

AIMS AMP CAPITAL INDUSTRIAL REIT



6 June 2013

Further development at 20 Gul Way: Phase 2E and Phase 3



20 Gul Way – Development of Phase 2E & 3

- Development Agreement signed on 6 June 2013
- Conditions Precedent (“**CPs**”) in the Development Agreement include Authorities’ approvals (JTC and URA) and mortgagee’s approval
- Upon satisfaction of CPs (estimated to be by August / September 2013):-
 - ✓ Design and Construct Contract, Agreement for Lease and other related transaction documents signed
 - ✓ construction commences
- Land rent revised to prevailing market land rent payable at plot ratio 2.0 for area West of Sungei Lanchar upon endorsement by JTC of the development plans (“**Land Rent**”)
 - ✓ Increase in Land Rent recoverable from CWT Limited on Phase 2E and Phase 3
 - ✓ Increase in Land Rent not recoverable from CWT Limited on Phase 1, Phase 2 and Hardstand Area
- Rental income for Phase 2E and Phase 3 of S\$6.3 million in Year 1 takes into account unrecovered Land Rent

20 Gul Way, Phase 2E & 3 – Structure of the Transaction

Key Terms of the Transaction

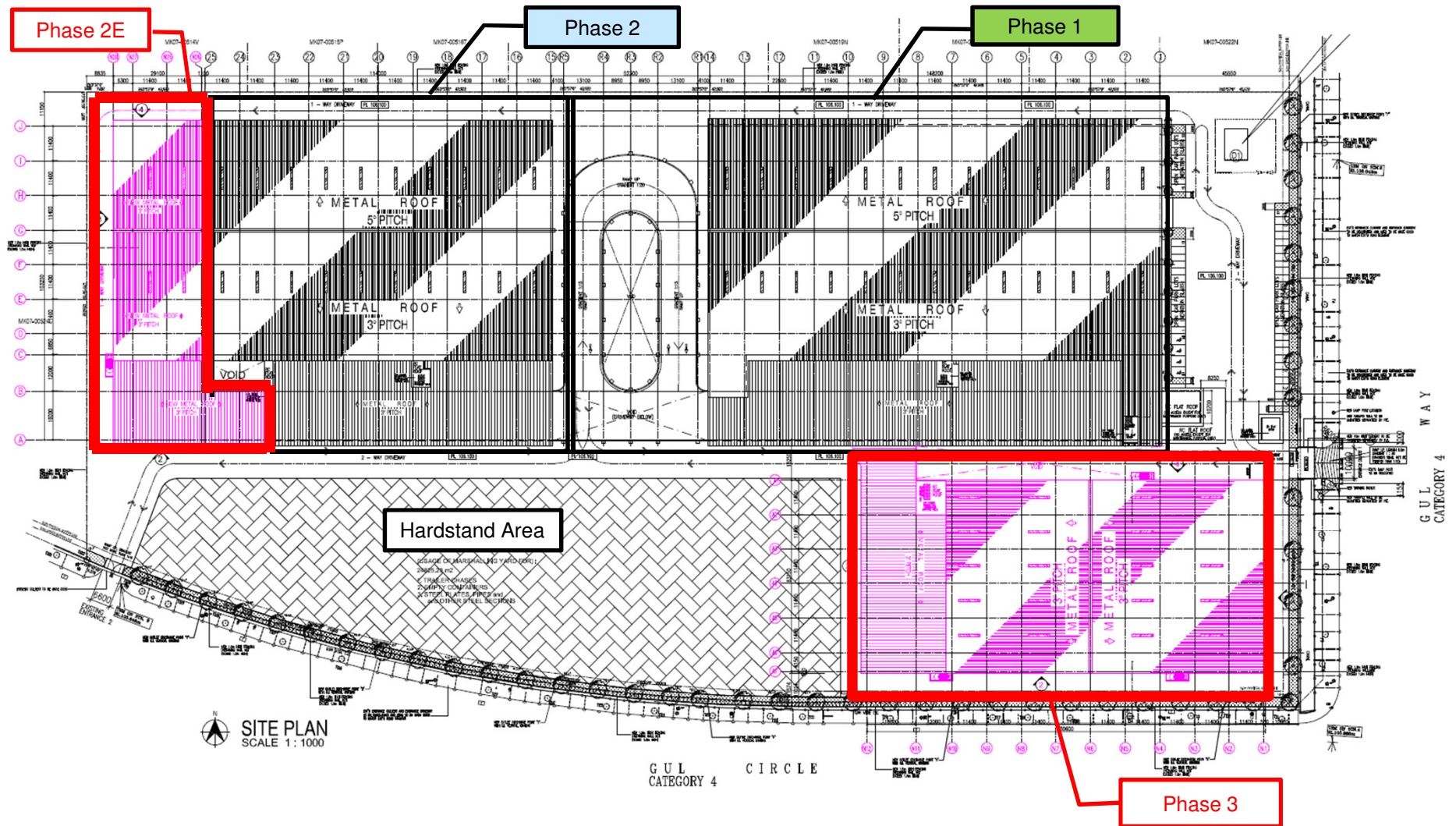
D&C Contractor	Indeco Engineers (Pte) Ltd (subsidiary of CWT Limited)
Total Development Costs	Approximately S\$77.15 million
Financing	Funding is in place for the entire cost of the development following the S\$110.0 million private placement in April 2013
Additional GFA	Approximately 496,944 sqft (Phase 2E: 123,253 sqft; Phase 3: 373,691 sqft)
Expected Commencement	August / September 2013
Contract Construction Period	17 months from Commencement Date
Target Completion	26 December 2014
Master Tenant	CWT Limited
Master Lease Terms	<ul style="list-style-type: none"> • 5 years 2 months lease on ground floor for each of Phase 2E & Phase 3 • 32 months lease on 2nd, 3rd, 4th and 5th floors for each of Phase 2E & Phase 3 • Triple net rental at market rate (including increased Land Rent on Phase 2E & Phase 3) • Annual rent escalation of 2 percent p.a. • Two month rent free from TOP of each Phase

20 Gul Way – Fact Sheet

	Prior to redevelopment	Redevelopment Phase 1 & 2	Development Phase 2E & 3
Property	10 single storey buildings	Five storey ramp up warehouse (completed in two Phases)	Extension to Phase 2 (Phase 2E) and new warehouse connected to the existing ramp (Phase 3)
Valuation	S\$41.8 m ¹	S\$217.0 m ²	Additional S\$89.4 m ³
Annual Rental Income	S\$3.6 m ¹	S\$16.3 m	Additional S\$6.3 m ⁴
Plot Ratio	0.46	1.4	2.0 ^{5,6}
Maximum Plot Ratio	1.4	1.4	2.0
Land Area	828,248 sqft	828,248 sqft	828,248 sqft
Gross Floor Area (GFA)	378,064 sqft	Approx. 1,159,536 sqft	Additional approx. 496,944 sqft
Land Tenure	35-year lease wef 16 Jan 06	35-year lease wef 16 Jan 06	35-year lease wef 16 Jan 06
Lease Term	Master Lease - Enviro-Metals for 10 years commencing April 07	Master Lease – CWT Limited for 4 years and 2 months on middle floors & 5 years and 2 months on ground floor and 5 th floor	Master Lease – CWT Limited for 5 years and 2 months on ground floor and 32 months for 2 nd to 5 th floors across both new Phases

1. As at 31 March 2011.
2. CBRE Pte. Ltd.'s valuation dated 31 March 2013 on an "as-if-complete" basis.
3. CBRE Pte. Ltd.'s valuation dated 15 April 2013 on an "as-if-complete" basis.
4. Rental income net of additional unrecovered Land Rent at the property.
5. In principle approval received from URA to rezone the plot ratio at 20 Gul Way from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.
6. Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

20 Gul Way, Phase 2E & 3 - Redevelopment Site Plan



20 Gul Way, Phase 2E & 3 – Summary Estimated Financials

		S\$ million
1.	Gross development value upon completion	89.40 ¹
2.	Project development cost ²	(77.15)
3.	Profit	12.25
4.	Profit margin	15.88%
5.	Net property income yield	8.17% (based on development cost ²) 8.29% (based on development cost, excluding non cash cost)
6.	Valuation cap rate	6.50%
7.	DPU impact per annum	+0.70 cents ³

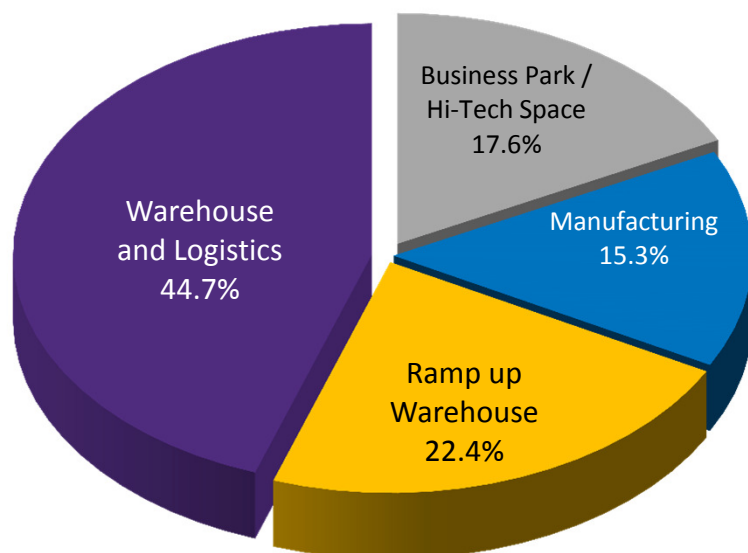
1. CBRE Pte. Ltd.'s valuation dated 15 April 2013 on an "as-if-complete" basis.

2. Development cost includes construction cost, professional fees, capitalised land rent, capitalised interest cost, capitalised lease incentives and contingency.

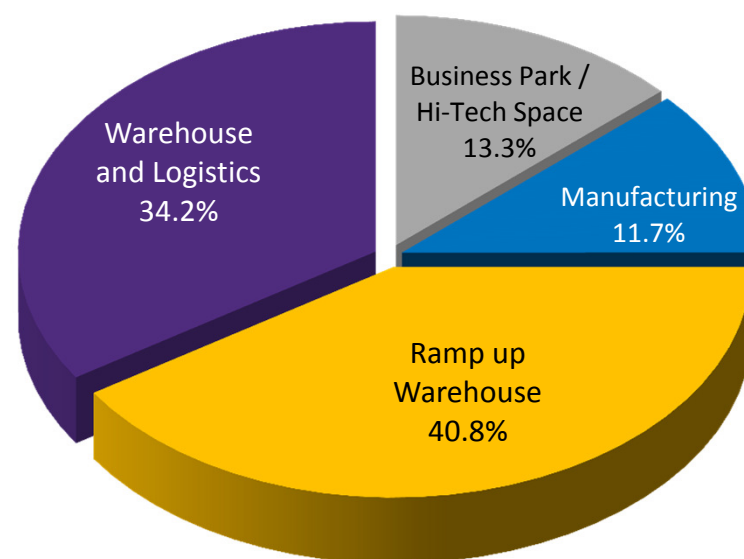
3. Please note that the DPU impact shown in this announcement is for illustration purposes only and purely on a pro forma basis based on the assumption that AIMSAMP REIT had completed, held and operated the proposed further development for the whole of the financial year ended 31 March 2013 and the proposed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

Portfolio Analysis

Before Redevelopment¹



After Redevelopment²



¹ Subsector distribution by rental income for year ended 31 March 2013.

² Please note that the calculation is for illustration purposes only and purely on a pro forma basis based on the assumption that AIMSAMP REIT had completed, held and operated the proposed redevelopment of 20 Gul Way (Phase 1, 2, 2E & 3) for the whole of the financial year ended 31 March 2013.

Mitigation of Risks

Development Risk

- Fixed price design and construct turnkey contract
- Nil variations
- Liquidated damages for delay based on loss in rental income

Leasing Risk

- Master leases with CWT Limited of between 32 to 62 months upon completion of each of the new warehouses

Financing Risk

- Funding is in place for the entire cost of the development following the S\$110.0 million private placement in April 2013



Thank you

For enquiries, kindly contact:

AIMS AMP Capital Industrial REIT Management Limited

Nicholas McGrath

Chief Executive Officer

Tel: + 65 6309 1050

Email: nmcgrath@aimsampcapital.com

Joanne Loh

Asst Fund Manager / Investor Relations

Tel: + 65 6309 1057

Email: jloh@aimsampcapital.com