

 <p>AIMS AMP CAPITAL INDUSTRIAL REIT</p>	<p>AIMS AMP CAPITAL INDUSTRIAL REIT MANAGEMENT LIMITED</p> <p>As Manager of AIMS AMP Capital Industrial REIT 1 Raffles Place, #21-01 One Raffles Place Singapore 048616</p>
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(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 December 2006 (as amended))

SGX-ST Announcement: 6 June 2013

FURTHER DEVELOPMENT OF 20 GUL WAY SINGAPORE

*For the purposes of this announcement, all capitalised terms shall unless specifically defined herein have the same meaning ascribed to them in the announcement dated 26 July 2011 in relation to the redevelopment of 20 Gul Way Singapore 629196 (the “**Property**”), the announcement dated 16 April 2013 in relation to the increase in plot ratio of the Property, the announcement dated 17 April 2013 in relation to the launch of a private placement of new units in AIMS AMP Capital Industrial REIT (“**AIMSAMPREIT**”) to partially fund the further development of the Property and the announcement dated 3 May 2013 in relation to the use of proceeds from the private placement (collectively, the “**Announcements**”).*

1. INTRODUCTION

AIMS AMP Capital Industrial REIT Management Limited, as manager of AIMSAMPREIT (the “**Manager**”), is pleased to announce that further to the Announcements, HSBC Institutional Trust Services (Singapore) Limited, as trustee of AIMSAMPREIT (the “**Trustee**”) has today entered into a second development agreement (the “**Second Development Agreement**”) with CWT Limited (“**CWT**”) and Indeco Engineers (Pte) Ltd (“**Indeco**”, and collectively with the Trustee and CWT, the “**Parties**”) for the development of further warehouse space covering an additional gross floor area of approximately 496,944 square feet to be comprised in an extension to the warehouse in Phase 2 of approximately 123,253 square feet (the “**Phase 2E Warehouse**”) and a new warehouse of approximately 373,691 square feet connected to the existing ramp and adjacent to the warehouse in Phase 1 and the Phase 1 driveway (the “**Phase 3 Warehouse**”, collectively with the Phase 2E Warehouse, the “**New Warehouses**”).

Under the Second Development Agreement, upon the conditions thereunder being fulfilled or waived, various agreements will be entered into between the relevant parties pursuant to which, Indeco will be appointed to design and construct the New Warehouses, and the New Warehouses will be leased to CWT upon completion of each phase of the development. CWT is listed on the Main Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is in the business of providing warehousing and logistic services and engineering services. Indeco is a wholly-owned subsidiary of CWT.

2. THE PROPERTY

The Property currently comprises a five storey ramp up warehouse facility (the “**Warehouse**”) with a gross floor area of approximately 1,159,536 square feet on a land area of 828,248 square feet.

The property is located within the Jurong Industrial Estate, approximately 22 km from the city centre at Raffles Place. It is well-served by major arterial roads/expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and the Pan-Island Expressway.

The expected gross floor area of the Property after the further development of the Property is approximately 1,656,480¹ square feet.

3. DEFINITIVE AGREEMENTS

Pursuant to the Second Development Agreement, the Parties have respectively undertaken to enter into the definitive agreements (the “**Definitive Agreements**”) within the seven-day period commencing on the date on which all the conditions as set out in the Second Development Agreement are satisfied or waived relating to the following transactions (the “**Proposed New Transactions**”):

- (i) the design and construction of the New Warehouses by Indeco (the “**Proposed New Warehouses Design and Construction**”);
- (ii) the lease of the New Warehouses by the Trustee to CWT upon the completion of each of the Phase 2E Warehouse and the Phase 3 Warehouse (the “**Proposed New Warehouses Leases**”);
- (iii) the surrender by CWT of the right to occupy the marshalling yard and hardstand area comprised within the Property, as granted to CWT under the current master leases (the “**Proposed Surrender**”); and
- (iv) the licence of the hardstand area and marshalling yard within the Property (having an area of approximately 146,009 square feet, the “**Hardstand Area**”) by the Trustee to CWT upon the issuance of the lease in respect of the top (storey 5) and ground (storey 1) floors of the Phase 2 Warehouse upon the issuance of the Temporary Occupation Permit (“**TOP**”) in respect thereof (the “**Proposed Licence**”).

It is further intended that each of the Definitive Agreements when entered into will be inter-related and the completion of the Proposed New Transactions is conditional upon the other Definitive Agreements being in full force and effect and not having been terminated.

3.1 SALIENT TERMS OF THE DEFINITIVE AGREEMENTS

3.1.1 Second Design and Construction Agreement

The second design and construction agreement (the “**Second Design and Construction Agreement**”) to be entered into between the Trustee and Indeco provides that Indeco will be responsible for the design and construction of the New Warehouses. The New Warehouses will be completed within 17 months of the commencement date.

As security for the performance of its obligations under the Second Design and Construction Agreement, Indeco is required to procure a performance bond equal to 5% of the design and construction costs.

3.1.2 Second Agreement for Lease

The second agreement for lease (“**Second Agreement for Lease**”) to be entered into

¹ The expected gross floor area after the further development of the Property is based on development plans prepared by Indeco, on which the further development will be based. The area may differ from the actual gross floor area of the Property after the further development of the Property and is subject to final survey.

between the Trustee and CWT provides that the Trustee will grant to CWT and CWT will enter into leases of premises within the Phase 2E Warehouse and the Phase 3 Warehouse upon issue of the TOP of the Phase 2E Warehouse and the Phase 3 Warehouse respectively, substantially in accordance with terms and conditions as contained in the form of lease attached to the Second Agreement for Lease.

The salient terms of the leases are set out below:

- (i) for the ground floor of the Phase 2E Warehouse, a lease term of five years and two months;
- (ii) for the second, third, fourth and fifth floors of the Phase 2E Warehouse, a lease term of 32 months;
- (iii) for the ground floor of the Phase 3 Warehouse, a lease term of five years and two months;
- (iv) for the second, third, fourth and fifth floors of the Phase 3 Warehouse, a lease term of 32 months;
- (v) triple net rental at market rate;
- (vi) an annual rental escalation of 2% per annum;
- (vii) a rent free period on each phase of two months; and
- (viii) CWT will provide a bank guarantee equal to six months' rent for each of the leases.

3.1.3 Supplemental Deed

The supplemental deed (the “**Supplemental Deed**”) to be entered into between the Trustee and CWT:

- (i) varies the four current Phase 1 and Phase 2 leases to conform to the new proposed leases for the Phase 2E Warehouse and the Phase 3 Warehouse;
- (ii) sets out the obligations of the parties for payment of land rent, property tax and outgoings;
- (iii) evidences the surrender by CWT of the marshalling yard under the current master leases; and
- (iv) grants to CWT the licence of the Hardstand Area.

3.2 CONDITIONS PRECEDENT

The entry into the Definitive Agreements is conditional upon, *inter alia*:

- (i) the relevant corporate and regulatory approvals being obtained for the Proposed New Transactions;
- (ii) the requisite equity and/or debt financing for the Proposed New Warehouses Design and Construction being obtained by the Trustee;
- (iii) the approval of JTC for the Proposed New Warehouses Design and Construction or JTC's endorsement on the plans for the Proposed New Warehouses Design and Construction; and

- (iv) the approval of the mortgagee of the Property of the Proposed New Warehouses Design and Construction, the Proposed Leases, the Proposed Licence and the Supplemental Deed being obtained on terms acceptable to the Trustee.

If any condition to the entry into of the Definitive Agreements is not satisfied or waived by 15 September 2013 or such other date as agreed to by the Parties, neither of the Parties is obliged to enter into any of the Proposed New Transactions and the Second Development Agreement will terminate accordingly.

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

The Manager believes that the Proposed New Transactions will bring the following key benefits to Unitholders:

- (i) **DPU Impact**

Assuming that AIMSAMPIREIT had completed, held and operated the proposed further development for the whole of the financial year ended 31 March 2013 and the proposed further development was funded using 100% debt, the DPU impact is approximately +0.70¹ cents per annum.

- (ii) **The Further Development is Consistent with the Manager's Investment and Growth Strategy**

The further development of the Property pursuant to the approval in principle received for the increase in plot ratio of the Property from 1.4 to 2.0 would allow AIMSAMPIREIT to develop approximately an additional 496,944 square feet of gross floor area at the Property.

The further development of the Property is in line with the Manager's strategy for improving value through selective enhancement or redevelopment of existing assets. It unlocks value for Unitholders by profitably further developing the Property with a clear focus on minimising risk through a fixed price turnkey contract with a leading warehouse developer and securing a long term master lease for the entire warehouse with a high quality tenant.

Following the completion of the further development of the Property and taking into account the valuation by CBRE Pte. Ltd., AIMSAMPIREIT's total appraised asset value of the Property will increase from S\$217.0² million to S\$306.4³ million.

Upon completion of the further development of the Property, AIMSAMPIREIT will remain one of the major ramp up warehouse landlords in Singapore with 27 Penjuru Lane having a gross floor area of 1.03 million square feet and the Property having an estimated gross floor area of 1.66 million square feet.

¹ Please note that the DPU impact shown in this announcement is for illustration purposes only and purely on a pro forma basis based on the assumption that AIMSAMPIREIT had completed, held and operated the proposed further development for the whole of the financial year ended 31 March 2013 and the proposed development was funded using 100% debt based on units in issue as at 31 March 2013 of 449,399,302 units.

² CBRE Pte. Ltd.'s valuation dated 31 March 2013 on an "as-if-complete" basis.

³ CBRE Pte. Ltd.'s valuation of Phase 1 and 2 at the Property of S\$217.0 million dated 31 March 2013 on an "as-if-complete" basis and CBRE Pte. Ltd.'s valuation of the Phase 2E Warehouse and the Phase 3 Warehouse at the Property of S\$89.4 million dated 15 April 2013 on an "as-if-complete" basis.

5. METHOD OF FINANCING

Further to the Announcements, the Manager intends to fund the further development of the Property from the gross proceeds raised under the private placement of new units in AIMSAMPIREIT to institutional and other investors which is in accordance with the stated use and in accordance with the percentage allocated in the Announcements.

BY ORDER OF THE BOARD

AIMS AMP Capital Industrial REIT Management Limited
(Company Registration No. 200615904N)
(as manager of AIMS AMP Capital Industrial REIT)

Nicholas Paul McGrath
Chief Executive Officer

6 June 2013

For enquiries, kindly contact:

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Important Notice

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of AIMSAMPIREIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

About AIMS AMP Capital Industrial REIT

Managed by AIMS AMP Capital Industrial REIT Management Limited, AIMSAMPIREIT 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. The principal sponsors of AIMSAMPIREIT are the AIMS Financial Group and AMP Capital Investors International Holdings Limited, a direct wholly-owned subsidiary of AMP Capital. AIMSAMPIREIT consists of 25 industrial properties located throughout Singapore with an appraised total value of S\$1.04 billion based on valuations obtained as at 31 March 2013.

About AIMS Financial Group (“AIMS”)

Established in 1991, AIMS Financial Group (AIMS) is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment and high-tech investment. AIMS also 100% owns Asia Pacific Stock Exchange (APX).

Since 1999, AIMS has raised approximately A\$4.0 billion in funds from the capital markets. Of this, AIMS has issued approximately A\$3.0 billion residential mortgage-backed securities, with most of them rated AAA by both Standard & Poors and Fitch Ratings, and has originated over A\$5.0 billion of high quality prime home loans since 1997.

AIMS has actively introduced a number of international investors into the Australian markets and to date has also attracted over A\$1.0 billion of investments into Australia from overseas investors.

AIMS is also the investment manager for AIMS' funds, which amount to approximately A\$1.5 billion fund as at 31 December 2012.

AIMS' head office is in Sydney, Australia, and it has businesses across Australia, China, Hong Kong and Singapore. Our highly qualified, professional and experienced cross-cultural teams enable AIMS to bridge the gap between Australia and China across various sectors.

AMP Capital

AMP Capital is one of Asia Pacific's largest investment managers with over A\$130 billion in funds under management (as at 31 March 2013). Ranked a Top 5 real estate investment manager in Asia by ANREV 2012, AMP Capital has over A\$23 billion in global direct and listed real estate funds under management (as at 31 March 2013), and over 50 years of investment experience.

AMP Capital's team of specialists operate across direct and listed real estate and infrastructure, fixed income, equities and diversified funds. AMP Capital is proud to support the AIMS AMP Capital Industrial REIT with specialist expertise across industrial development, industrial asset management and debt management. The team also has access to AMP Capital's structuring and operating professionals with legal, tax, fund accounting and investor relations capabilities.

AMP Capital has established operations in Australia, Bahrain, China, Hong Kong, India, Japan, Luxembourg, New Zealand, Singapore, the United Kingdom and the United States. AMP Capital's ongoing commitment to the Asian region is exemplified through their strategic partnerships in the region. As well as resigning a Memorandum of Understanding with China Life Insurance (Group) Company in 2011, AMP Capital entered a strategic business and capital alliance with Mitsubishi UFJ Trust and Banking Corporation (MUTB), a leading Japanese trust bank which provides services to institutions and retail clients, across retail and corporate banking, trust assets, real estate and global markets.

AMP Capital's on the ground resources and extensive network of carefully selected regional investment partners means AMP Capital can source competitive investment opportunities catering to the varied needs of its clients.