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Media Release

AIMS AMP Capital Industrial REIT invests S\$41.7 million to redevelop 30 & 32 Tuas West Road

Singapore, 22 May 2015 – The Manager of AIMS AMP Capital Industrial REIT (AA REIT) today announced a S\$41.7 million redevelopment plan for 30 and 32 Tuas West Road, which will increase the asset's value by four times.

The redevelopment will transform the existing two three-storey detached industrial buildings into a five-storey ramp-up warehouse facility.

Upon completion, the asset is expected to be valued at S\$60.7 million¹, up from its current value of S\$14.1 million². It will nearly double the gross floor area (GFA) from 159,717 sqft to approximately 287,866 sqft, and increase the plot ratio from 1.15 to 2.07.

Following its completion, SGX-listed CWT Limited will have staggered master leases on the warehouse with lease terms varying between 32 months to four years and two months for the different floors and with an annual rent escalation.

Annual rental income will increase to S\$4.15 million (upon completion) from S\$0.82 million³, with the net yield on cost of this redevelopment estimated to be around 7.2 per cent. Property income is expected to be reflected in the 2Q FY2018 quarter. The redevelopment will impact Distribution Per Unit (DPU) by 0.35 cents per unit.⁴

The Manager's Chief Executive Officer Mr Koh Wee Lih said, "This unlocks significant value in our portfolio, while minimising risk through a fixed price turnkey design and construct contract, and also securing a master lease for the full property with a high-quality existing tenant."

¹ Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 20 May 2015.

² Based on Knight Frank Pte Ltd's valuation dated 31 March 2015.

³ Annual Rental Income for FY2015.

⁴ 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 AA REIT had completed, held and operated the proposed redevelopment for the whole of the financial year ended 31 March 2015; the proposed redevelopment was funded using 100 per cent debt; and based on units in issue as at 31 March 2015 of 628,935,114.

“It is another example of how we are transforming an underperforming asset whose occupancy was at 32.7 per cent as at 31 March 2015 into a high-quality asset delivering stable, sustainable returns to our unitholders.

Mr Koh concluded, “The redevelopment of 30 and 32 Tuas West Road builds on the successful partnership we already have with CWT Limited, who have held the master lease for 100 per cent of our 20 Gul Way asset.”

The redevelopment of 30 and 32 Tuas West Road will make the Trust one of the largest ramp-up warehouse landlords in Singapore. The Trust’s portfolio of other ramp-up warehouses include 20 Gul Way and 27 Penjuru Lane.

Design and construction of the ramp-up warehouse will be performed by Indeco Engineers (Pte) Ltd, a wholly owned subsidiary of CWT Limited. The redevelopment will commence in 3Q FY2016 and is targeted for completion in 1Q FY2018.

CWT Limited Group CEO, Loi Poi Yen said, “Since partnering with AA REIT for the redevelopment of 20 Gul Way in 2011, we have been pleased to see this relationship grow, and we are delighted to enter into another redevelopment transaction together.

Mr Loi continued, “We look forward to working with AA REIT to deliver a high-quality warehouse solution that will enhance our business operations in Singapore.”

The redevelopment of 30 and 32 Tuas West Road also coincides with the Tuas West MRT Extension due for completion in 2016, and the Government’s plans for a new container port in Tuas. The facility is located a short drive from the Tuas Checkpoint and within minutes to the future Tuas Link and Tuas West Road MRT stations.

Artist impression of the redevelopment



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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 AA REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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

About AIMS AMP Capital Industrial REIT

Managed by AIMS AMP Capital Industrial REIT Management Limited, AA REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate located throughout the Asia Pacific that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The principal sponsors of AA REIT are the AIMS Financial Group and AMP Capital Investors International Holdings Limited, part of the AMP Group, one of Australia's largest retail and corporate pension providers and one of the region's most significant investment managers. AA REIT's existing portfolio consists of 26 industrial properties, 25 of which are located throughout Singapore with a total appraised value of S\$1.23 billion based on valuations obtained as at 31 March 2015. AA REIT has 49.0% interest in one business park property, Optus Centre located in Sydney Australia valued at A\$398.0 million as at 31 March 2015.

About AIMS Financial Group ("AIMS")

Established in 1991, AIMS Financial Group is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment and stock broking. AIMS also 100% owns Asia Pacific Stock Exchange.

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\$8.0 billion of high quality prime home loans since 1991.

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\$1.8 billion fund as at 31 March 2015.

Since 2009 after the global financial crisis, AIMS Group had a total acquisition and investment amount of over A\$2.0 billion assets.

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.

About AMP Capital

AMP Capital is committed to delivering outstanding investment outcomes for clients with contemporary solutions in fixed income, equities, real estate, infrastructure and multi-asset portfolios. Sharing a heritage with AMP that spans more than 160 years, AMP Capital is one of the largest investment managers in the Asia Pacific region. A home strength in Australia and New Zealand has enabled AMP Capital to grow internationally, and operations are now established in Bahrain, China, Hong Kong, India, Japan, Luxembourg, the United Kingdom and the United States.

AMP Capital collaborates with a network of global investment partners, leveraging insights to provide greater access to new investment opportunities across a range of single sector and diversified funds. For more information, please visit: ampcapital.com.au