshe amongst others. Located to the west is the Paya Lebar Industrial Estate, whilst to the south is the Kampong Ubi Industrial Estate. Ubi Techpark and the Boustead and Paya Ubi Industrial Parks are located further to the south. Kaki Bukit Industrial Estate lies to the south east. Residential development generally lies to the south east beyond the Kaki Bukit Industrial Estate.

Excalibur Holdings (S) Pte Ltd's 5-year lease commenced 18 December 2007 for an area of 8,561.0 square metres. The commencement rent of \$1,420,240 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.

3) 30-32 Tuas West Road

The property comprises two detached 3-storey factory buildings, referred to as Block A and Block B. The buildings generally provide areas suitable for production, offices and showroom. The Certificate of Statutory Completion for the buildings was issued in June 2001 and they are considered to be in fair condition overall.

The property is situated within the Tuas Industrial Estate at the western part of Singapore. Developments within the vicinity comprise buildings generally suited to heavier industrial activities. Prominent industrial buildings include ISK, Merck and Epson amongst others, whilst the Tuas Industrial Estate is occupied by a

2 November 2009

number of prominent multi-national corporations. To the east is further comprehensive industrial development which is dominated by the Jurong Industrial Estate. Located to the north of the general industrial locality are the Raffles Country Club Golf Course and the Tuas Checkpoint Complex.

Tavica Logistics Pte Ltd's 6-year lease commenced on 15 January 2008 for an area of 14,081.0 square metres. The commencement rent of \$1,552,435 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.

4) 56 Serangoon North Avenue 4

The property comprises a 7-storey light industrial building incorporating areas suitable for office and light industrial and related activities. The Certificate of Statutory Completion was issued in March 1998 and the building is considered to be in good condition overall.

The property is situated within the Serangoon North Industrial Estate, which is located within the northern part of the island. Development in the immediate vicinity predominantly comprises buildings of a light industrial and terraced factory nature, with prominent occupants including ASA, M1 and Evertech. To the west is the Ang Mo Kio Industrial Park 2 which includes industrial properties such as Techplace 2, Ang Mo Kio Tech I, Ang Mo Kio Tech II, Ang Mo Kio Autopoint, Ang Mo Kio Techlink and Seagate. There is also a super market, Sheng Shiong Supermarket within this vicinity. Located further to the west of the property are terraced factories as well as the Central Expressway. Located to the south are HDB residential estates and community facilities, including the Rosyth and Lycee Francais de Singapour schools, Zhong Yi Tian Ming Temple, Jalan Kayu Community Children's Library and Serangoon Community Centre.

Crescendas Pte Ltd's 5-year lease commenced 15 January 2008 for an area of 10,424.0 square metres. The commencement rent of \$1,356,960 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.

Portfolio Summary

In total, the Properties include 4 individual buildings containing a combined land area of 32,432.0 square metres (349,094.8 square feet) which yields a total Net Lettable Area (NLA) of 44,512.0 square metres (479,122.7 square feet).

The following table summarises the key property details for each of the Properties:

PROPERTY	Land Area (sqm)	GFA (sqm)	NLA (sqm)	Remaining Land Lease Term (Years)	Remaining Tenancy Lease Term (Years)
1) 3 Toh Tuck Link	10,724.4	12,492.4	11,446.0	47.1	2.3
2) 23 Tai Seng Drive	3,813.6	9,493.1	8,561.0	40.8	3.2
3) 30-32 Tuas West Road	12,894.9	14,838.1	14,081.0	46.3	4.3
4) 56 Serangoon North Avenue 4	4,999.1	11,751.0	10,424.0	45.6	3.3
Total	32,432.0	48,574.6	44,512.0		

Market Overview

Economic Overview

The Singapore economy entered into a recession in the 2nd half of 2008 with conditions having deteriorated markedly in the ensuing 1st quarter of 2009. However, economic data released for the 2nd quarter of 2009 suggests that the worst of the economic downturn has passed. The key performance indicators are summarised as follows:

- GDP contracted by 3.5% in the 2nd quarter of 2009 compared with a contraction of 9.5% in the 1st quarter, resulting in an overall contraction of 6.5% in the 1st half of 2009;
 - A material upswing in Manufacturing was the most significant contributor to the reduction in the contraction in economic growth;
 - Manufacturing output increased 49.5% in the 2nd quarter of 2009 compared with a contraction of 18.5% in the 1st quarter. However this was largely due to a surge in biomedical manufacturing and inventory restocking in the electronics sector;
 - Growth in the construction sector for the 2nd quarter of 2009 also increased significantly by 32.7% over the 1st quarter, which was underpinned by growth in both private and public activities;
 - The decline in total demand slowed to 13.6% in the 2nd quarter of 2009 compared with a contraction of 16.9% in the 1st quarter of 2009, assisted by a slowing in external demand from 16.2% in the 1st quarter of 2009 to 12% in the 2nd quarter. Domestic Demand registered increased contraction of 1.6% in the 2nd quarter from 0.6% in the 1st quarter.
- The better than expected GDP result was clearly a result of the spike in the output from the volatile biomedical manufacturing sector and inventory restocking and it is questionable whether this will be sustained in the second half of 2009. However promising signs have emerged from sentiment driven economic indicators such as the ISM Purchasing Managers Index and the Composite Leading Indicators which have both improved noticeably. Furthermore overall business sentiment is now less pessimistic in the outlook for the second half of the year.
- Based on a cautiously optimistic outlook, the Ministry for Trade and Industry (MTI) has maintained its GDP forecast for 2009 to reflect a contraction of between 4% and 6%.

Other notable performance indicators demonstrate the following:

- Employment declined in the 2nd quarter of 2009 by 12,000, double the losses of 6,200 in the 1st quarter which was due to heavy losses in manufacturing. This was offset by slowing declines in the construction and service sectors.
- The overall unemployment rate stabilised at 3.3%, consistent with the result of the 1st quarter of 2009.
- Productivity declined 6.2% in the 2nd quarter of 2009 following a decline of 15% in the 1st quarter. The slowing rate of decline was supported by the manufacturing and construction sectors.
- CPI declined by 0.5% in the 2nd quarter of 2009 which was slower than the 2.1% increase in the previous quarter.

2 November 2009

- Total trade declined by 26.8% in the 2nd quarter 2009, following a decrease of 27.7% in the previous quarter.
- Total exports declined 25.3% following a decline of 27.8% in the 1st quarter of 2009.
- Non-oil domestic exports (NODX) declined 14.3% in the 2nd quarter of 2009 following a 25.6% decline in the previous quarter.
- The transport and storage sector declined 10.3% in the 2nd quarter of 2009 from a contraction of 9.7% in the 1st quarter of 2009. This included an 18.4% decline in container throughputs (from -17.9% in 1st quarter of 2009) and a decline in air cargo growth of 17.9% (from -22.6% in the 1st quarter of 2009).

Industrial Market Overview

The industrial market in Singapore encompasses four broad categories, namely Factory (heavy and light manufacturing), Warehouse and Logistics, High Tech and Business & Science Park. The subject portfolio assets primarily fall into the Factory, Warehouse and Logistics categories.

Both market categories will continue to be impacted by the economic downturn to different degrees in light of recent economic indicators and the short term outlook. Singapore's open and externally driven economy has led to a significant and rapid deceleration in economic growth which has been closely correlated with trade performance as earlier indicated. The general erosion in economic conditions was anticipated in our previous valuations.

Factory

Specifically, the improvement in economic growth has impacted on NODX which in turn has affected manufacturing output. The slower rate of decline in NODX has been driven by a slowing in decline in real output and this has translated to improved manufacturing data. The flow-on effect has placed pressure on occupational demand for factory accommodation and in turn market rents.

According to statistics released by the URA, net Factory demand in the 2nd quarter of 2009 was 139,000 square metres (1,500,000 square feet), a significant improvement on the 1st quarter demand of 40,000 square metres (430,560 square feet). Islandwide occupancy for the 2nd quarter of 2009 dropped marginally to 92.2% from 93.0% in the 1st quarter of 2009. Following a decline of around 3% in the 1st quarter of 2009 from the previous quarter, the June average monthly rent for prime conventional factory space decreased to \$1.40 and \$1.15 for ground floor space and upper floor space respectively. This represents a decline for the quarter of around 4% to 5%.

Warehouse and Logistics

The externally influenced downturn has also impacted on trade related services which has been exacerbated by the recent increase in this sector's increased contribution to GDP. Unlike previous downturns, the current recession is characterised by a global disruption in trade finance as well as a global collapse in manufacturing activity. With Singapore as a substantial transport hub, this has impacted sharply on the transport and storage sector which has seen a sharp contraction in container throughputs and air cargo holding in the 1st and 2nd quarters of 2009. In a similar manner to the Factory category, this has placed downward pressure on demand and rents for warehouse and logistics accommodation. Conversely, there is anecdotal evidence that the lack of demand for consumer goods has resulted in both a build up of and

2 November 2009

sluggish movement in inventories within dedicated logistics facilities. This trend would tend to moderate a decline in demand and possibly rent.

Nonetheless, the 2nd quarter of 2009 saw negative demand of -32,000 square metres, compared with positive demand of 69,000 square metres in the 1st quarter of 2009. Islandwide occupancies fell from 93.0% during the 1st quarter of 2009 to 91.0% in the 2nd quarter of 2009. The average monthly prime rent for flatted warehouse accommodation dropped \$0.05 q-o-q to \$1.35 psf for ground floor units and from \$1.10 to \$1.05 psf for upper floor units, representing a decline of some 3% to 5%, following a decline of around 6% to 7% for the previous quarter.

To help businesses cope with the economic slowdown, the government implemented several measures as part of a S\$20.5 billion Resilience Package within Budget 2009. Notable amongst these measures is a 15% rental rebate given to JTC, HDB and SLA tenants and land lessees. Separately JTC also imposed a relaxation of the subletting cap from 50% to 100% for their lessees. While businesses have generally welcomed these measures, the removal of subletting cap and granting of rental rebates could turn out disadvantageous for landlords as more space could potentially come onto the market and rents which are already under pressure as a result of decreased occupational demand could soften even quicker. A property tax reduction of 40% has also been passed on to the industrial property sector for 2009.

Industrial Investment Market Overview

The industrial investment market has been inactive throughout late 2008 and during 2009. The market is currently characterised by an impasse on investment pricing between sellers and buyers with illiquidity remaining a key influence.

From our discussions with market participants, investors appear to be heavily discounting value parameters which were prevailing during the peak of the market in 2007. This re-weighting of the market is based on investors' views regarding suitable return hurdles in light of the availability and cost of debt in the current environment relative to conditions prior to the deterioration in global capital markets. A substantial premium still exists between Sibor and lending rates and loan to value ratios remain relatively suppressed across the board, however larger investors with a solid track record along with scale and strong balance sheet positions are realising more favourable lending terms than smaller, lower profile investors.

The market is also characterised by a high degree of uncertainty with investors recognising that there will be continued pressure on occupational demand and rents in the short to medium term. We also consider that foreign investors may be considering better investment value in other markets presenting counter-cyclical opportunities and potential currency related benefits.

Prior to the deterioration of the capital markets, the primary investment market was underpinned by strong REIT activity. Historically the Singapore industrial market has been dominated by the owner occupier sector with there only being a small number of local institutional players holding good quality assets underpinned by quality lease covenants. The implementation of the REIT legislation in 2002 encouraged wider institutional investment and with the entrance of additional players in the market, competition for stock intensified. Furthermore, a trend of sale and leaseback structuring developed which was intended to deliver the smaller REIT players a portfolio of properties with predictable and stable mid to long term cash flow underpinned by net lease structures.

With the global financial crisis escalating in the latter half of 2008, the REIT sector became susceptible to the downturn in the broader capital markets. REIT stocks were consequently heavily sold and the sector re-weighted. Higher dividend yields prevented REITs from making accretive acquisitions and subsequent

2 November 2009

pressure on real estate values has placed pressure on Loan to Value ratios, forcing capital raisings which have diluted unit prices. Investment acquisitions have been virtually impossible in this environment. The sector is now in a period of consolidation and the smaller cap REITs may come under M&A pressure, or may be forced to sell assets to avoid loan covenant breaches.

Outside of the REIT sector, there is no sign of acquisition activity from the unlisted sector. During the 1st and 2nd quarters of 2008, there was strong enquiry from the unlisted market and it appeared as though this sector would continue to support values set by the REITs. However, illiquidity and the prospect of downward pressure on values have deterred this sector.

The last of the significant industrial investments occurred in the 3rd and 4th quarters of 2008 and was dominated by unlisted funds.

The JTC divestment to Mapletree Industrial was completed within this period, however this is a \$1.7b portfolio which was subject to an extensive marketing campaign and a protracted due diligence period.

First REIT announced their acquisition of Tuas View Lane (\$42m). However, this facility is currently under construction and will not settle until practical completion in the 2nd half of 2009. Under the sale agreement, the asset is to be re-valued at the time of completion to assess whether there has been any movement in value and it is likely that this will be revised down.

The Applied Materials building in Changi settled to German fund manager Union Investment Real Estate for a consideration of \$63m. The German pension funds were known to be particularly aggressive market players prior to the market downturn.

In late 2008 Cambridge Industrial Trust and Natural Cool Holdings Limited announced an agreement to an existing Option Agreement for Cambridge's intended acquisition of 29 Tai Seng Drive, however more recently a subsequent announcement has been made that this sale will not conclude.

In the absence of recent meaningful recent investment transactions, we have not included sales evidence as part of this commentary. As indicated during the peak of the market, REIT participants were aggressively acquiring stock to grow funds under management and to demonstrate a positive growth and yield accretive story to the unit investors. Resultantly, equated yields for prime stock had compressed to around 5.75% to 6.25% with generic and secondary stock reflecting a range of around 6.50% to 7.0%. We estimate that yields generally compressed by between 75 and 100 basis points between 2005 and 2008, representing the period during which the industrial REITs in Singapore established, through to the market peak.

Until there is transactional activity, there is no evidence to provide a clear guidance on capitalisation and discount rates. However we are of the opinion that theoretically there should be a softening of capitalisation rates as investment hurdle rates have inevitably increased since the market peak. We have reflected this in our valuation assessment.

In summary, economic constraints will impact on the industrial property market in the short term. However the mid to long term outlook is optimistic for reasons earlier outlined and we are of the opinion that Singapore will offer a favourable investment environment for funds requiring long term stability as part of well balanced portfolios.

2 November 2009

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the industrial property market. We have utilised the Capitalisation Approach and Discounted Cash Flow analysis in undertaking our assessment for each of the Properties.

Capitalisation Approach

We have utilised a capitalisation approach in which the sustainable net income on a fully leased basis has been estimated having regard to the net rental income.

The resultant net income has thereafter been capitalised for the remaining tenure of the respective Properties to produce a core capital value. The yields adopted reflect the nature, location and tenancy profile of the Properties together with current market investment criteria, as evidenced by the sales evidence considered. Thereafter, appropriate capital adjustments have been included relating to rental reversion adjustments.

Discounted Cash Flow Analysis

We have also carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cashflow. This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

We have investigated the current market requirements for an investment return over a 10-year period from industrial property. We hold regular discussions with investors active in the market, both as purchasers and owners of industrial properties. From this evidence, we conclude that market expectations are currently in the order of 8.25% to 8.75%. We note that the Singapore 10-year bond rate is trading in the order of 2.5% over the last 6 months, indicating a risk premium of between 5.75% and 6.25%.

Our selected terminal capitalisation rates, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building in 10 years' time. The adopted terminal capitalisation rate additionally has regard to the duration of the remaining tenure of the Properties at the end of the cash flow period.

Valuation Comments

In respect of 3 Toh Tuck Link, 23 Tai Seng Drive, 30-32 Tuas West Road and 56 Serangoon North Avenue 4, rectification works were agreed to be undertaken by the Vendor as part of the terms of the sale of these properties. From our previous inspections of the properties it appears as though these works have progressed, however have yet to be concluded. Our valuation has been undertaken on the assumption that the outstanding works will be completed in accordance with the agreement.

2 November 2009

The adopted market rentals are below passing rents. There is now clear evidence that rents in all sectors of the industrial market have declined, with official data, although not directly comparable with the subject portfolio, suggesting a decline of in the order of 10% to 15% from the market peak. Our expectation of little real short term growth is reflected in our assumptions within the discounted cash flow analyses.

As indicated there has been no available direct market sales evidence at the date of valuation. However the lack of transactional activity reflects in most part a lack of buyer depth and a disconnect in value consideration between buyers and sellers. Buyer consideration is currently impacted by continued market uncertainty in the face of a recessionary economic environment and challenging credit conditions.

Schedule of Values

Based on the above, the following table outlines the salient valuation assumptions adopted in undertaking our assessment:

PROPERTY	Capitalisation Rate	Target Discount Rate (10-yr)	Assessed Market Value (\$)	Initial Yield	\$psm of NLA
1) 3 Toh Tuck Link	7.25%	8.50%	17,800,000	10.46%	1,555
2) 23 Tai Seng Drive	7.00%	8.25%	18,800,000	7.48%	2,196
3) 30-32 Tuas West Road	7.50%	8.50%	18,100,000	8.49%	1,285
4) 56 Serangoon North Avenue 4	7.25%	8.50%	15,700,000	8.56%	1,506
Total	7.26%	8.52%	70,400,000	8.73%	1,582

Please see Appendix for our Valuation Certificates of the respective properties.

Summary of Values

In conclusion, the analysis of the key investment parameters is as follows:

Total Portfolio

- Total portfolio value is S\$70,400,000.
- Indicating S\$1,582 per square metre or S\$147 per square foot of NLA.
- Reflecting an overall Capitalisation Rate of 7.26%.
- Reflecting an overall Target Discount Rate of 8.52%.

2 November 2009

Assessment of Value

We are of the opinion that the Market Value of the leasehold interest in the Properties, subject to existing leases and occupancy arrangements, is:

Total Portfolio – 4 Properties

S\$70,400,000

(Singapore Dollars: Seventy Million Four Hundred Thousand Dollars)

Disclaimer

CB Richard Ellis has relied upon property data previously supplied, we assume to be true and accurate. CB Richard Ellis takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

We hereby certify that the valuers undertaking these valuations are authorised to practise as valuers and have at least 15 years continuous experience in valuation.

Yours sincerely
CB Richard Ellis (Pte) Ltd




Lim Khee Boon BSc (Est. Mgt) Hons MSISV
Appraiser's Licence No. AD041-2004195E
Director – PAVAS



James Crawford AAPI
Registered Valuer
Associate Director – PAVAS

APPENDICES

2 November 2009

Property:	German Districentre 3 Toh Tuck Link Singapore 596228	
Client:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of the MacarthurCook Industrial REIT) & MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT)	
Interest Valued:	Leasehold for a term of 30+30 years commencing from 16-11-1996. Balance term 47.13 years.	
Basis of Valuation:	Market Value subject to the existing Head Lease.	
Land Area:	10,724.4 square metres	
Town Planning:	"Business 2" with a plot ratio of 1.6	
Brief Description:	The property comprises a multi-storey office and warehouse building. The primary warehouse areas are located at Levels 1 and 3, with the latter featuring a semi-automated narrow aisle storage system, whilst the office accommodation is located over 5 levels. The Certificate of Statutory Completion was issued in December 2000 and the building is considered to be in reasonable condition overall.	
Tenancy Profile:	The building is leased to Tavica Logistics Pte Ltd for a term of 4 years commencing 1 February 2008.	
Lease Condition:	Tavica Logistics Pte Ltd's 4-year lease commenced on 1 February 2008 for an area of 11,446.0 square metres. The commencement rent of \$1,880,395 is subject to rental escalation of 3% at the commencement of Year 3. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.	
NLA (sqm)	11,446.0	
GFA (sqm)	12,492.4	
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis	
Date of Valuation:	30 September 2009	
Assessed Value:	\$17,800,000 (Seventeen Million Eight Hundred Thousand Dollars)	This valuation is exclusive of GST.
Analysis:		
Capitalisation Rate:	7.25%	
Terminal Yield:	7.50%	
IRR (10 years):	8.50%	
Value psm of NLA:	\$1,555	
Value psf of NLA:	\$144	
Assumptions, Disclaimers, Limitations & Qualifications	<p><i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>	
Prepared By:	CB Richard Ellis (Pte) Ltd	



Per: Lim Khee Boon BSc (Est. Mgt) Hons MSISV
Appraiser's Licence, No. AD041-2004195E
Director - PAVAS



Per: James Crawford AAPI
Registered Valuer
Associate Director - PAVAS

2 November 2009

Property:	23 Tai Seng Drive Singapore	
Client:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of the MacarthurCook Industrial REIT) & MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT)	
Interest Valued:	Leasehold for a term of 30+30 years commencing from 1-8-1990. Balance term 40.84 years.	
Basis of Valuation:	Market Value subject to the existing Head Lease.	
Land Area:	3,813.6 square metres	
Town Planning:	"Business 2" with a plot ratio of 2.5	
Brief Description:	The property comprises a 6-storey light industrial building incorporating areas suitable for production, R&D, office and ancillary storage. The Certificate of Statutory Completion was issued in May 1995 and the building is considered to be in reasonable condition overall.	
Tenancy Profile:	The building is leased to Excalibur Holdings (S) Pte Ltd for a term of 5 years commencing 18 December 2007.	
Lease Condition:	Excalibur Holdings (S) Pte Ltd's 5-year lease commenced 18 December 2007 for an area of 8,561.0 square metres. The commencement rent of \$1,420,240 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.	
NLA (sqm)	8,561.0	
GFA (sqm)	9,493.1	
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis	
Date of Valuation:	30 September 2009	
Assessed Value:	\$18,800,000 (Eighteen Million Eight Hundred Thousand Dollars)	This valuation is exclusive of GST.
Analysis:		
Capitalisation Rate:	7.00%	
Terminal Yield:	7.25%	
IRR (10 years):	8.25%	
Value psm of NLA:	\$2,196	
Value psf of NLA:	\$204	
Assumptions, Disclaimers, Limitations & Qualifications	<p><i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>	
Prepared By:	CB Richard Ellis (Pte) Ltd	



Per: Lim Khee Boon BSc (Est. Mgt) Hons MSISV
Appraiser's Licence, No. AD041-2004195E
Director - PAVAS



Per: James Crawford AAPI
Registered Valuer
Associate Director - PAVAS

2 November 2009

Property:	30/32 Tuas West Road Singapore	
Client:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of the MacarthurCook Industrial REIT) & MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT)	
Interest Valued:	Leasehold for a term of 30+30 years commencing from 1-1-1996. Balance term 46.25 years.	
Basis of Valuation:	Market Value subject to the existing Head Lease.	
Land Area:	12,894.9 square metres	
Town Planning:	"Business 2" with a plot ratio of 1.4	
Brief Description:	The property comprises two detached 3-storey factory buildings, referred to as Block A and Block B. The buildings generally provide areas suitable for production, offices and showroom. The Certificate of Statutory Completion for the buildings was issued in June 2001 and they are considered to be in reasonable condition overall.	
Tenancy Profile:	The building is leased to Tavica Logistics Pte Ltd for a term of 6 years commencing 15 January 2008.	
Lease Condition:	Tavica Logistics Pte Ltd's 6-year lease commenced on 15 January 2008 for an area of 14,081.0 square metres. The commencement rent of \$1,552,435 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.	
NLA (sqm)	14,081.0	
GFA (sqm)	14,838.1	
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis	
Date of Valuation:	30 September 2009	
Assessed Value:	\$18,100,000 (Eighteen Million One Hundred Thousand Dollars)	This valuation is exclusive of GST.
Analysis:		
Capitalisation Rate:	7.50%	
Terminal Yield:	7.75%	
IRR (10 years):	8.50%	
Value psm of NLA:	\$1,285	
Value psf of NLA:	\$119	
Assumptions, Disclaimers, Limitations & Qualifications	<p><i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>	
Prepared By:	CB Richard Ellis (Pte) Ltd	



Per: Lim Khee Boon BSc (Est. Mgt) Hons MSISV
Appraiser's Licence, No. AD041-2004195E
Director - PAVAS



Per: James Crawford AAPI
Registered Valuer
Associate Director - PAVAS

2 November 2009

Property:	56 Serangoon North Avenue 4 Singapore	
Client:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of the MacarthurCook Industrial REIT) & MacarthurCook Investment Managers (Asia) Limited (as manager of the MacarthurCook Industrial REIT)	
Interest Valued:	Leasehold for a term of 30+30 years commencing from 16-5-1995. Balance term 45.62 years.	
Basis of Valuation:	Market Value subject to the existing Head Lease.	
Land Area:	4,999.1 square metres	
Town Planning:	"Business 1" with a plot ratio of 2.5	
Brief Description:	The property comprises a 7-storey light industrial building incorporating areas suitable for office and light industrial and related activities. The Certificate of Statutory Completion was issued in March 1998 and the building is considered to be in reasonable condition overall.	
Tenancy Profile:	The building is leased to Crescendas Pte Ltd for a term of 5 years commencing 15 January 2008.	
Lease Condition:	Crescendas Pte Ltd's 5-year lease commenced 15 January 2008 for an area of 10,424.0 square metres. The commencement rent of \$1,356,960 is subject to rental escalation of 3% at the commencement of Years 3 and 5. The tenant bears all property outgoing expenses including annual land rent, property tax and service charges including insurance and maintenance, but excluding property management fees.	
NLA (sqm)	10,424.0	
GFA (sqm)	11,751.0	
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis	
Date of Valuation:	30 September 2009	
Assessed Value:	\$15,700,000 (Fifteen Million Seven Hundred Thousand Dollars)	This valuation is exclusive of GST.
Analysis:		
Capitalisation Rate:	7.25%	
Terminal Yield:	7.50%	
IRR (10 years):	8.50%	
Value psm of NLA:	\$1,506	
Value psf of NLA:	\$140	
Assumptions, Disclaimers, Limitations & Qualifications	<p><i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>	
Prepared By:	CB Richard Ellis (Pte) Ltd	



Per: Lim Khee Boon BSc (Est. Mgt) Hons MSISV
Appraiser's Licence, No. AD041-2004195E
Director - PAVAS



Per: James Crawford AAPI
Registered Valuer
Associate Director - PAVAS

20 Raffles Place
#13-01 Ocean Towers
Singapore 048620
Tel: (65) 6535 3232
Fax: (65) 6535 1028

www.cushmanwakefield.com

2 November 2009

**HSBC Institutional Trust Services (Singapore) Ltd
(in its capacity as Trustee for MacarthurCook Industrial REIT)**

c/o MacarthurCook Limited
1 Raffles Place #21-01
OUB Centre
Singapore 048616

Dear Sirs

VALUATION OF PORTFOLIO OF 4 PROPERTIES COMPRISING:

- 1. 3 Toh Tuck Link, Singapore 596228**
- 2. 23 Tai Seng Drive, Singapore 535224**
- 3. 56 Serangoon North Avenue 4, Singapore 555851**
- 4. 30/32 Tuas West Road, Singapore 638386/638387**

Cushman & Wakefield VHS Pte Ltd ("C&W") have been instructed by HSBC Institutional Trust Services (Singapore) Ltd (the "Trustee") in its capacity as trustee of MacarthurCook Industrial REIT to provide the market values as at 30 September 2009 and to provide formal valuation reports in respect of the above mentioned properties ("the Properties"), subject to the existing tenancies and lease arrangements as disclosed, for acquisition purposes.

C&W have prepared formal valuation reports (the "Reports") in accordance with the requirements of the instructions and the following international definition of Market Value:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation have been made on the assumption that the owner sells the property on the open market in its existing state taking into account the existing tenancies and lease arrangements but without the benefit of other joint venture, management agreement or any similar arrangement which would affect the value of the property.

The valuation contained in the Reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, MacarthurCook Limited (the “Manager”) and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided. The value conclusions reflect all information known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

Where applicable, information as to ownership, site area and zoning has been obtained from our searches at the Singapore Land Authority or Urban Redevelopment Authority. C&W have also relied to a considerable extent the property data provided by the Manager on matters such as gross and lettable floor areas, lease terms/tenancy details, occupancy status, land rent, building plans and all other relevant matters.

Also, in the course of the valuation, we have assumed that all the leases are legally valid and enforceable and the Properties have proper legal titles that can be freely transferable, leased and sub-leased in the market without being subject to any land premium or any extra charges. C&W have no reason to doubt the truth and accuracy of the information provided to us by the Manager which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Properties. C&W have assumed that the Properties are free from encumbrances, restrictions or other outgoings of an onerous nature which would affect their market value, other than those which have been made known to C&W.

The methodologies used in valuing the Properties, namely, the Discounted Cash Flow Approach and Direct Capitalization Approach, are based on our professional opinion and estimates of the future results and are not guarantees or predictions. Each methodology is based on a set of assumptions as to the income and expenses taking into considerations the changes in economic conditions and other relevant factors affecting the Properties. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made.

We have inspected the exterior and, where possible, the interior of the Properties. No structural survey has been made as this is outside the terms of our reference. We are therefore, not able to report that the Properties are free from rot, infestation or any structural defect. No tests were carried out to any of the services. We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Our valuations have been undertaken on a Goods & Services Tax (“GST”) exclusive basis and unless otherwise stated, all money amounts are in Singapore Dollars.

All information provided to us by the Manager is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the subject properties and are not a related corporation of nor do we have a relationship with the Trustee, advisor or other party/parties whom the property trust is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties.

Our Valuation Certificates containing brief property details of the Properties are attached.

Yours faithfully

For and on behalf of

Cushman & Wakefield VHS Pte. Ltd.

A handwritten signature in black ink, appearing to read 'Chew May Yen', with a stylized flourish at the end.

Chew May Yenk

Director - Valuation & Advisory Services

Licensed Appraiser No AD41-2004419H

Encl.

VALUATION CERTIFICATE

Address	:	3 Toh Tuck Link German Districentre Singapore 596228
Legal Description	:	Lot 7384X of Mukim 5 (JTC Private Lot A2255201)
Tenure	:	Leasehold 30 years commencing from 16 November 1996 with a further term of 30 years
Registered Licensee	:	German Districentre Pte Ltd ¹ (according to JTC's Building Agreement)
Brief Description	:	A part 2-storey/part 5-storey warehouse with ancillary office building and located along Toh Tuck Link. It is situated some 10 km to the west of the city centre at Raffles Place.



The building accommodates double-volume conventional and air-conditioned warehouse areas on the 1st and 3rd storeys and ancillary office areas on all levels. The Certificate of Statutory Completion was issued in December 2000. The building is equipped with fire protection systems, security services, air-conditioning provision to the offices and selected warehouse areas, electric substation, M&E services and connection to public utilities and telecommunication services. Vertical access is via a passenger lift and a cargo lift. There are also conveyor belt goods lifter systems that transport goods to the 3rd storey warehouse.

Other improvements on site include security guardhouse, surface and car parking lots and concrete paved driveways in the compound of the premises.

Land Area	:	10,724.4 square metres
Gross Floor Area	:	Approximately 12,492.41 square metres ²

¹ We understand that German Districentre Pte Ltd, by a Deed of Assignment dated 2 October 2006, assigned all rights, interests, benefits, advantages, permits, licences and remedies under or arising out of the Building Agreement to Sherrington Pte Ltd. Also, according to JTC's letter dated 29 November 2007, it had, in principle, no objection to the assignment/ transfer of lease of the property by Sherrington Pte Ltd to DB International Trust (Singapore) Limited.

² Gross floor area detail is according to information provided by the Manager and is subject to survey. We have not been supplied with the architectural floor plans for the property.

Lettable Floor Area	:	Approximately 11,446.0 square metres ³
Permitted Use	:	To be used for the purpose as German regional districentre, bonded and licensed warehouse facilities only.
Condition	:	The building is in fairly good state of repairs and maintenance.
Tenancy Brief	:	<p>The property has been master leased to Tavica Logistics Pte Ltd ("the Tenant") for a period of 4 years with effect from 1 February 2008. The rentals, excluding GST, payable are as follows:</p> <p>Years 1 & 2 : S\$1,880,395 per annum Years 3 & 4 : S\$1,936,807 per annum</p> <p>The Tenant is responsible for maintenance and all property outgoings, including property tax and land rent, during the term of the lease.</p>
Annual Land Rent/Licence Fee	:	Current land rent payable to JTC is S\$24,156.71 per month or approximately \$289,880.52 per annum, excluding GST and rebates.
2008 Master Plan Zoning	:	"Business 1" with plot ratio 1.6
Market Value As at 30 September 2009	:	S\$21,700,000/- (Singapore Dollars Twenty-One Million Seven Hundred Thousand Only)



For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE LTD

³ Lettable floor area detail is according to information provided by the Manager and is subject to survey.

VALUATION CERTIFICATE

Address	:	23 Tai Seng Drive Singapore 535224	
Legal Description	:	Lot 4430L of Mukim 23 (JTC Private Lot A2274400)	
Tenure	:	Leasehold 30 years commencing from 1 August 1990 with a further term of 30 years.	
Registered Lessee	:	DB International Trust (Singapore) Limited, in capacity as trustee of AMP Capital Business Space REIT.	
Brief Description	:	A purpose-built 6-storey light industrial building with a basement car park located at the corner of Tai Seng Drive and Tai Seng Avenue. It is within the Tai Seng Industrial Estate, some 9 km to the north of the city centre at Raffles Place.	
		<p>The building provides showroom/office and warehouse/production areas on the 1st storey and light & clean production areas and ancillary office areas on the upper levels. The Certificate of Statutory Completion was issued in May 1995. The building is equipped with fire protection systems, security services, air-conditioning provision to most of the production and office areas, electric substation, M&E services and connection to public utilities and telecommunication services. Vertical access is via 2 passenger lifts and a cargo lift.</p> <p>Other improvements on site include security guardhouses, surface and basement car parking lots and tarmac paved driveways in the compound of the building.</p>	
Land Area	:	3,813.6 square metres	
Gross Floor Area	:	Approximately 9,493.12 square metres ⁴	
Lettable Floor Area	:	Approximately 8,561.0 square metres ⁵	

⁴ Gross floor area detail is according to information provided by the Manager and is subject to survey. We have not been supplied with the architectural floor plans for the property.

⁵ Lettable floor area detail is according to information provided by the Manager and is subject to survey.

Permitted Use : To be used for the purpose of manufacturing/ testing/ packaging/ storage of electrical/electronic/medical devices, components, equipments only.

Condition : The building is in fairly good state of repairs and maintenance.

Tenancy Brief : The property has been master leased to Excalibur Holdings (S) Pte Ltd ("the Tenant") for a period of 5 years with effect from 18 December 2007. The rentals, excluding GST, payable are as follows:

Years 1 & 2 : S\$1,420,240 per annum

Years 3 & 4 : S\$1,462,847 per annum

Year 5 : S\$1,506,733 per annum

The Tenant will be responsible for maintenance and all property outgoings, including property tax and land rent, during the term of the lease.

Annual Land Rent/Licence Fee : Current land rent payable to JTC is S\$12,929.46 per month or approximately S\$155,154 per annum, excluding GST and rebates.

2008 Master Plan Zoning : "Business 2" with plot ratio 2.5

Market Value : S\$16,400,000/-
As at 30 September 2009 (Singapore Dollars Sixteen Million and Four Hundred Thousand Only)



For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE LTD

VALUATION CERTIFICATE

Address	:	56 Serangoon North Avenue 4 Singapore 555851
Legal Description	:	Lot 15779T of Mukim 18 (JTC Private Lot A2266900)
Tenure	:	Leasehold 30 years commencing from 16 May 1995 with a further term of 30 years.
Registered Licensee	:	Polymicro Precision Technology Pte Ltd ⁶ (according to JTC's Building Agreement)
Brief Description	:	A purpose-built 7-storey light industrial building located at the end of Serangoon North Avenue 4, off Yio Chu Kang Road. It is within the Serangoon North Industrial Estate, some 12 km to the north-east of the city centre at Raffles Place.



The building accommodates areas suitable for light production and storage activities as well as ancillary office areas on all levels. The Certificate of Statutory Completion was issued in March 1998. The building is equipped with fire protection systems, security services, electric substation, M&E services and connection to public utilities and telecommunication services. Vertical access is via 2 cargo lifts, a passenger lift and a fireman lift.

The building had undergone alterations and additions works which were completed at the end of 2007. The works included conversion of corridor space into factory area and former air-con ledges into corridors on the upper levels whilst the 7th storey roof area was converted into covered factory areas, amongst others.

Other improvements on site include security guardhouse, surface car parking lots and tarmac paved driveways in the compound of the building.

⁶ We understand that by way of a Deed of Assignment dated 28 February 2001 and mortgage-in-escrow, the licensee has assigned all its rights title and interest in the Building Agreement to Hong Leong Finance Limited ("HLF"). HLF then exercised its power of sale as mortgagee and granted an option to purchase dated 4 May 2006, which was exercised by Success Ventures Pte Ltd on 31 May 2006. Also, according to JTC's letter dated 30 November 2007, it had, in principle, no objection to the assignment/ transfer of lease of the property by Success Venture Pte Ltd to DB International Trust (Singapore) Limited.

Land Area	:	4,999.1 square metres
Gross Floor Area	:	Approximately 11,750.95 square metres ⁷
Lettable Floor Area	:	Approximately 10,424.0 square metres ⁸
Permitted Use	:	To be used for the purpose of manufacture of precision machining components only.
Condition	:	The building is in fairly good state of repairs and maintenance.
Tenancy Brief	:	<p>The property has been master leased to Crescendas Pte Ltd ("the Tenant") for a period of 5 years with effect from 15 January 2008. The rentals, excluding GST, payable by are as follows:</p> <p>Years 1 & 2 : S\$ 1,356,960 per annum Years 3 & 4 : S\$1,397,669 per annum Year 5 : S\$1,439,599 per annum</p> <p>The Tenant will be responsible for maintenance and all property outgoings, including property tax and land rent, during the term of the lease.</p>
Annual Land Rent/Licence Fee	:	Current licence fee payable to JTC is approximately S\$177,650 per annum, excluding GST and rebates.
2008 Master Plan Zoning	:	"Business 1" with plot ratio 2.5
Market Value	:	S\$14,700,000/-
As at 30 September 2009	:	(Singapore Dollars Fourteen Million and Seven Hundred Thousand Only)



For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE LTD

⁷ Gross floor area detail is according to information provided by the Manager and is subject to survey. We have not been supplied with architectural floor plans for the property.

⁸ Lettable floor area detail is according to information provided by the Manager and is subject to survey.

VALUATION CERTIFICATE

Address : 30/32 Tuas West Road
Singapore 638386/7

Legal Description : Lots 3827X and 3828L,
Mukim 7
(JTC Private Lots A2293200
and A2293201)



Tenure : Leasehold 30 years commencing from 1 January 1996 with a further term of 30 years

Registered Licensee : AM Paint Specialists Pte Ltd⁹ (according to JTC's Building Agreement)

Brief Description : Two purpose-built 3-storey light industrial buildings linked by the 1st storey driveway and located along Tuas West Road. They are located some 25 km from the city centre at Raffles Place.

The building provides office/warehouse/production areas on the 1st storey and production areas and ancillary office areas on the upper levels. The Certificate of Statutory Completion was issued in June 2001. The building is equipped with fire protection systems, security services, electric substation, M&E services and connection to public utilities and telecommunication services.

Other improvements on site include security guardhouse, surface car parking lots and tarmac paved driveways in the compound of the building.

Land Area : 12,894.9 square metres

Gross Floor Area : Approximately 14,838.12 square metres¹⁰

⁹ We understand that the Licensee, by a Deed of Assignment dated 26 February 2001, assigned all rights, title, estate and interest in the Building Agreement to United Overseas Bank Limited ("UOB") which then exercised its power of sale as mortgagee and granted an option to purchase dated 2 June 2006 to Huge Rise Pte Ltd ("HRPL"), and which was exercised by HRPL on 16 June 2006. By a Deed of Assignment dated 10 November 2006 between UOB, as assignor, and HRPL, as assignee, UOB assigned all its rights, title, estate and interest in the Building Agreement to HRPL. Also, according to JTC's letter dated 30 November 2007, it had, in principle, no objection to the assignment/ transfer of lease of the property by HRPL to DB International Trust (Singapore) Limited.

¹⁰ Gross floor area detail is according to information provided by the Manager and is subject to survey. We have not been supplied with the architectural floor plans for the property.

Lettable Floor Area	:	Approximately 14,081.0 square metres ¹¹
Permitted Use	:	To be used for the purpose of assembly and storage of electronic and mechanical parts, equipment, parts and devices only.
Condition	:	Generally in fairly good condition. However, access into all the interior areas of the property was not available at the time of inspection and we have assumed that the rest of the areas are also in fairly good state of repairs and maintenance.
Tenancy Brief	:	<p>The property has been master leased to Tavica Logistics Pte Ltd ("the Tenant") for a period of 6 years with effect from 15 January 2008. The rentals, excluding GST, payable by are as follows:</p> <p>Years 1 & 2 : S\$1,552,435 per annum Years 3 & 4 : S\$1,599,008 per annum Years 5 & 6 : S\$1,646,978 per annum</p> <p>The Tenant will be responsible for maintenance and all property outgoings, including property tax and land rent, during the term of the lease.</p>
Annual Land Rent/Licence Fee	:	Current licence fee payable to JTC is S\$16,920.76 per month or approximately S\$203,049 per annum, excluding GST and rebates.
2008 Master Plan Zoning	:	"Business 2" with plot ratio 1.4
Market Value As at 30 September 2009	:	S\$17,500,000/- (Singapore Dollars Seventeen Million and Five Hundred Thousand Only)



**For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE LTD**

¹¹ Lettable floor area detail is according to information provided by the Manager and is subject to survey.

(This page intentionally left blank)

DIRECTORS AND SUBSTANTIAL UNITHOLDERS' INTEREST**1. Directors**

Based on the Register of Directors' unitholdings maintained by the Manager and save for the interests disclosed below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date.

<u>Name of Unitholder</u>	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Units</u>	<u>%</u>	<u>No. of Units</u>	<u>%</u>
Mr George Wang	—	—	41,743,094	15.7 ⁽¹⁾

Note:

(1) Mr George Wang has a deemed interest in these Units as he is the ultimate owner of 100.0% of AIMS Capital Holdings Pty Ltd.

2. Substantial Unitholders

Based on the Register of Substantial Unitholders' unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

<u>Name of Unitholder</u>	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Units</u>	<u>%</u>	<u>No. of Units</u>	<u>%</u>
Mr George Wang	—	—	41,743,094	15.7 ⁽¹⁾
AIMS Capital Holdings Pty Ltd	—	—	41,743,094	15.7 ⁽²⁾
AIMS Securities Holdings Pty Ltd	—	—	41,743,094	15.7
MCK	7,786,094	2.9	35,243,094	13.2 ⁽³⁾
MacarthurCook Fund Management Limited	3,000,000	1.1	30,957,000	11.6 ⁽⁴⁾
MacarthurCook Industrial Property Fund	22,000,000	8.3	—	—
Universities Superannuation Scheme Ltd	22,000,000	8.3	—	—

Notes:

(1) Mr George Wang has a deemed interest in these Units as he is the ultimate owner of 100.0% of AIMS Capital Holdings Pty Ltd.

(2) AIMS Capital Holdings Pty Ltd has a deemed interest in these Units as it directly owns 15.8% of MCK and its wholly-owned subsidiary, AIMS Securities Holdings Pty Ltd, owns 84.2% of MCK.

(3) MCK has a deemed interest in these units as it owns 100.0% of MacarthurCook Fund Management Limited, the responsible entity for MacarthurCook Property Securities Fund and MacarthurCook Industrial Property Fund.

(4) MacarthurCook Fund Management Limited has a deemed interest in these Units as it is the responsible entity for MacarthurCook Industrial Property Fund and MacarthurCook Property Securities Fund.

(This page intentionally left blank)

INTERESTED PERSON TRANSACTIONS

1. AIMS Financial Group

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:

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

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.

2. AMP Capital

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

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

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.

(This page intentionally left blank)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of MacarthurCook Industrial REIT (“**MI-REIT**”) will be held at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 at 2.00 p.m on 23 November 2009 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE AMP CAPITAL INVESTMENT

That subject to and contingent upon the passing of Resolutions 2, 3, 4 and 5:

- (i) approval be and is hereby given for the issuance of 78,571,429 new units in MI-REIT (“**Units**”) to AMP Capital Investors (Luxembourg) No. 4 s.a.r.l. (the “**AMP Capital Investment**”), as described in the circular dated 6 November 2009 (the “**Circular**”) issued by MacarthurCook Investment Managers (Asia) Limited, as manager of MI-REIT (the “**Manager**”), to Unitholders of MI-REIT; and
- (ii) the Manager, any director of the Manager (a “**Director**”) and HSBC Institutional Trust Services (Singapore) Limited, as trustee of MI-REIT (the “**Trustee**”) be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of MI-REIT to give effect to the proposed AMP Capital Investment, including the issue of the Units pursuant to the AMP Capital Investment under a temporary stock counter as described in the Circular.

ORDINARY RESOLUTION

2. THE CORNERSTONE INVESTMENTS

That subject to and contingent upon the passing of Resolutions 1, 3, 4 and 5:

- (i) approval be and is hereby given for the issuance of 142,857,143 Cornerstone Investment Units as described in the Circular; and
- (ii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of MI-REIT to give effect to the proposed issuance of the Cornerstone Investment Units, including the issue of the Cornerstone Investment Units pursuant to the Cornerstone Investments under a temporary stock counter as described in the Circular.

ORDINARY RESOLUTION

3. THE AIMS INVESTMENT (AS PART OF THE CORNERSTONE INVESTMENTS)

That subject to and contingent upon the passing of Resolution 1, 2, 4 and 5:

- (i) approval be and is hereby given for the issuance of 9,821,429 new Units to Great World Capital Holdings Ltd (the “**AIMS Investment**”), as described in the Circular; and
- (ii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of MI-REIT to give effect to the proposed AIMS Investment, including the issue of the new Units pursuant to the AIMS Investment under a temporary stock counter as described in the Circular.

ORDINARY RESOLUTION

4. THE UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

That subject to and contingent upon the passing of Resolutions 1, 2, 3 and 5:

- (i) approval be and is hereby given for the issue of 975,627,332 new Units (“**Rights Units**”) under the underwritten and renounceable rights issue (the “**Rights Issue**”) pursuant to the Rights Ratio (as defined in the Circular), in the manner described in the Circular;
- (ii) the Rights Issue shall be carried out on the terms of and subject to the conditions set out below and/or otherwise on such terms and conditions as the Manager may think fit:
 - (a) that the Rights Issue shall be made on a renounceable and underwritten basis to Unitholders with Units standing to the credit of their securities accounts with The Central Depository (Pte) Limited (“**CDP**”) and (aa) whose registered addresses with CDP are in Singapore as at a time and date to be determined by the Directors for the purpose of determining the Unitholders’ entitlements under the Rights Issue (the “**Rights Issue and Special Distribution Books Closure Date**”) or who have, at least three 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 or (bb) who the Manager considers, in its sole discretion, may be offered Rights Units without breaching applicable securities laws (“**Eligible Unitholders**”);
 - (b) no provisional allotment of Rights Units shall be made in favour of Unitholders other than Eligible Unitholders;
 - (c) the provisional allotments of Rights Units not taken up or allotted for any reason shall be used to satisfy applications for excess Rights Units (“**Excess Rights Units**”) (if any) as the Manager may, in its discretion, deem fit; and
 - (d) the Rights Issue will be 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 of the management and underwriting agreement dated 5 November 2009 entered into between the Manager and the Joint Bookrunners and Underwriters;
- (iii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of MI-REIT to give effect to the Rights Issue or issue the Rights Units under a temporary stock counter.

ORDINARY RESOLUTION

5. THE ACQUISITION OF THE AMP CAPITAL PROPERTIES

That subject to and conditional upon the passing of Resolutions 1, 2, 3 and 4:

- (i) approval be and is hereby given for the acquisition of the AMP Capital Properties (as defined in the Circular) from DB International Trust (Singapore) Limited, as trustee of AMP Capital Business Space REIT (the “**AMP Capital Business Space REIT Trustee**”), for an aggregate purchase consideration of S\$68.6 million (the “**Acquisition**”), on the terms and conditions set out in the AMP Capital Put and Call Option Agreements dated 5 November 2009 made between the Trustee and the AMP Capital Business Space REIT Trustee;
- (ii) approval be and is hereby given for the entry into of the Sale and Purchase Agreements (as defined in the Circular);
- (iii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and
- (iv) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the

Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of MI-REIT to give effect to the Acquisition.

BY ORDER OF THE BOARD

MACARTHURCOOK INVESTMENT MANAGERS (ASIA) LIMITED
(as manager of MacarthurCook Industrial REIT)

Nicholas Paul McGrath
Chief Executive Officer

Singapore

6 November 2009

Notes:

- (1) A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.
- (2) The instrument appointing a proxy or proxies must be deposited at the Manager's appointed Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street #08-01, Samsung Hub, Singapore 049483, not less than 48 hours before the time set for the Extraordinary General Meeting.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes To Proxy Form

1. A Unitholder of MI-REIT (“**Unitholder**”) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of MI-REIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies must be deposited at the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street #08-01, Samsung Hub, Singapore 049483, not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

MACARTHURCOOK INDUSTRIAL REIT

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 5 December 2006 (as amended))

PROXY FORM
EXTRAORDINARY GENERAL MEETING
IMPORTANT

1. For investors who have used their CPF monies to buy units in MacarthurCook Industrial REIT, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a unitholder/unitholders of MacarthurCook Industrial REIT (“MI-REIT”), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			Number of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			Number of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of MI-REIT to be held at 2.00 p.m. on 23 November 2009 at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For *	Against *	Number of Votes For **	Number of Votes Against **
1.	To approve the AMP Capital Investment (Ordinary Resolution)				
2.	To approve the Cornerstone Investments (Ordinary Resolution)				
3.	To approve the AIMS Investment (as part of the Cornerstone Investments) (Ordinary Resolution)				
4.	To approve the Rights Issue (Ordinary Resolution)				
5.	To approve the Acquisition (Ordinary Resolution)				

* If you wish to exercise all your votes “For” or “Against”, please tick (✓) within the box provided.

** If you wish to exercise all your votes “For” or “Against”, please tick (✓) within the box provided. Alternatively, Please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2009

Total number of Units held

--

Signature(s) of Unitholder(s)/Common Seal



1st fold here

2nd fold here

Affix
Postage
Stamp

The Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street
#08-01 Samsung Hub
Singapore 049483

3rd fold here

(This page intentionally left blank)

(This page intentionally left blank)

