



AIMS AMP CAPITAL **INDUSTRIAL REIT**

**Build-to-suit development for Beyonics International
Pte Ltd at Marsiling Lane, Singapore**

4 August 2016



AMPCAPITAL 

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PROPOSED TRANSACTION

Build-to-Suit industrial facility for Beyonics

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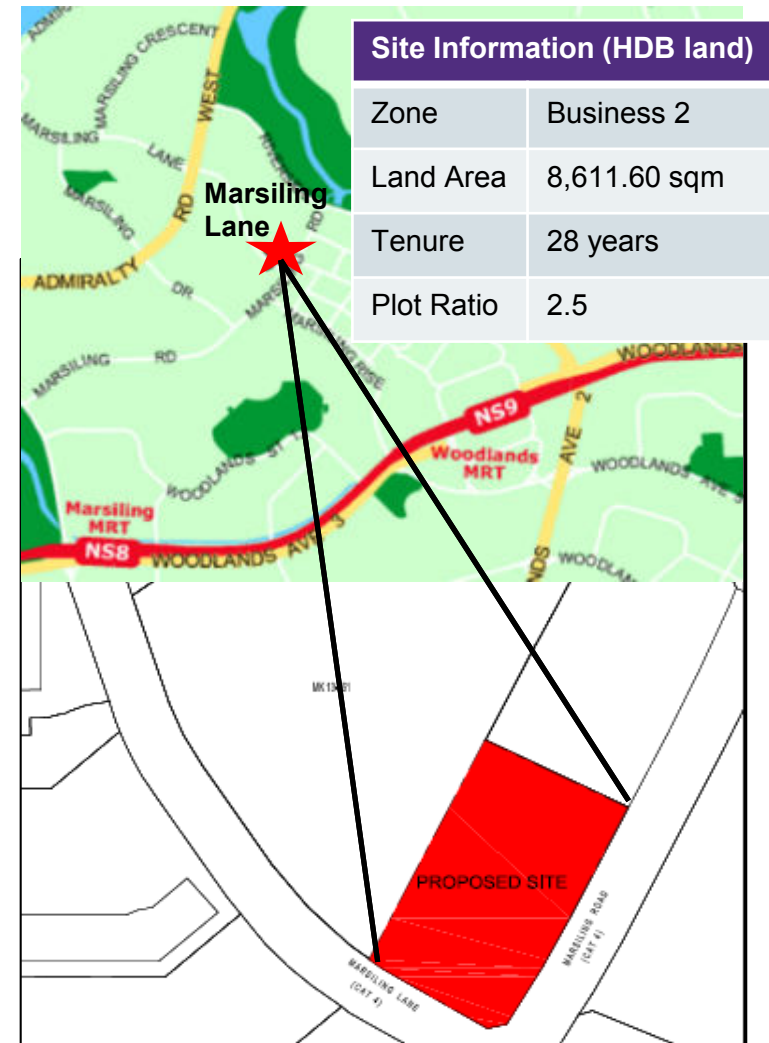
- AA REIT will be developing a greenfield build-to-suit (“BTS”) industrial facility for a leading strategic manufacturer – Beyonics International Pte Ltd (“Beyonics”).
- This will be AA REIT’s first third-party greenfield development project outside its existing portfolio.
- AA REIT will first acquire the land from a third party vendor, Seiko Instruments Singapore Pte Ltd, before proceeding with the construction of the BTS project.
- This project reaffirms AA REIT’s growth strategy of seeking yield accretive BTS opportunity.



Location of Development

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- The vacant land is located at the junction of Marsiling Road and Marsiling Lane, within Marsiling Industrial Estate.
- It is well served by major arterial roads/expressways such as Marsiling Road, Bukit Timah Expressway and the Seletar Expressway. It is of close proximity to the Johor-Singapore causeway.
- The location will be enhanced with the improved infrastructure and connectivity in the area, particularly with future North-South Expressway which will reduce travelling time to the city. The upcoming Thomson Line will have 3 stations in Woodlands by 2019.



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ABOUT THE TENANT - BEYONICS

About Beyonics International Pte Ltd

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- Beyonics is a precision parts and product manufacturing business providing precision metal stamping, innovative mold design and fabrication capabilities, leading precision plastic injection molding, aluminium die casting and machining, electronics sub-assembly, and complete product manufacturing.
- Founded in 1981, Beyonics is headquartered in Singapore. The company was formerly listed on SGX before being taken private in 2012.
- On 11th April 2016 Beyonics Pte Ltd and Chosen Holdings Ltd (“Chosen”) merged. Chosen was founded in Singapore in 1986. The merged company has 1.4 million square feet across 14 factories located in Singapore, China, Malaysia, and Thailand, combined 4,800 staff, and US\$250 million in group sales turnover.



Singapore



Malaysia



China

Beyonics' Businesses

> 2

Beyonics

Medicals



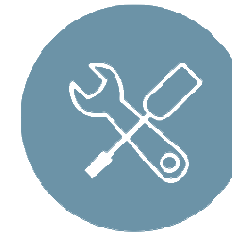
Supplies precision parts and high value product solutions to the world's leading medical brands.

Automotives



Provides precision parts and Customised Interconnect Solutions to seven of the top global Tier 1 automotive parts manufacturers.

Industrials



Delivers highly responsive Electronics Manufacturing Solutions to leading industrials.

Core Capabilities

- | | |
|------------------------------|----------------------------------|
| • Plastic injection moulding | • Tool Design & Manufacturing |
| • Precision Metal Stamping | • Design Engineering Services |
| • Aluminium Die Casting | • Printed Circuit Board Assembly |
| • CNC Machining | • Full Product Assembly |

Beyonics New Global Headquarters in Singapore

Greenfield campus will showcase integrated precision engineering solutions

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- Beyonics' new Singapore campus is being developed from the ground-up to serve as a fully integrated engineering and manufacturing facility across all of Beyonics service lines. The new campus will enable the company to integrate all of its precision engineering and manufacturing service solutions in Singapore within a single location.
- Processes undertaken at Beyonics' new campus will include design services, mould and tool making, plastics injection moulding, deep-drawn metal stamping, and medical & surgical devices assembly.
- With a footprint of over 230,000 square feet, the new campus located on Marsiling Lane will serve as Beyonics' global headquarters employing approximately 600 personnel.
- The campus is designed to service existing and new customers with particular emphasis in the high reliability segments of Automotive and Medical. The campus will include cleanroom operations for Class III medical operations, and extensive use of process automation.
- The benefits of having all services in a single facility, creates tremendous scale and efficiency, and will secure Beyonics' future as the leading precision manufacturer in Asia.

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STRUCTURE OF THE TRANSACTION

Structure of the Transaction

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Key Terms of the Transaction

Master Tenant	Beyonics International Pte Ltd
Master Lease Terms	10 years master lease on the entire property with annual rent escalation
Option to renew	5 + 5 years
Annual Rental Income	S\$3.5 million (Year 1)
Proposed development	5-storey Build-to-Suit production facility
D&C Contractor	Boustead Projects Limited
Development Costs	Approximately S\$39.4 million (including land and associated transaction costs)
Financing	AA REIT has sufficient funding capacity for the entire cost of development
GFA	Approx. 231,738 sqft
Expected Commencement	3Q 2016
Target Completion	2H 2017
Construction Period	Approx. 15 months

Summary Estimated Financials

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		S\$ million
1	Gross development value upon completion ¹	42.9
2	Project development cost (including land cost)	(39.4)
3	Profit	3.5
4	Profit margin	8.9%
5	Net property income yield	8.9%
		(based on development cost)
6	DPU impact per annum ²	+0.30 cents
7	Pro forma leverage ³	36.0%

1. Based on CBRE Pte. Ltd.'s valuation dated 3 August 2016 on an "as-if-complete" basis.
2. The DPU impact set out in this announcement is for illustration purposes only and purely on a pro forma basis based on the assumptions that AA REIT had completed, held and operated the proposed development for the whole of the financial year ended 31 March 2016, the proposed development was fully funded with debt and based on Units in issue of 635,366,206 as at 31 March 2016.
3. Pro forma leverage is calculated based on position as at 31 March 2016, taking into account the completion of the 30 & 32 Tuas West Road and 8 & 10 Tuas Ave 20 redevelopments.

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RISKS AND BENEFITS OF THE TRANSACTION

Mitigation of Risks

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Development risk

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

Leasing risk

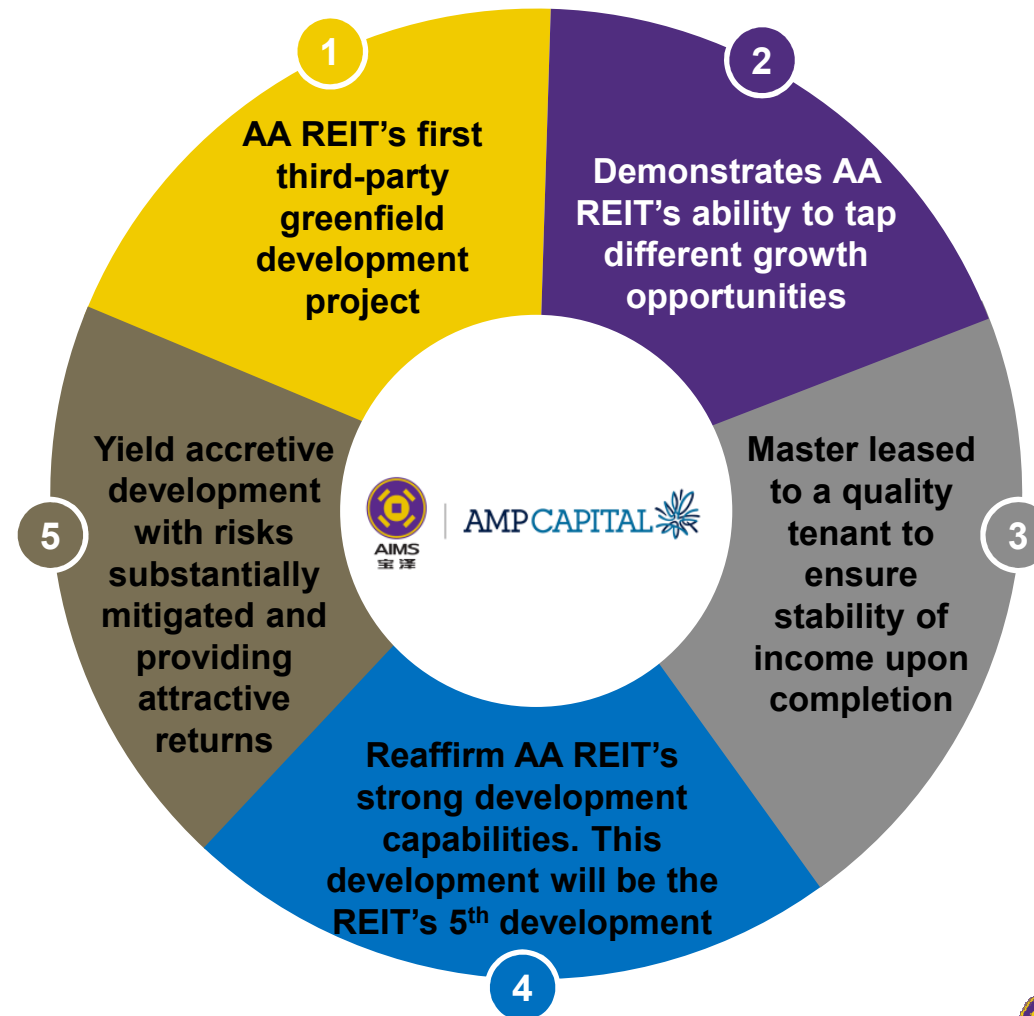
- Master leased to Beyonics that guarantees income upon completion
- Security deposit of 12 months upon lease commencement

Financing risk

- Funding in place for the entire development
- Leverage remains within target of between 30% to 45%

Benefits of the Redevelopment

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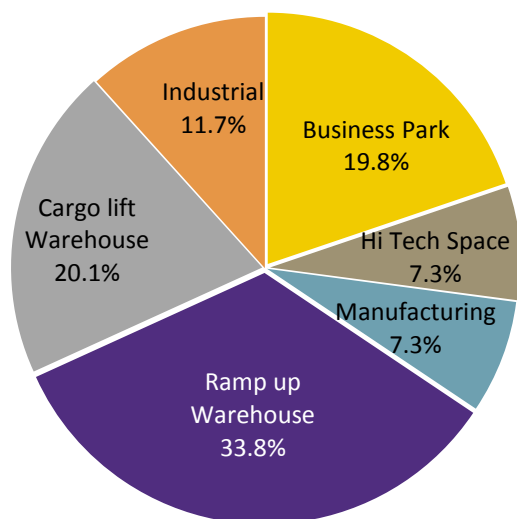


Impact of the development

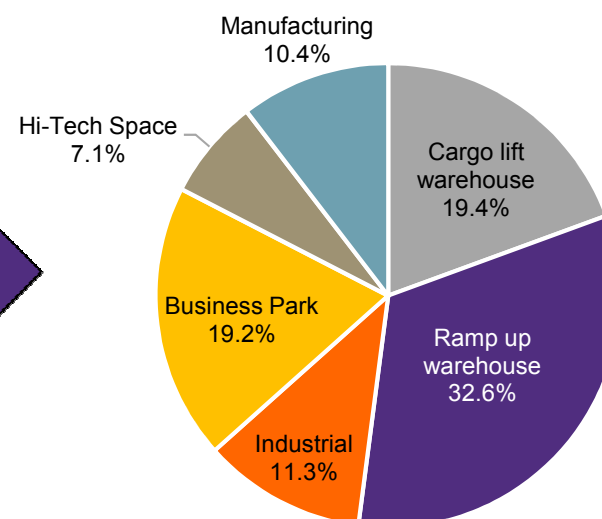
(Pro forma based on 30 Jun 16 gross rental income)

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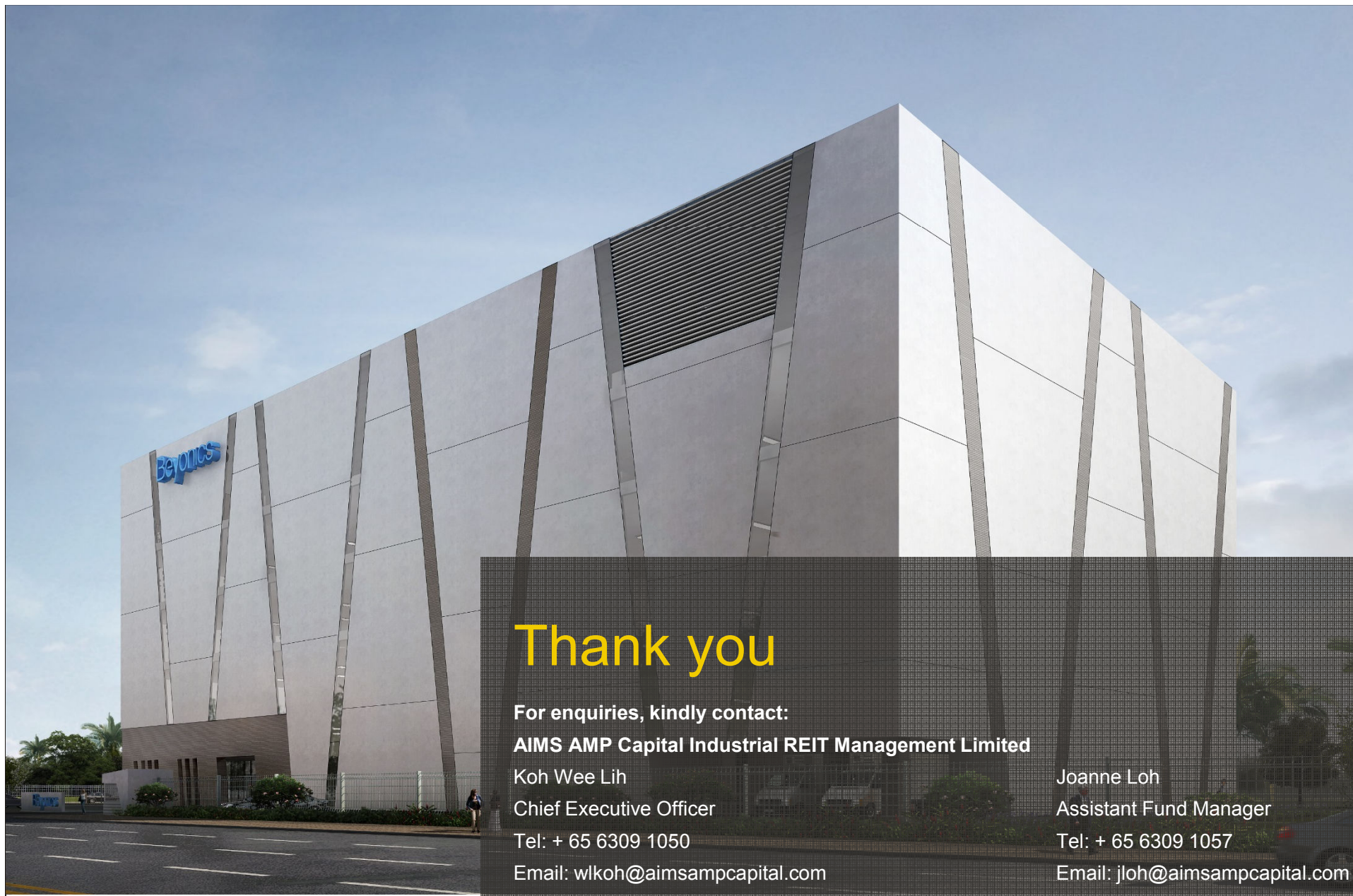
Pre-development



Post-development



	Actual (30 Jun 16)	After Development	Change
Occupancy	92.7%	92.9%	↑ 0.2%
Master Lease Exposure	49.9%	51.6%	↑ 3.4%
WALE	2.81 years	3.04 years	↑ 8.2%



Thank you

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