



AIMS AMP CAPITAL **INDUSTRIAL REIT**

Proposed Asset Enhancement Initiative (AEI) of 26 Tuas Ave 7, Singapore

22 May 2014



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PROPERTY

The Property

> 1



Property Details

Description	2 storey purpose-built factory with a mezzanine office level
Land Area	62,682 sq ft
Gross Floor Area	65,933 sq ft
Tenure	30+30 years from 1 Jan 1994
Valuation (31/3/14)	S\$10.3 million
Tenant	Aalst Chocolate Pte Ltd
Lease period	10 years till 18 April 2017
Annual Rental (FY2014)	S\$0.87 million per annum

26 Tuas Ave 7 – Location

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26 Tuas Ave 7 is located within the Jurong Industrial Estate.

Government has announced for a new port in Tuas to consolidate all existing container ports in Tanjong Pagar, Keppel, Brani and Pasir Panjang, which will be moved to Tuas when leases expire from 2027.¹

The new Tuas Port to handle up to 65 million standard containers a year, nearly double the current total container handling capacity of 35 million 20ft equivalent units (TEUs).¹



Artist's Impression of Rail and Road Viaduct Integration

Property is located at the eastern junction of Tuas West Road/Tuas Avenue 7 and a short drive to Tuas Checkpoint. Located within 10 mins to the future Tuas Link and Tuas West Road MRT station.

Improved infrastructure and connectivity in the area with Tuas West MRT Extension and the four new MRT stations (Tuas Link, Tuas West Road, Tuas Crescent and Gul Circle) targeted for completion in 2016.²

A road viaduct will be constructed to provide motorists an alternative to the busy Pioneer Road. The 4km-long dual 3-lane viaduct will run along Pioneer Road to join Tuas South Avenue 3 with 2.4km of the road viaduct integrated with the rail viaduct.³

1. The Straits Times (2 October 2012 and 18 August 2013)
2. The Straits Times (7 October 2013)
3. LTA's announcement (11 January 2011)

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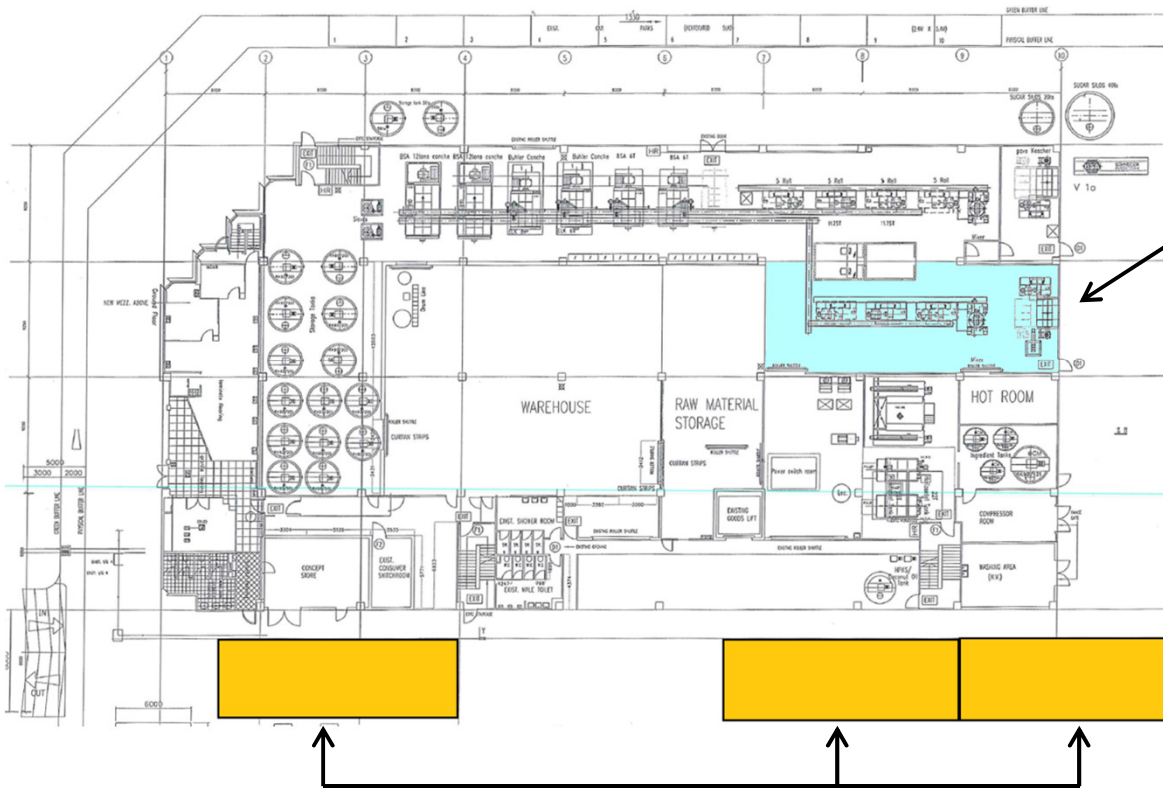
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PROPOSED AEI

Proposed AEI

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Conversion to new production line



Additional warehouse space



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STRUCTURE OF THE TRANSACTION

Structure of the Transaction

> 3

	Prior (FY2014)	Post A&A works
Property	Two storey purpose-built factory with a mezzanine office level	Additional production line and additional storage space.
Valuation	S\$10.3 million ¹	Cost of AEI at S\$1.19 million for further asset enhancement
Lease Terms	10 years till 18 April 2017	Extends master lease for further term of 5 years till 18 April 2022, with rental escalation in 2017, 2019 and 2021
Annual Rental Income	S\$0.87 million	Approximately S\$1.05 million (start of new term) triple net lease from tenant occupying 100% of the Gross Floor Area.
Yield	8.4%	9.1% ²
Return on Investment		10%

1. Based on valuation as at 31 March 2014

2. Assuming valuation uplift on the full cost of AEI, ie. final valuation of S\$11.49 million

Mitigation of Risks

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Development risk

- Fixed price AEI contract (Nil variations)
- Transaction is fully back stopped by tenant

Leasing risk

- Fully leased to Master Tenant, Aalst Chocolate Pte Ltd
- Extend Master lease for another 5 years till 2022

Financing risk

- The Works are to be funded from proceeds from the recent rights issue

Benefits of the A&A works

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Thank you

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APPENDIX A – ABOUT AALST CHOCOLATE PTE LTD

Appendix A – About Aalst Chocolate Pte Ltd

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Aalst Chocolate Pte Ltd. is the very first chocolate manufacturer to be fully owned and managed by Singaporeans.

Aalst Chocolate operates a state-of-the-art manufacturing facility in Singapore that produces industrial chocolate products using the highest quality raw materials from West Africa and South America. Using the latest European technologies, the technical team is able to deliver premium chocolate ingredients for the Confectionery, Baked Goods and Ice Cream industries.

Aalst Chocolate exports to more than 35 countries around the world.



Supplying Quality Chocolate to the World

Aalst Chocolate exports to more than 35 countries around the world:

Australia	Hong Kong	Mongolia	Sri Lanka
Bahrain	India	Morocco	Taiwan
Blangladesh	Indonesia	New Zealand	Thailand
Bolivia	Israel	Nicaragua	UAE
Brazil	Japan	Pakistan	USA
Canada	Kenya	Panama	Vietnam
Cambodia	Korea	Philippines	Yemen
China	Kuwait	Qatar	
El Salvador	Lebanon	Saudi Arabia	
Guatemala	Malaysia	South Africa	

