



AMP CAPITAL 

AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT  
MANAGEMENT LIMITED**

As Manager of AIMS AMP Capital Industrial REIT  
One George Street, #23-03  
Singapore 049145

## Media Release

### **AIMS AMP Capital Industrial REIT maintains stable DPU of 2.50 cents for 2Q FY2019**

**Singapore, 25 October 2018** – AIMS AMP Capital Industrial REIT Management Limited (“the Manager”), as the Manager of AIMS AMP Capital Industrial REIT (“AA REIT”), today announced a Distribution per Unit (“DPU”) of 2.50 cents, with a total distributable income of S\$17.1 million for the second quarter ended 30 September 2018 (“2Q FY2019”).

Gross revenue rose by 1.7% to S\$29.4 million in 2Q FY2019 compared to the preceding quarter ended 30 June 2018 (“1Q FY2019”). This was mainly attributable to the inaugural full quarter rental contribution from AA REIT’s first third-party greenfield build-to-suit development at 51 Marsiling Road as well as the increase in revenue contribution from its property at 27 Penjuru Lane arising from higher occupancy rate. Net property income remained stable at S\$19.3 million compared to 1Q FY2019.

The Manager’s Chief Executive Officer, Mr Koh Wee Lih, said, “We are pleased to deliver another quarter of stable distribution despite the challenging market environment. We continue to focus on asset and lease management. Through active evaluation of our assets, we are constantly considering redevelopment opportunities to strengthen the quality of our portfolio and to ensure AA REIT remains competitive in the current operating environment.”

During the quarter, the Manager successfully executed 14 new and renewable leases representing 27,086 sqm (4.3% of total net lettable area). Portfolio occupancy increased to 93.6% from 91.5% in the preceding quarter, above the industry average of 88.7%.

The Manager is currently redeveloping its property at 3 Tuas Avenue 2 and carrying out its asset enhancement initiative at NorthTech located at 29 Woodlands Industrial Park E1, with both projects due for completion in the second half of 2019. These two projects will strengthen and enhance AA REIT’s portfolio in the areas of Tuas and Woodlands.

“Our redevelopment of 3 Tuas Avenue 2 will turn it into a modern and versatile ramp-up industrial facility with 52% more gross floor area to 24,890 sqm. NorthTech, on the other hand, will see upgrades that will enhance it as a modern and energy efficient facility,” added Mr Koh.

In May 2018, Standard & Poor's affirmed AA REIT's "BBB-" investment grade rating with a stable outlook.

Key highlights for 2Q FY2019 are:

- DPU of 2.50 cents for the quarter (unchanged q-o-q);
- Gross revenue increased by 1.7% to S\$29.4 million mainly due to the first full quarter of rental contribution from the recently completed property at 51 Marsiling Road;
- Net property income remained relatively stable at S\$19.3 million;
- Net Asset Value per Unit remained stable at S\$1.37 after revaluation of the portfolio's investment properties as at 30 September 2018;
- Executed 14 new and renewal leases in 2Q FY2019, representing 27,086 sqm (4.3% of total net lettable area); and
- Increased portfolio occupancy of 93.6% from 91.5% in preceding quarter, above industrial average of 88.7%.

For 2Q FY2019, the Manager achieved the following financial performance metrics:

- Weighted average debt maturity of 2.9 years with no debt due for refinancing until May 2019;
- 87.3% of the portfolio's interest rate is fixed taking into account interest rate swaps and fixed rate notes;
- Aggregate leverage as at 30 September 2018 is at 33.6%; and
- Overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.6%.

## **Outlook**

The Singapore economy is expected to moderate in the second half of calendar year 2018 in tandem with the growth outlook of Singapore's key final demand markets, including the US, Eurozone and regional economies. At the same time, uncertainties and downside risks in the global economy have increased, including escalating trade conflicts between the US and its key trading partners and expected rising of interest rates, which may continue to cloud the outlook for the Singapore manufacturing sector.

Against this external backdrop, AA REIT will continue to focus on active asset and lease management and to optimise its portfolio through sector and tenant diversification across its portfolio of 26 properties, supported by a prudent capital management approach.

## Summary of AIMS AMP Capital Industrial REIT Group results

	2Q FY2019	1Q FY2019	+/(-)	2Q FY2018	+/(-)	1H FY2019	1H FY2018	+/(-)
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	29,416	28,925	1.7	29,514	(0.3)	58,341	60,017	(2.8)
Net property income	19,292	19,431	(0.7)	19,396	(0.5)	38,723	39,515	(2.0)
Share of results of joint venture (net of tax)	3,549	3,339	6.3	3,740	(5.1)	6,888	7,401	(6.9)
Distributions to Unitholders <sup>(1)</sup>	17,139	17,139	-	16,320	5.0	34,278	32,319	6.1
Distribution per Unit ("DPU") (cents)	2.50	2.50	-	2.55	(2.0)	5.00	5.05	(1.0)

### Note:

- (1) The Manager resolved to distribute S\$17.1 million for 2Q FY2019, comprising (i) taxable income of S\$15.8 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.6 million and capital distribution of S\$0.8 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia. AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 2Q FY2019, the Manager has resolved to distribute 99.3% of the Singapore taxable income available for distribution to the Unitholders.

## Distribution and Books Closure Date

Distribution	For 1 July 2018 to 30 September 2018	
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution <sup>1</sup>	
Distribution Rate	(a) Taxable Income Distribution (b) Tax-Exempt Income Distribution (c) Capital Distribution <sup>1</sup>	2.30 cents per Unit 0.09 cents per Unit 0.11 cents per Unit <u>2.50 cents per Unit</u>
Books Closure Date	5 November 2018	
Payment Date	21 December 2018	

### For enquiries, kindly contact:

#### Media contact:

Cassie-Anne Low  
Baldwin Boyle Shand  
Tel: +65 6239 4112  
Email: [cassie.low@baldwinboyle.com](mailto:cassie.low@baldwinboyle.com)

#### Investor contact:

Terence Lim  
VP, Investment & Investor Relations  
Tel: + 65 6309 1050  
Email: [investorrelations@aimsampcapital.com](mailto:investorrelations@aimsampcapital.com)

<sup>1</sup> This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

## Important Notice

The value of units of AIMS AMP Capital Industrial REIT (“**AA REIT**”) (“**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, AIMS AMP Capital Industrial REIT Management Limited (“**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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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 announcement 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 ([www.aimsampcapital.com](http://www.aimsampcapital.com))

Managed by the Manager, 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 (“**AIMS**”) and AMP Capital, 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 and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia with a total value of S\$1.45 billion as at 30 September 2018.

### About AIMS Financial Group ([www.aims.com.au](http://www.aims.com.au))

Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, private equity, venture capital, stock broking and high-tech investment. AIMS is also a strategic investor in the Sydney Stock Exchange.

Since 1999, AIMS has raised more than A\$4.0 billion in funds from the capital markets. AIMS has issued approximately A\$3.0 billion of residential mortgage-backed securities, predominantly rated AAA by both Standard & Poor’s and Fitch Ratings and has originated over A\$8.0 billion mortgages.

AIMS has actively introduced a number of international investors into the Australian markets and to date has attracted in excess of A\$1.0 billion of investment funding into Australia from overseas investors. AIMS is the investment manager for AIMS’ funds, which amount to circa A\$2.0 billion.

During the global financial crisis (“**GFC**”), AIMS expanded its activities and acquired three businesses at a time when many other businesses were experiencing immense difficulties.

Since the GFC in 2009, AIMS has completed total asset acquisition and investment volumes of over A\$2.0 billion.

AIMS’ head office is in Sydney 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 Asia across various sectors.

**About AMP Capital** ([www.ampcapital.com.au](http://www.ampcapital.com.au))

AMP Capital is one of the largest investment managers in the Asia Pacific region. As part of the AMP Group, we share a heritage that spans over 160 years.

Our home strength in Australia and New Zealand has enabled us to grow internationally, and today we have operations established in Dubai, China, Hong Kong, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. We also collaborate with a network of global investment partners, leveraging our shared capabilities to provide greater access to new investment opportunities.

Our asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why our clients trust us to invest over A\$187.7 billion (as at 31 December 2017) on their behalf, across a range of single sector and diversified funds.