



AIMS  
宝泽

AMP CAPITAL 

AIMS AMP CAPITAL INDUSTRIAL REIT  
Annual Report 2013

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# CREATING VALUE DELIVERING GROWTH



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# Introduction

## AIMS AMP Capital Industrial REIT

**AIMS AMP Capital Industrial REIT (“AIMSAMPREIT” or “Trust”) is a growing industrial real estate investment trust listed on the mainboard of the Singapore Exchange on 19 April 2007. Valued at S\$1.045 billion (as at 31 March 2013), its portfolio comprises 25 high quality industrial properties which are strategically located in Singapore serving as infrastructure to the port and airport facilities. The Trust is rated investment grade BBB- by Standard & Poor’s.**

The Trust is managed by AIMS AMP Capital Industrial REIT Management Limited (the “Manager”), a joint venture REIT management company owned 50.0 percent each by AIMS Financial Group and AMP Capital. The Manager’s key investment objectives are to deliver secure and stable distributions and provide long-term capital growth to Unitholders.

During the financial year 2013 (“FY2013”) the Trust delivered strong financial performance. The Unit price performed strongly, rising 40.0 percent between 1 April 2012 and 31 March 2013 and outperforming the FTSE Straits Times REIT Index<sup>1</sup> and Straits Times Index<sup>2</sup> by 9.3 and 30.1 percentage points respectively. The amount available

for distribution to Unitholders also grew, up 3.8 percent compared to the previous year. This brings the total FY2013 distribution per Unit to 10.72 cents, representing a 2.6 percent year-on-year increase despite the loss of income from the sale of 31 Admiralty Road and the redevelopment of 20 Gul Way. The Manager also strengthened the capital structure of the Trust by broadening and diversifying the source of funding through its maiden issuance of Medium Term Notes in August 2012 and subsequently in December 2012, effectively splitting debt maturities and extending the weighted average debt maturity to 3.1 years.

The Trust is backed by strong Sponsors in AIMS Financial Group and AMP Capital, one of Australia’s leading institutional property investors. AIMS Financial Group is a privately owned Australian, non-bank financial services and investment group, which has a solid track record in the Australian mortgage and securitisation markets. AMP Capital is 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. The Manager is able to tap into the Sponsors’ capabilities and expertise in the areas of real estate funds management, corporate governance, debt structuring and development.

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

<sup>1</sup> FTSE Straits Times REIT Index: +30.7 percent between 1 April 2012 and 31 March 2013 (Source: Bloomberg).

<sup>2</sup> Straits Times Index: +9.9 percent between 1 April 2012 and 31 March 2013 (Source: Bloomberg).

# Our Sponsors

## AIMS Financial Group

Established in 1991, AIMS Financial Group ("AIMS") is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment and high-tech investment. AIMS also 100.0 percent owns Asia Pacific Stock Exchange ("APX").

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 & Poor's and Fitch Ratings, and has originated over A\$5.0 billion of high quality prime home loans since 1997.

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 with approximately A\$1.5 billion funds under management as at 31 December 2012.

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.

### *AIMS Financial Group expands during global financial crisis*

During the global financial crisis, AIMS expanded its business in a time when many other businesses were experiencing immense difficulties.

In October 2008, AIMS acquired the Asia Pacific Stock Exchange ("APX"), which is the Securities Exchange 100.0 percent owned by AIMS Financial Group.

In April 2009, AIMS became the largest shareholder (15.8 percent) of the Australia Securities Exchange ("ASX") listed fund manager, MacarthurCook Limited ("MCK"). In August 2009, AIMS' holding increased to 54.0 percent and by November 2009, AIMS became the 100.0 percent owner of MCK which was subsequently delisted from the ASX.

### *MacarthurCook turnaround story*

At the time of acquisition, MCK's fund management business was severely distressed with each of the four listed funds and a number of unlisted funds being starved of capital and highly leveraged with asset values decreasing. Under AIMS' leadership, MacarthurCook's funds have been turned around, stabilised and resulted in an improved outcome for investors. For example:

- A. The MacarthurCook Industrial REIT ("MI-REIT") listed on the Singapore Exchange ("SGX") (now known as AIMS AMP Capital Industrial REIT). At the time of the AIMS' acquisition of MCK in 2009, MI-REIT was a vehicle which was in distress. MI-REIT had an obligation to refinance S\$220.8 million and purchase a S\$90.2 million property which had been entered into in 2007 without finance in place. As at 31 March 2009, MI-REIT's market capitalisation was approximately S\$60.2 million and total assets were S\$544.0 million. In December 2009, MI-REIT was renamed to AIMSAMPIREIT. Under the new management of AIMS AMP Capital Industrial REIT Management Limited, a joint venture REIT management company owned 50.0 percent each by AIMS and AMP Capital, AIMSAMPIREIT has grown significantly with a market capitalisation S\$707.8 million and S\$1.06 billion total assets as at 31 March 2013.
- B. The MacarthurCook Property Securities Fund ("MPS") which is listed on the ASX and SGX. Since the takeover of MCK, through AIMS management, MPS has been able to significantly reduce its debt from A\$44.5 million with a gearing ratio of 38.0 percent to A\$3.3 million with a gearing ratio of 6.8 percent as at 31 December 2012. MPS is now uniquely positioned to access the capital markets in Australia and Asia through its dual listing on the ASX and SGX.
- C. The privatisation of the MacarthurCook Industrial Property Fund ("MIF") which was formerly listed on the ASX and was distressed at the time of acquisition. The share price of the fund at the time AIMS took over MCK was A\$0.16. AIMS reduced vacancy in the MIF portfolio and improved the weighted average lease expiry to more than five years. In October 2010, unitholders voted in favour of accepting an offer from a US fund at A\$0.44 per unit representing a 42.0 percent premium to the pre-announcement trading price.

[www.aims.com.au](http://www.aims.com.au)

## AMP Capital

AMP Capital is one of Asia Pacific's largest investment managers with over A\$130.0 billion in funds under management (as at 31 March 2013). Ranked a Top 5 real estate investment manager in Asia by ANREV 2012, AMP Capital has over A\$23.0 billion in global direct and listed real estate funds under management (as at 31 March 2013) and over 50 years of investment experience.

AMP Capital's team of specialists operate across direct and listed real estate and infrastructure, fixed income, equities and diversified funds. AMP Capital is proud to support AIMS AMP Capital Industrial REIT with specialist expertise across industrial development, industrial asset management and debt management. The team also has access to AMP Capital's structuring and operating professionals with legal, tax, fund accounting and investor relations capabilities.

AMP Capital has established operations in Australia, Bahrain, China, Hong Kong, India, Japan, Luxembourg, New Zealand, Singapore, the United Kingdom and the United States. AMP Capital's ongoing commitment to the Asian region is exemplified through its strategic partnerships in the region. As well as re-signing a Memorandum of Understanding with China Life Insurance (Group) Company in 2011, AMP Capital entered a strategic business and capital alliance with Mitsubishi UFJ Trust and Banking Corporation ("MUTB"), a leading Japanese trust bank which provides services to institutions and retail clients, across retail and corporate banking, trust assets, real estate and global markets.

AMP Capital's on the ground resources and extensive network of carefully selected regional investment partners means AMP Capital can source competitive investment opportunities catering to the varied needs of its clients.

[www.ampcapital.com](http://www.ampcapital.com)

1A International Business Park

# Financial Highlights

(S\$'million unless otherwise stated)

<b>For the Financial Year ended 31 March</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Gross revenue <sup>1</sup>	92.1	84.0	73.2
Net property income	59.8	58.9	52.7
Distribution to Unitholders	48.1	46.3	37.2
Distribution per Unit ("DPU") (cents) <sup>2, 3</sup>	10.72	10.45	9.92

<b>Balance Sheet as at 31 March</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Total assets	1,056.2	939.0	874.7
Total liabilities	390.9	312.8	288.4
Total borrowings	359.3	281.8	279.3
Unitholders' funds	665.3	626.2	586.2
Total Units in issue (million) <sup>4, 5, 6</sup>	450.9	445.5	441.4

<b>Key financial ratios as at 31 March</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Earnings per Unit ("EPU") (cents) <sup>6</sup>	17.70	17.05	13.74
Net Asset Value per Unit ("NAV") (S\$) <sup>6</sup>	1.476	1.406	1.328
Aggregate leverage (%) <sup>7</sup>	34.0	30.0	31.9
Interest cover ratio (times) <sup>8</sup>	4.9	6.2	4.9
Expense ratio (%) <sup>9</sup>	0.93	0.96	0.94

<sup>1</sup> Gross revenue comprises property rental income and property expenses recoverable from tenants.

<sup>2</sup> DPU for FY2013 includes a distribution amount of 0.30 cents from the capital gain arising from the divestment of 31 Admiralty Road.

<sup>3</sup> For FY2011 and FY2012, the number of Units used to compute DPU was adjusted for the effect of the Unit Consolidation which took place on 3 October 2011, for every five existing Units into one consolidated Unit.

<sup>4</sup> For FY2013, the total Units in issue included 671,102 Units issued to the Manager on 27 May 2013 for the payment of performance fees for FY2013 and 820,125 Units to be issued to the Manager for the payment of the base fee element of the management fees incurred for the period from 1 January 2013 to 31 March 2013.

<sup>5</sup> For FY2012, the total Units in issue included 1,685,917 Units issued to the Manager on 25 May 2012 for the payment of the performance fees.

<sup>6</sup> For FY2011, the total Units in issue were adjusted for the effect of Unit Consolidation. The number of Units used to compute EPU and NAV were adjusted to allow for comparison.

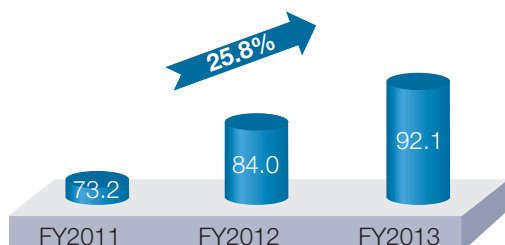
<sup>7</sup> Aggregate leverage is computed as total borrowings as a percentage of total assets.

<sup>8</sup> Bank covenant: minimum of 2.5 times.

<sup>9</sup> Expenses to weighted average net asset value (excludes performance-related fee): The expenses refers to the expenses of the Group excluding property-related expenses, borrowing costs, change in fair value of financial derivatives and investment properties and foreign exchange gains/(losses). The expense ratio, including performance-related fee payable for FY2013 was 1.09 percent (FY2012: 1.27 percent).

# Financial Highlights

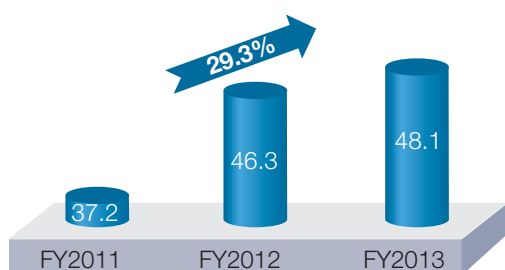
Gross revenue (S\$'million)



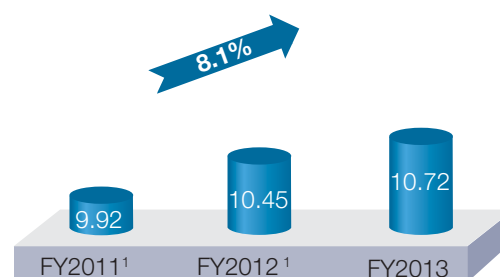
Net property income (S\$'million)



Distribution to Unitholders (S\$'million)



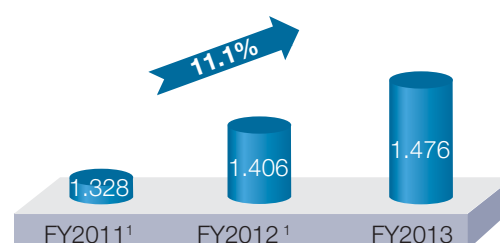
Distribution per Unit (cents)



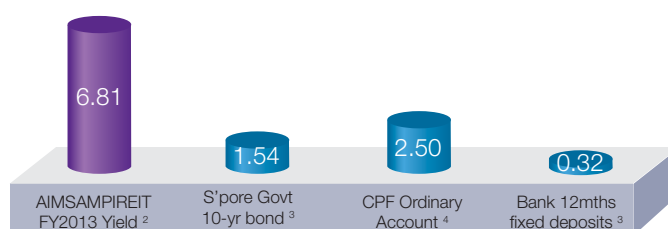
Total assets (S\$'million)



Net Asset Value per Unit (S\$)



Yield per annum (%)



<sup>1</sup> Adjusted for the effect of the Unit Consolidation which took place on 3 October 2011, for every five existing Units into one consolidated Unit.

<sup>2</sup> Based on closing price of S\$1.575 on 31 March 2013 and DPU of 10.72 cents for FY2013.

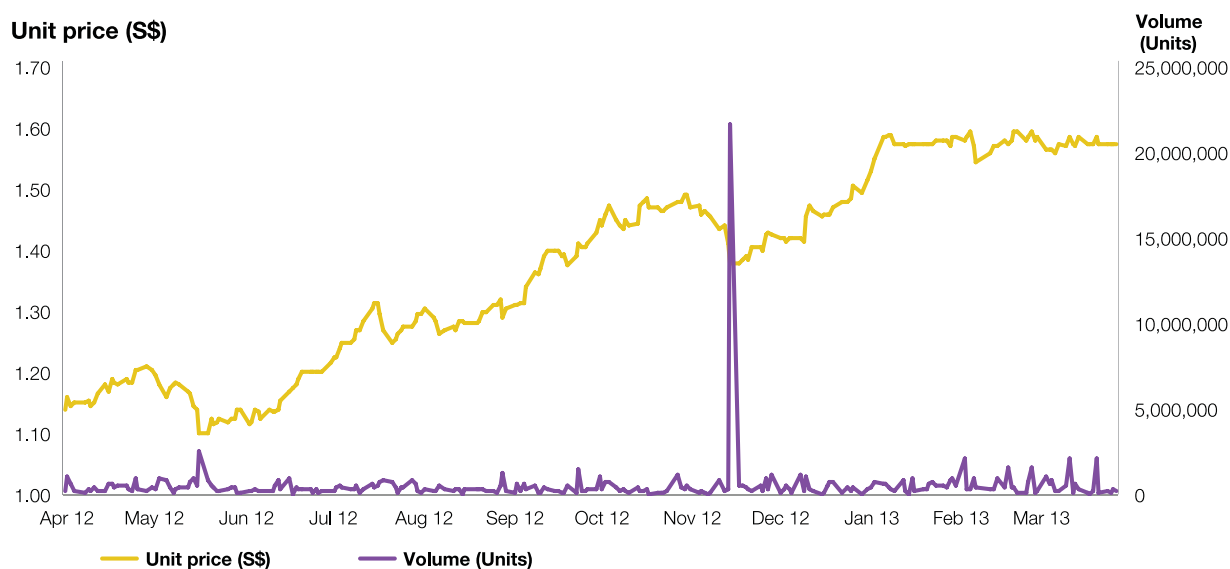
<sup>3</sup> Source: Bloomberg data as at March 2013.

<sup>4</sup> Prevailing CPF Ordinary Account interest rate.

# Trading Performance

Trading performance	31 March 2013	31 March 2012
(Source: Bloomberg)		
Closing price (S\$)	1.575	1.125
Highest price during financial year (S\$)	1.595	1.130
Lowest price during financial year (S\$)	1.100	0.930
Total volume traded ('million Units)	132.2	109.2
Average daily volume traded (Units)	530,996	436,893
Market capitalisation (S\$'million) <sup>1</sup>	706.4	499.3

## AIMS AMP Capital Industrial REIT Unit price and volume (Source: Bloomberg)



## AIMSAMPREIT's total returns

%

Since listing on 19 April 2007 to 31 March 2013	5.39
From 1 April 2012 to 31 March 2013	51.12

The total returns are calculated on the following assumptions:

- The investor has fully subscribed for his rights entitlements.
- The distributions are assumed gross, before deducting any withholding tax which may be applicable.
- The distributions are assumed to be reinvested into the Trust
  - at the closing price on the ex-distribution date; and
  - on the day the distributions were paid out.

<sup>1</sup> Based on closing price per Unit of S\$1.575 on 31 March 2013 and S\$1.125 on 31 March 2012.

# Significant Events during the Financial Year 2013

**17 April 2012**

## **Investment Grade Rating BBB - by Standard & Poor's**

Standard & Poor's assigned AIMSAMPIREIT an investment grade rating of BBB-. Standard & Poor's credit assessment reflected the Trust's stable cash flows from its well-located and good quality industrial assets. It also reflected the Trust's proven track record of prudent and consistent capital management.

**20 April 2012**

## **4Q FY2012 & FY2012 Financial Results**

Announced financial results for the financial year ended 31 March 2012. DPU of 10.45 cents (adjusted for the effect of the Unit Consolidation) for the year ended 31 March 2012, a 5.3 percent increase on FY2011.

**20 April 2012**

## **Property valuations as at 31 March 2012**

Announced the property valuation of the Trust's portfolio as at 31 March 2012, valuing the portfolio at S\$930.9 million. The portfolio valuation increased by 2.3 percent compared to previous valuations as at 30 September 2011 and 3.8 percent compared to previous valuations as at 31 March 2011. The Net Asset Value per Unit increased 2.9 percent to S\$1.406 from S\$1.367 (adjusted for the effect of Unit Consolidation).

**20 April 2012**

## **Establishment of Distribution Reinvestment Plan**

Announced the implementation of the Distribution Reinvestment Plan. The Distribution Reinvestment Plan provides Unitholders with the option to elect to receive Units in lieu of cash distribution (including any interim, final, special or other distribution).

**11 May 2012**

## **Completion of sale of 31 Admiralty Road, Singapore**

Announced the completion of the sale of 31 Admiralty Road, Singapore for S\$16.4 million. The sale price was 8.9 percent above book value and 22.7 percent above the Trust's initial purchase price of S\$13.4 million.

**5 June 2012**

## **Phase One of 20 Gul Way redevelopment - 50.0 percent complete**

Announced Phase One of its inaugural redevelopment project at 20 Gul Way was 50.0 percent completed, and that the fully funded S\$155.0 million project was progressing on time and on budget.



20 Gul Way

# Significant Events during the Financial Year 2013

**19 July 2012**

## **1Q FY2013 Financial Results**

Announced financial results for the first quarter ended 30 June 2012 achieving a seven percent rise in net income to S\$14.9 million compared to the previous quarter and a DPU of 2.5 cents.

**19 July 2012**

## **3rd Annual General Meeting ("AGM")**

AGM on 19 July 2012. All three resolutions, as set out in the notice of AGM dated 25 June 2012, were duly passed at the AGM.

**26 July 2012**

## **Establishment of wholly-owned subsidiary and S\$500.0 million Multicurrency Medium Term Note Programme**

Announced the establishment of a S\$500.0 million Multicurrency Medium Term Note ("MTN") Programme on 25 July 2012 where AACI REIT MTN Pte. Ltd., a wholly-owned subsidiary of the Trust acts as the issuer of the MTN Programme.

**8 August 2012**

## **Issue of S\$100.0 million 4.90 percent Fixed Rate Notes due 2016**

Announced the issue of S\$100.0 million Notes under the S\$500.0 million Multicurrency Medium Term Note Programme. The Notes will mature on 8 August 2016 and will bear interest at a fixed rate of 4.90 percent per annum payable semi-annually in arrears. The debt tenor of AIMSAMPIREIT increased from 2.3 years to 3.2 years on a pro forma basis as at 30 June 2012.

**9 October 2012**

## **Property valuations as at 30 September 2012**

Announced the property valuation of the Trust's portfolio as at 30 September 2012, valuing the portfolio at S\$965.7 million. Excluding 20 Gul Way which was under development, the Trust's portfolio grew in value by 2.6 percent largely due to positive rental growth achieved by the Manager in the execution of its leasing strategy. Together with the capitalised capital expenditure for 20 Gul Way redevelopment, the overall portfolio's valuation rose by 5.6 percent, compared to previous valuations as at 31 March 2012.

**16 October 2012**

## **Reduced lease expiry risk and improved rental returns at 27 Penjuru Lane, Jurong**

Announced it had successfully extended 96.7 percent of the underlying leases for 27 Penjuru Lane and secured a weighted average of 8.5 percent higher rental than the existing master lease terms. 27 Penjuru Lane represented 19.1 percent of the Trust's total net rental income as at 30 September 2012 and the asset's master lease expired in December 2012.



**24 October 2012**

## **2Q FY2013 Financial Results**

Announced financial results for the second quarter ending 30 September 2012 achieving a stable DPU of 2.50 cents, despite the loss of income from 20 Gul Way redevelopment and divestment of 31 Admiralty Road. In addition, AIMSAMPIREIT successfully de-risked the lease expiry exposure for FY2013 from 35.7 percent one year ago to 9.9 percent in 2Q FY2013.

# Significant Events during the Financial Year 2013

**30 October 2012**

## Achieved Temporary Occupation Permit for Phase One of 20 Gul Way

Announced that the Temporary Occupation Permit (“TOP”) for Phase One at 20 Gul Way was issued on 29 October 2012. The triple net leases to CWT Limited in respect of 100.0 percent Phase One commenced immediately following the issue of TOP. Rental payments for Phase One of 20 Gul Way commenced on 29 December 2012 following the two months rent free period. AIMSAMPIREIT accordingly received a full quarter’s contribution from Phase One in the March 2013 quarter.



**5 December 2012**

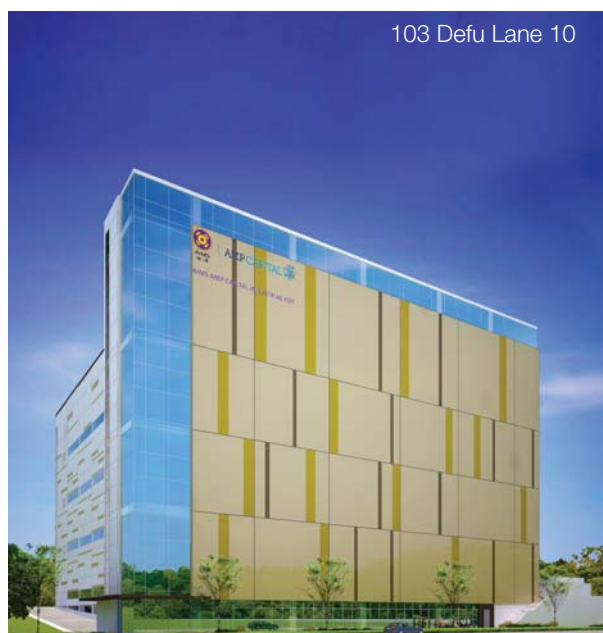
## Issue of S\$30.0 million 4.35 percent Fixed Rate Notes due 2019

Announced that AIMSAMPIREIT’s wholly-owned subsidiary AACI REIT MTN Pte. Ltd. issued S\$30.0 million unsecured 4.35 percent Fixed Rate Notes by way of private placement. The Notes will mature on 5 December 2019, the issue being the second series of Notes issued pursuant to the S\$500.0 million Multicurrency Medium Term Note Programme established on 25 July 2012.

**28 January 2013**

## Redevelopment of 103 Defu Lane 10 Singapore

Announced a S\$25.4 million redevelopment of 103 Defu Lane 10. Upon completion, the asset is expected to be valued at S\$42.6 million, up from its current value of S\$12.0 million. The redevelopment profit margin is expected to be around 14.0 percent.



**31 January 2013**

## 3Q FY2013 Financial Results

Announced financial results for the third quarter ended 31 December 2012 and achieved a 3.5 percent increase in distribution to Unitholders from the previous quarter, and a 0.5 percent increase year-on-year. AIMSAMPIREIT delivered stable DPU of 2.58 cents for the quarter.

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## Chairman's Message

“The Manager's team of investment professionals has really kicked some goals this year; diversifying our source of funding by establishing a Medium Term Note Programme thus reducing the refinancing risk in the short term, selectively developing assets and boosting net property income. The Trust is on a very solid footing from which to accelerate its growth.”

**Andrew Bird**  
*Chairman*



25

High-quality industrial properties around Singapore

S\$1,045.0M

Appraised value of asset portfolio as at 31 March 2013

## Strength & Stability

We will continue to strengthen the portfolio through asset redevelopments and strategic acquisitions, while maintaining consistent, stable returns to Unitholders.



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## Chairman's and CEO's Letter to Unitholders

“ During the year, we strengthened the capital structure and seized opportunities to improve the portfolio's quality and revenue generation. We have taken advantage of the market conditions to divest smaller assets and prudently recycle capital into developing under-utilised assets to improve returns to Unitholders for the long term. ”

**Andrew Bird**  
*Chairman*

**Nicholas McGrath**  
*CEO*



# Chairman's and CEO's Letter to Unitholders

## Dear Unitholders,

The Trust went from strength to strength during the financial year 2013 ("FY2013"). The Manager achieved significant milestones in terms of asset development, portfolio management and capital management, demonstrating a keen focus on strategic execution.

The Trust's Unit price also performed very strongly during the year. At the beginning of April 2012, the Unit price traded at a 20.0<sup>1</sup> percent discount to Net Asset Value ("NAV") per Unit and by the end of March 2013, the Unit price traded at a 6.7<sup>2</sup> percent premium to NAV per Unit. We believe the Unit price's performance reflected the market's acknowledgement of management's disciplined investment strategy. Overall the Unit price rose 40.0 percent between 1 April 2012 and 31 March 2013 and outperformed the FTSE Straits Times REIT Index<sup>3</sup> and Straits Times Index<sup>4</sup> by 9.3 and 30.1 percentage points respectively.

During FY2013, the Manager successfully increased the amount available for distribution year-on-year by 3.8 percent, bringing the total FY2013 distribution per Unit ("DPU") to 10.72 cents, an increase of 2.6 percent compared to the previous year. The Manager completed Phase One of the Trust's inaugural redevelopment project at 20 Gul Way, and launched a second redevelopment project at 103 Defu Lane 10 on 28 January 2013.

Since December 2009 we have successfully maintained gearing at around 31 percent for 14 consecutive quarters, from 3Q FY2010 to 4Q FY2013, while at the same time total assets have more than doubled from S\$505.2 million to S\$1.06 billion from 2Q FY2010 to 4Q FY2013.

In April 2012, Standard & Poor's assigned the Trust an investment grade credit rating of BBB-. The credit assessment reflects the Trust's stable cash flows from its well located and high quality industrial assets, as well as the Manager's proven track record of prudent and consistent capital management.

Following the assignment of the investment grade rating by Standard & Poor's, the Manager established a S\$500.0 million Multicurrency Medium Term Note ("MTN") Programme to facilitate a diversified source of funding and a strengthening of the capital structure for the future. The

Trust issued two tranches of MTNs and raised S\$100.0 million and S\$30.0 million in August and December 2012 respectively. Proceeds were used to repay bank borrowings that were due in October 2013 and February 2014. Following the issuances, the Trust extended its debt maturity to 3.1 years as at 31 March 2013 from 2.5 years a year ago. The Trust now has split debt maturities with no debt due until October 2015 and has eight assets worth S\$209.0 million released from bank security.

The Trust is well positioned for growth in the new financial year, with the following key financial metrics as at 31 March 2013.

- Aggregate leverage 34.0 percent.
- NAV per Unit of S\$1.476.
- A Unit price of S\$1.575, representing a 6.7<sup>5</sup> percent premium to the NAV per Unit.
- An interest cover ratio ("ICR") of 4.9 times for the financial year 2013, compared to the Trust's bank facility ICR covenant of 2.5 times.
- A weighted average debt maturity of 3.1 years.

We expect global economic growth to remain subdued as concerns remain over the extent of the fiscal cutback with the budget sequester in the US, as well as the potential re-emergence of the debt crisis in the Eurozone. With this backdrop, we remain cautiously positive for the 2014 outlook. Growth is likely to be moderate, supported by resilient domestic demand and modest growth in external demand.

## Financial performance

The Manager successfully increased distributable income in FY2013 by implementing intensive lease management programmes and enhancements/redevelopment initiatives to extract value from the portfolio. The Trust increased its DPU by 2.6 percent to 10.72 cents in FY2013, compared with the previous year. Furthermore, the amount available for distribution increased by 3.8 percent in the same period. The stable and growing DPU is the result of the successful delivery of Phase One of the 20 Gul Way development ahead of schedule and within budget together with the achievement of rental increases from our lease renewals.

The portfolio also achieved 4.1 percent uplift in property valuations compared to the previous year adjusted for capitalised development cost and excluding the sale of 31 Admiralty Road. The Trust's NAV per Unit as at 31 March 2013 was S\$1.476. The Trust's total assets grew from S\$939.0 million at 31 March 2012 to S\$1.06 billion at 31 March 2013.

<sup>1</sup> Based on closing price per Unit of S\$1.125 and NAV per Unit of S\$1.406 as at 31 March 2012.

<sup>2</sup> Based on closing price per Unit of S\$1.575 as at 31 March 2013 and NAV per Unit of S\$1.476 as at 31 March 2013.

<sup>3</sup> FTSE Strait Times REIT Index: +30.7 percent between 1 April 2012 and 31 March 2013 (Source: Bloomberg).

<sup>4</sup> Strait Times Index: +9.9 percent between 1 April 2012 and 31 March 2013 (Source: Bloomberg).

<sup>5</sup> Based on closing price per Unit of S\$1.575 as at 28 March 2013 and NAV per Unit of S\$1.476 as at 31 March 2013.

# Chairman's and CEO's Letter to Unitholders

The Manager maintained its track record of prudent capital management, holding gearing steady at around 31 percent for 14 consecutive quarters, and remains focused on maintaining leverage within the range of 30.0 to 40.0 percent. On 17 April 2013, the Manager raised S\$110.0 million equity via private placement which immediately reduced aggregate leverage to 23.9 percent on a pro forma basis as at 31 March 2013. The Trust is now well positioned for the next phase of its growth.

In addition, the MTN Programme will continue to enable the Manager to diversify its sources of debt funding and lengthen its debt maturity profile. While the MTN Programme initially increased borrowing costs marginally, we believe that lengthening the debt maturity profile and broadening the sources of funding will give the Trust greater financial flexibility and benefits in the long term.

## Unlocking value within the Portfolio

Demand for quality industrial property continued in FY2013, with net property income rising to S\$59.8 million in FY2013, compared to S\$58.9 million in the previous year. Active asset and lease management coupled with favourable market conditions enabled the Manager to achieve solid rental increases which largely offset the loss of income from 20 Gul Way during its redevelopment and the divestment of our property at 31 Admiralty Road.

The Manager continued its strategy of repositioning the portfolio by focusing on transforming existing assets to larger and higher quality assets through redevelopment and asset enhancement.

Phase One completion of the \$155.0 million redevelopment of 20 Gul Way saw it emerge as a best-in-class five storey ramp up warehouse, adding significant value to the Trust's portfolio of assets. The Trust reached the significant milestone of achieving the Temporary Occupation Permit ("TOP") for Phase One of 20 Gul Way within budget and ahead of schedule. The full quarter's rental income contribution from this asset was reflected in the March 2013 quarter results. TOP of Phase Two of 20 Gul Way was achieved on 7 May 2013, approximately seven months ahead of schedule, with income expected to commence in the September 2013 quarter.

On 16 April 2013, the Manager announced that the Trust has received approval in principle from Urban Redevelopment Authority of Singapore to rezone the plot ratio at 20 Gul Way from the existing 1.4 to 2.0. This gives the Trust the opportunity to develop up to an additional 497,000 sqft of gross floor area at the property. The Manager is currently working on plans to execute upon this opportunity.

The Manager also continued to explore other redevelopment and asset enhancement opportunities within the portfolio, such as the S\$25.4 million redevelopment of 103 Defu Lane 10. The redevelopment of 103 Defu Lane 10 is another prime example of how the Manager is unlocking value from within the portfolio to deliver greater returns to Unitholders. The redevelopment will see the value of the asset increase to S\$42.6 million by increasing the built plot ratio from 1.2 to 2.5, significantly enhancing the value this

asset contributes to the portfolio. This is a relatively small investment in the context of the size of the Trust but one that will provide high returns, with the redevelopment profit margin expected to be around 14.0 percent.

The redevelopment of 103 Defu Lane 10 will see the site transform from a two storey warehouse and adjoining three storey building into a high quality six storey industrial facility. The gross floor area will more than double from 97,367.0 sqft to approximately 202,901.0 sqft. The Manager has secured an anchor tenant for 76.0 percent of the redeveloped property.

The Manager will continue to identify properties in the Trust's portfolio which have growth potential through repositioning, enhancement or redevelopment. A number of properties in the portfolio have underutilised plot ratios, representing real potential for improving their value by increasing lettable area to meet tenants' growth requirements.

## Smart asset management

Intensive asset and lease management throughout the year resulted in the portfolio achieving positive rental reversions. A key component of this strategy was to manage the lease expiry profile and to use this as an opportunity to achieve higher rentals. In FY2013, the Trust had the opportunity to renew leases on 11 multi-tenancy properties (six master leased properties reverted to multi-tenancy properties in FY2013), giving the Trust potential to capture increases in market rentals. The Trust signed 81 new and renewal leases representing 1.61 million sqft of the total net lettable area of the portfolio in FY2013 and achieved weighted average rental increases of between 9.5 to 23.5 percent on these lease renewals. The Manager successfully de-risked the lease expiry exposure for FY2013 which was at 38.9 percent one year ago. The Trust now has no lease expiry of more than 22.0 percent in any one year.

Ensuring high occupancy rates is a key part of the Manager's asset management strategy. As at 31 March 2013, the Trust's portfolio occupancy of 96.1 percent continued to be above the industry average.

The Trust's strong and stable distributions are supported by the following key factors:

- High portfolio occupancy rate of 96.1 percent, compared to the Singapore industrial average of 93.0 percent.
- Security deposits underpinning the rental obligation of tenants with the average being 5.9 months per property (average of eight months for the 14 master leased properties and an average of 3.5 months for the 11 multi-tenancy properties).
- A weighted average lease expiry of 3.2 years.
- Organic rental growth supported by built-in rent escalations that range from 2.0 to 7.5 percent on the 14 master leased properties.
- Positive rental reversions achieved on the multi-tenancy properties.

# Chairman's and CEO's Letter to Unitholders

## Management strength

The Trust's experienced management team is committed to executing on the investment strategy for the Trust. The management team enjoys the full support of the Sponsors, AIMS Financial Group and AMP Capital, who are committed to retaining a long term interest in the Trust.

The Manager will continue to leverage on the Sponsors' expertise in fund management, asset and financial management, development and debt advisory in the years ahead, to deliver value and growth for Unitholders.

## Strategy for FY2014

The objective of the Trust is to provide a competitive total return for investors comprising strong and stable distributions and potential capital growth. The Manager has a clear set of strategies which are designed to clearly differentiate itself from other Singapore industrial REITs. The goal of the Manager at all times is to enhance Unitholders' returns by growing distributable income and to maximise the value of the Trust's portfolio.

The Manager will consolidate upon the substantial achievements of the Trust in FY2013 and will continue to implement the following strategies for the Trust in FY2014:-

- **Singapore investments:** The Trust is currently a Singapore focused industrial REIT with 25 industrial properties located in Singapore. In FY2014, the Manager will focus on:
  - Successful delivery of Phase Two of 20 Gul Way and the redevelopment of 103 Defu Lane 10 on time and within budget.
  - Executing on the opportunity to further develop additional lettable area at 20 Gul Way.
  - Enhancement of selected assets in the portfolio by increasing lettable area to meet tenants' growth requirements or identified demand in the market.
  - Potential participation in pre-committed redevelopment opportunities in Singapore with partners within the limits prescribed by the Singapore Property Funds Appendix.
  - Evaluation of yield accretive investment opportunities in Singapore.

Yours faithfully,



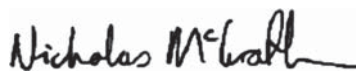
**Andrew Bird**  
Chairman

- **Intensive asset and leasing management:** The Manager will continue to prudently manage the lease expiry profile and use this as an opportunity to achieve positive rental reversions while maintaining high occupancy.
- **Capital and risk management:** The Manager intends to continue to manage the Trust with a view to maintaining an appropriately conservative capital structure throughout the property cycle and to maintain a stable and growing DPU.
  - Continue to evaluate opportunities to appropriately extend the term of some or all of the Trust's existing debt.
  - Maintain aggregate leverage (debt/total assets) between 30.0 to 40.0 percent.
  - Continued focus on broadening and diversifying the Trust's funding sources through enhancing banking relationships and issuing unsecured bonds.
  - Maintain appropriate hedging of market based risks such as interest rate risk, locking in fixed interest rates through interest rate swaps.
  - Following the assignment of an investment grade corporate credit rating of BBB- by Standard and Poor's, maintenance of strict financial discipline and conservative financial metrics.
- **Geographic focus:** For FY2014, the priority focus of the Trust remains on Singapore. However, the Manager will consider investment opportunities in markets where the Sponsors have a real estate capability such as Australia.

## In appreciation

We wish to extend thanks to our fellow directors, the Sponsors and to the management team for their support and dedication over the past 12 months. We would also like to thank our tenants, business partners and service providers for their continued support and valued contribution to the Trust.

Finally we would like to thank you, the Unitholders, for your continued support and trust in our strategy as we continue to deliver long term value to you. We look forward to your ongoing support and another year of rewarding milestones.



**Nicholas McGrath**  
Chief Executive Officer

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## CEO's Message

“ We're focused on growing asset values and improving rental returns to grow value for Unitholders while prudently managing the Trust's capital structure. We are excited about our two redevelopments (20 Gul Way and 103 Defu Lane 10) that will contribute positively to DPU. We're continually on the look-out for opportunities to create value and growth. ”

**Nicholas McGrath**

*Executive Director and Chief Executive Officer*



**S\$92.1M**

Gross Revenue  
(up by 9.6% year-on-year)

**S\$59.8M**

Net Property Income  
(up by 1.4% year-on-year)

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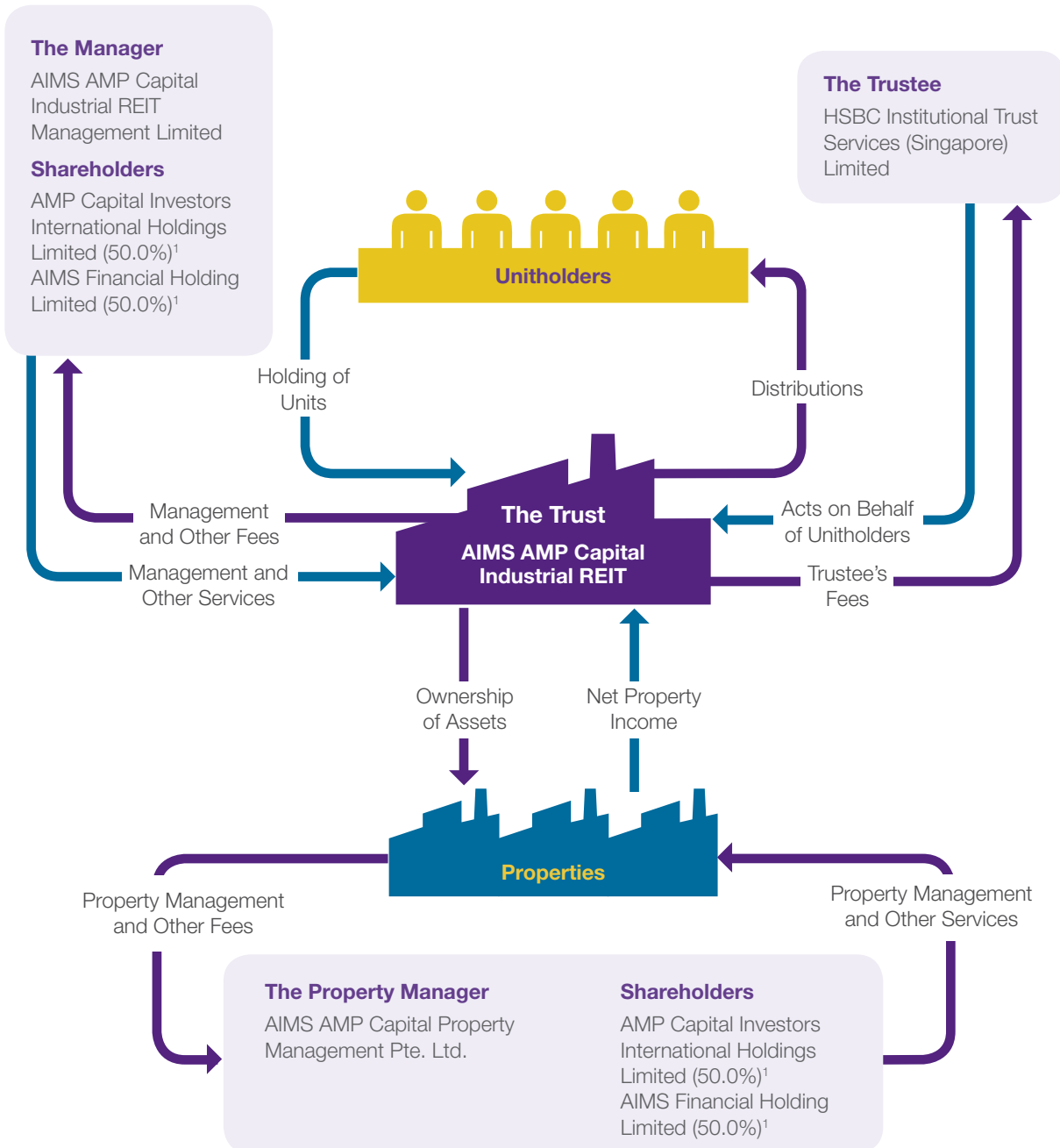
## Management Expertise

By focusing on client and tenant needs and developing innovative property solutions, our investment management expertise has delivered steady, balanced growth for Unitholders.



# Structure of AIMS AMP Capital Industrial REIT

The following diagram indicates the relationships between the Trust, the Manager, the Property Manager, the Trustee and the Unitholders.



<sup>1</sup> AMP Capital Investors International Holdings Limited and AIMS Financial Holding Limited are indirectly owned by the two strategic Sponsors, AMP Capital and AIMS Financial Group, respectively.

## Board of Directors of the Manager



### **Mr Andrew Bird**

*Non-Executive, Non-Independent Chairman*

Mr Bird was appointed as a Director on 30 March 2012 and was appointed Chairman of the Manager on 19 April 2012.

As Chief Investment Officer (Property) of AMP Capital, Mr Bird is responsible for overseeing the Property Investment Committees which govern investment strategy and strategy implementation. Mr Bird is the Director of AMP Capital's A\$16 billion property investment and management business and is also a member of the AMP Capital Investors Leadership Team.

With 35 years of experience in the property industry in Australia, the United Kingdom and Asia Pacific, Mr Bird oversees the fund management of property assets for external clients, significant private client portfolios and opportunistic funds along with the development of new property business initiatives. In addition, he supervises AMP Capital's substantial property investment services including asset management, retail, commercial and industrial property management, development, research and investment strategy, capital transactions, treasury management and finance.

Mr Bird joined AMP Capital Investors in April 2000 from APN Funds Management in Melbourne. Prior to his role at APN, he was Head of Property at Colonial First State.



### **Mr George Wang**

*Non-Executive, Non-Independent Director*

Mr Wang was appointed as a Director on 7 August 2009 and was the Chairman of the Manager from 7 August 2009 to 19 April 2012.

George Wang is the founding CEO of AIMS Financial Group and an active participant in both the Australian and Chinese financial services industries. Established in 1991, AIMS Financial Group ("AIMS") is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment, stock exchange ownership and high-tech investment. Mr. Wang is also the Deputy Chairman of Asia Pacific Stock Exchange.

Mr Wang is the President of the Australia-China Finance & Investment Council. As the President of Australia-China Finance & Investment Council, George has been laying the foundation for the financial bridge between Australia and China for many years, closely following the development of the Chinese financial sector, at the same time building a professional team.

Mr Wang's story was selected by the PR China Government's Development Research Centre of China State Council to be in four biographical books including the "Outstanding achievements - 100 greatest Chinese business leaders in the world", "Remarkable Chinese Financiers - stories of the top 80 Chinese leaders in the global Finance industry", "Great power - life with intelligence and patriotism of the top 80 Chinese business leaders" and "Reach the pinnacle - Fifty-five World's leading Chinese Entrepreneurs and their Development Paradigms".

## Board of Directors of the Manager



### **Mr Simon Laurence Vinson**

*Non-Executive, Non-Independent Director and Member of the Audit, Risk and Compliance Committee*

Mr Vinson was appointed as a Director on 24 December 2009.

As the Head of Asian Property of AMP Capital since 2006, Mr Vinson is responsible for establishing and growing AMP Capital's property investment capability in Asia and all aspects of property investment, research, acquisitions, disposals and portfolio management in the region.

Since joining the AMP Group, Mr Vinson has worked in varied roles, including a substantial period heading the AMP Capital Property Group's Business Development Team, during which time the business launched several key property funds, including an unlisted Shopping Centre Fund, an unlisted Office Fund, and the Global Direct Property Fund. From 2006 to 2009, Mr Vinson also held the position of Managing Director, AMP Capital Singapore and spearheaded the establishment of AMP Capital's Asian hub office in that city. In March 2009, Mr Vinson was appointed as the Head of New Business Initiatives where he leads a team that is responsible for sourcing and developing new business and product opportunities for AMP Capital's Property business. Most recently in 2012, Mr Vinson became responsible for overseeing AMP Capital Property's opportunity fund business which consists of the suite of Select Property Funds. Mr Vinson sits on AMP Capital's Property Leadership team and is also a member of several Property Investment Committees.

Mr Vinson joined AMP Group in 1982 and has extensive experience in property development on both retail and commercial projects, as well as experience in property acquisitions and disposals across all property sectors.



### **Mr Andrew Lam**

*Non-Executive, Non-Independent Director*

Mr Lam was appointed as a Director on 16 September 2011.

As the Head of Finance for the MacarthurCook Group (part of the AIMS Finance Group of companies), Mr Lam is also involved in the group's broader investment and property development activities.

With 16 years of experience, Mr Lam has extensive knowledge in real estate funds management, property development and financial operations.

Prior to joining MacarthurCook and AIMS Financial Group, Mr Lam worked with Hastings Funds Management (the real estate and infrastructure funds management arm of Westpac Banking Corporation) in its real estate funds management division. His responsibilities were diverse covering real estate acquisitions and bid submissions, structuring of new funds, property development, property workouts and funds management.

Prior to Hastings, Mr Lam worked in funds management with Valad Property Group, a company which was at the time listed on the Australian Securities Exchange and involved in property development, funds management and investment. At Valad, Mr Lam was responsible for a number of property development funds (with total projects having an on-completion value in excess of A\$1 billion) and was also involved in setting up new funds. Mr Lam worked at Macquarie Bank in its property financial operations division prior to working at Valad.

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## Board of Directors of the Manager



### **Mr Tan Kai Seng**

*Lead Independent, Non-Executive Director and Chairman of the Audit, Risk and Compliance Committee*

Mr Tan was appointed as a Director on 1 December 2006 and the Chairman of the Audit, Risk and Compliance Committee on 19 February 2010.

Mr Tan is a member of the Institute of Certified Public Accountants, Singapore and a Fellow of the Association of Chartered Certified Accountants, UK. He was the Group Financial Controller of Parkway Holdings Limited from 1980 to 1988 and subsequently the Finance Director from 1988 until his retirement in 2005.

Mr Tan is currently an Independent, Non-Executive Director of IGB Corporations Berhad, listed on Bursa Malaysia, Kuala Lumpur. In addition, he holds several other directorships in companies in the fields of building construction, investment holdings and water management.

Prior to joining Parkway Holdings Limited in 1980, Mr Tan had seven years of audit experience with Price Waterhouse Singapore and San Francisco.



### **Mr Norman Ip Ka Cheung**

*Independent, Non-Executive Director and Member of the Audit, Risk and Compliance Committee*

Mr Ip was appointed as a Director on 31 March 2010.

Mr Ip is a Chartered Accountant by training and has over 31 years of financial and commercial experience. He is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants, Singapore. He retired in October 2009 as the President and Group Chief Executive Officer of The Straits Trading Company Limited ("STC"), which main activities are in real estate, mining and hospitality.

Mr Ip is currently the Chairman of the board of WBL Corporation Limited and Malaysia Smelting Corporation Berhad. He is an Independent, Non-Executive Director of Great Eastern Holdings Limited Group, United Engineers Limited and UE E&C Ltd. He is also a member of the Building and Construction Authority Board of Singapore.

Prior to joining STC in 1983, he was with Ernst & Whinney (now known as Ernst & Young LLP).

## Board of Directors of the Manager



### **Mr Eugene Paul Lai Chin Look**

*Independent, Non-Executive Director*

Mr Lai was appointed as a Director on 26 February 2010.

Mr Lai began his career as an attorney in New York and in Singapore and has a wealth of experience in law, investment banking, real estate and private equity. He is currently a Managing Director at Southern Capital Group and was previously a Managing Director and Senior Country Officer at JP Morgan, Malaysia as well as the Managing Director and Chief Executive Officer of The Ascott Group Limited. He has also held the position of Managing Director at The Carlyle Group Asia and Managing Director at Citigroup, Singapore.

Mr Lai currently holds directorships in several other companies and statutory boards.



### **Mr Nicholas Paul McGrath**

*Executive Director and Chief Executive Officer*

Mr McGrath joined the Manager as Chief Executive Officer (“CEO”) on 12 January 2009 and was subsequently appointed as an Executive Director of the Manager on 26 February 2010.

As the CEO of the Manager, Mr McGrath is responsible for the overall planning, management and operation of the Trust. He works closely with the Board of Directors to determine business strategies for the strategic development of the Trust.

Prior to joining the Manager, Mr McGrath was the CEO of the Allco Commercial REIT (now known as Frasers Commercial Trust) and Managing Director of Allco (Singapore) Limited. Mr McGrath moved to Singapore in 2005 to establish Allco’s real estate funds management business and was responsible for growing assets under management in excess of S\$2 billion. Prior to that, he spent over five years with Allco Finance Group in a range of senior executive roles in its property funds management and structured finance divisions.

Before joining Allco Finance Group, Mr McGrath was a lawyer at a leading Australian law firm, Blake Dawson (now known as Ashurst).

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## Senior Management Team

### **Mr Nicholas McGrath (Left)**

*Chief Executive Officer*

Mr Nicholas McGrath is also an Executive Director of the Manager. Please refer to his profile under the Board of Directors.

### **Ms Regina Yap (Right)**

*Head of Finance /  
Company Secretary of the Manager*

Ms Yap joined the Manager as Head of Finance and Company Secretary in September 2011. She is responsible for the financial performance of the Trust and Manager, financial accounting and reporting, treasury and capital management, compliance as well as corporate secretarial matters.

Prior to joining the Manager, Ms Yap was the Vice President, Finance (South East Asia & Australia) with The Ascott Limited, a wholly-owned subsidiary of CapitaLand Limited. She has spent almost 14 years in various senior finance roles in CapitaLand Limited within several business units including hospitality, residential, commercial, corporate headquarter and Australand Property Group (a subsidiary of CapitaLand listed on the Australian Securities Exchange). With more than 18 years of experience in group financial and management reporting, operational management and control, tax planning and performance analysis, Ms Yap also has had good regional exposure and her portfolios spanned across South East Asia, North Asia and Australia.

Ms Yap began her career as a Tax consultant with Price Waterhouse (now known as Pricewaterhouse Coopers LLP) in Singapore.

Ms Yap holds a Master of Applied Finance from the Macquarie University of Sydney, Australia and a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore. She is also a Certified Public Accountant with the Institute of Certified Public Accountants of Singapore.



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## Senior Management Team

### **Mr Koh Wee Lih** (Left)

*Head of Real Estate*

Mr Koh joined the Manager as Senior Investment Manager in December 2008. In October 2011, he was promoted to Head of Real Estate and oversees the investment and asset management team for the Trust. He works closely with the CEO and Assistant Fund Manager to formulate strategic plans to maximise the returns of the Trust's assets.

Prior to joining the Manager, Mr Koh managed real estate investments for an international real estate private equity fund as well as for one of Asia's largest real estate developers. He has over 17 years of experience in investment and corporate finance, of which more than eight years are in real estate investment, asset management and private equity.

Mr Koh holds a Master of Business Administration, a Master of Science in Industrial and Operations Engineering and a Bachelor of Science (Summa Cum Laude) in Aerospace Engineering from the University of Michigan.

### **Ms Joanne Loh** (Right)

*Assistant Fund Manager  
and Investor Relations*

Ms Loh joined the Manager as Asset Manager in August 2007 and was responsible for the asset and leasing management of the Trust's initial portfolio of 12 properties. In April 2011, she was promoted as the Investor Relations Manager and subsequently to Assistant Fund Manager in October 2011. Ms Loh still retains asset management responsibilities for a few assets. In her new role, Ms Loh reports to the CEO and is responsible for all aspects of investor relations for the Trust together with fund level analysis of the Trust's portfolio. She works closely with the CEO and Head of Real Estate to formulate strategic plans to maximise the returns of the Trust's assets.

Prior to joining the Manager, Ms Loh was with a property consultant firm, Colliers International as the property manager managing a portfolio of residential and industrial assets. She was also previously with real estate developers like Far East Organisation and Keppel Land. In all, she has over nine years of experience in the real estate industry handling asset management, leasing and property management.

Ms Loh holds a Bachelor of Science degree in Building and a Master of Science degree in Real Estate from the National University of Singapore.



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## Our Team



### Asset Management Team (From left to right)

**Sandra Go**, Assistant Asset Manager **Sharon Tay**, Leasing & Asset Manager **Selena Ang**, Asset Manager **Avril Chong**, Office Manager, Assistant Asset Manager, PA to CEO **Louis Ng**, Assistant Asset Manager **Cindy Tan**, Senior Executive, Asset Management



### Finance Team (From left to right)

**Charlotte Khoo**, Fund Accountant  
**Janet Foo**, Fund Accountant  
**Stella Yeak**, Finance Manager  
**Patrina Tan**, Fund Accountant

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## Head of Real Estate's Message

“2013 was a watershed year for the Trust. We completed Phase One of our first ever redevelopment at 20 Gul Way and launched another at 103 Defu Lane 10. We achieved significant rental uplift as we crunched through the lease expiry we had in FY2013. The rental uplift largely mitigated the loss of rental income from our redevelopments and sale of 31 Admiralty Road. Overall the portfolio has performed very well, generating solid returns and real growth for Unitholders.”

**Koh Wee Lih**

*Head of Real Estate*





# Sustainable Growth

By investing to enhance and develop the income generating potential of certain assets, the Manager is positioning the portfolio to deliver sustainable growth for Unitholders.

**10.72  
cents**

Distribution per Unit  
(up by 2.6% year-on-year)

**96.1%**

High portfolio  
occupancy rate

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# Property Showcase

Redevelopment of 103 Defu Lane 10, Singapore

Artist's impression of the proposed six storey industrial facility on the site



# Property Showcase

## Fact sheet

	Prior	Post redevelopment
Property	Two storey warehouse with an adjoining three storey office building	Six storey industrial facility with basement parking
Valuation	S\$12.0 million <sup>1</sup>	S\$42.6 million <sup>2</sup>
Annual net rental income	S\$1.21 million <sup>3</sup>	Approximately S\$2.15 <sup>4</sup> million from the committed anchor tenant occupying 76% of the lettable area.  Expect net rental income to increase as balance of lettable area (24%) is leased out.
Plot ratio	1.2	2.5
Maximum plot ratio	2.5	2.5
Land area	81,171 sqft	81,171 sqft
Gross Floor Area ("GFA")	97,367 sqft	Approx. 202,901 sqft
Land tenure	30+30 years lease wef 1 July 1983	30+30 years lease wef 1 July 1983
Lease term	Master Lease with Success Global Pte Ltd expired on 20 January 2013	Anchor tenant – Focus Network Agencies (Singapore) Pte Ltd for 6 years 4.5 months on levels 1-4 and level 6  (approximately 76% pre-committed)

## Redevelopment



Two storey warehouse with an adjoining three storey office building with an underutilised plot ratio.



Six storey industrial facility maximising 103 Defu Lane 10's plot ratio. Focus Network Agencies (Singapore) Pte Ltd has pre-committed to take up to approximately 76% of the lettable area for a period of 6 years 4.5 months.

<sup>1</sup> As at 30 September 2012.

<sup>2</sup> Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013.

<sup>3</sup> Annual net rental income for FY2012.

<sup>4</sup> Based on reforecast on operating expenses including property tax and land rent.

# Property Showcase

## Structure of the transaction

Key terms of the transaction	
D&C contractor	Boustead Projects Pte Ltd
Total redevelopment costs	Approx. S\$25.4 million (excluding land)
Land valuation	S\$12.0 million <sup>1</sup>
GFA (sqft)	Approx. 202,901
Commencement	March 2013
Target completion	May 2014
Construction period	15 months
Anchor tenant	Focus Network Agencies (Singapore) Pte Ltd - a leading distributor and retailer of premier chocolates and confectionary products and the owner of "The Cocoa Trees" chain of chocolate boutiques.
Anchor lease terms	<ul style="list-style-type: none"> <li>Lease of levels 1 to 4 and level 6 for a period of 6 years 4.5 months</li> <li>Gross rental at market rate</li> <li>Bi-annual rent increase of average 6.2%</li> </ul>

## Summary financials

	S\$ million
1. Gross development value upon completion <sup>2</sup>	42.6
2. Project redevelopment cost	(25.4)
3. Land cost	(12.0)
4. Profit	5.2
5. Profit margin	14.0%

Project redevelopment cost to be funded with a committed debt facility

<sup>1</sup> As at 30 September 2012.

<sup>2</sup> Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013.

## Property Showcase

“ In FY2013, the Trust had the opportunity to renew leases on 11 multi-tenancy properties (six master leased properties reverted to multi-tenancy properties in FY2013), giving the Trust potential to capture increases in market rentals. The Trust signed 81 new and renewal leases representing 149,301.5 sqm of the total net lettable area of the portfolio in FY2013 and achieved weighted average rental increases of between 9.5 to 23.5 percent on these lease renewals. ”



### 27 Penjuru Lane

The property comprises a ramp up warehouse and logistics facility which incorporates two individual building envelopes providing warehouse and logistics and ancillary office accommodation. The facility was developed in two stages. Phase One comprises a five-storey high clearance warehouse and logistics building incorporating mezzanine offices and an attached nine-storey ancillary office annex incorporating both office accommodation and a canteen. Phase Two comprises a five-storey high clearance warehouse and logistics building which also incorporates mezzanine office levels. The two buildings are serviced by a central vehicular ramp.

It is located along Penjuru Lane, off Penjuru Road and Jalan Buroh, within Jurong Industrial Estate and is approximately 16 km from the City Centre.

#### Property details

Valuation (S\$'million)	180.05
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	17.23
Capitalisation rate (%)	6.25
Acquisition date	15 October 2010
Purchase price (S\$'million)	161.00
Leasehold title expiry year	15 October 2049
Land area (sq m)	38,297.00
Gross floor area (sq m)	95,758.40
NLA (sq m)	92,903.75
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.50

#### Lease terms

Lease type	Multi-tenanted
No. of tenants	10
Name of major tenants	Schenker Singapore (Pte) Ltd LTH Logistics (Singapore) Pte Ltd Kuehne + Nagel Pte Ltd Koyo Singapore Bearing (Pte) Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	12.62

# Property Showcase



## 8 & 10 Pandan Crescent

The property comprises one block of five-storey (Block 8) and one block of six-storey (Block 10) warehouse buildings. The two blocks are serviced by 16 cargo lifts and 12 passenger lifts. The property has 80 loading/unloading bays with 38 dock-levellers on the first storey.

It is located in at the southern junction of Pandan Crescent and West Coast Highway and is approximately 13 km away from the City Centre.

### Property details

Valuation (S\$'million)	136.70
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	13.08
Capitalisation rate (%)	6.50
Acquisition date	19 April 2007
Purchase price (S\$'million)	115.00
Leasehold title expiry year	31 May 2068
Land area (sq m)	32,376.50
Gross floor area (sq m)	80,940.00
NLA (sq m)	65,838.35
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.50

### Lease terms

Lease type	Multi-tenanted
No. of tenants	32
Name of major tenants	UPS SCS (Singapore) Pte Ltd Adidas Singapore Pte Ltd Emerson Process Management Asia Pacific Private Limited Fisher Clinical Services Pte Ltd
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	9.60



## 20 Gul Way

The property comprises a five-storey ramp up warehouse and logistics facility which will incorporate two individual building envelopes providing warehouse, logistics and ancillary office accommodation in addition to a substantial hardstand marshalling yard. The facility was developed in two stages: Phase One achieved TOP on 29 October 2012 and Phase Two achieved TOP on 7 May 2013. The two buildings are serviced by a central vehicular ramp.

It is located at the north-western junction of Gul Way and Gul Circle, within Jurong Industrial Estate and is approximately 25 km from the City Centre.

### Property details

Notional value of Phase One (S\$'million)	125.62
Phase Two 'As Is Where Is' basis (S\$'million)	61.05
Assessed value 'As if Complete' (S\$'million)	217.00
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	17.86
Capitalisation rate (%)	6.50
Acquisition date	19 April 2007
Purchase price (S\$'million)	39.40
Leasehold title expiry year	15 January 2041
Land area (sq m)	76,946.10
Gross floor area (sq m)	62,360.50 (Phase One)
NLA (sq m)	62,360.50 (Phase One)
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	1.40
Current plot ratio	Phase Two under development

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	CWT Limited (Phase One and Two)
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	(from 29 December 2012 to 31 March 2013) 2.51

# Property Showcase



## 1A International Business Park

The property comprises a 13-storey high-tech business park building with ground level retail and showroom areas together with a basement car park for 114 cars. The building is suitable for business park use and incorporates office and warehouse areas.

It is located at the south-eastern side within the prestigious precinct of International Business Park, off Boon Lay Way and Jurong East Street 11. International Business Park is a business and technology hub for companies involved in high-technology industries that include software development, research and ancillary activities. The property well-served by a network of roads which include the Ayer Rajah Expressway, Pan-Island Expressway and Commonwealth Avenue West and is approximately 14 km from the City Centre.

### Property details

Valuation (S\$'million)	83.00
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	7.94
Capitalisation rate (%)	6.25
Acquisition date	30 November 2009
Purchase price (S\$'million)	90.20
Leasehold title expiry year	31 May 2059
Land area (sq m)	7,988.4
Gross floor area (sq m)	19,949.60
NLA (sq m)	16,697.00
Property type	Business Park
Town planning	Business Park
Maximum plot ratio	2.50
Current plot ratio	2.49

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Eurochem Corporation Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	6.23



## 29 Woodlands Industrial Park E1

The property comprises an L-shaped four-storey high-technology light industrial building with basement car park. The building is serviced by nine passenger lifts, nine cargo lifts and six lift lobbies.

It is located at the junction of Admiralty Road West and Woodlands Avenue 8. The property is well-served by expressways/major roads such as the Bukit Timah Expressway (BKE) and the Seletar Expressway (SLE) and is approximately 24 km from the City Centre.

### Property details

Valuation (S\$'million)	82.40
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	7.89
Capitalisation rate (%)	7.00
Acquisition date	21 February 2011
Purchase price (S\$'million)	72.00
Leasehold title expiry year	8 January 2055
Land area (sq m)	17,955.90
Gross floor area (sq m)	45,481.26
NLA (sq m)	36,244.00
Property type	Hi-Tech Space
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.48

### Lease terms

Lease type	Multi-tenanted
No. of tenants	17
Name of major tenants	Broadcom Singapore Pte Ltd Illumina Singapore Pte Ltd MMI Holdings Limited Ellipsiz Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	5.53

# Property Showcase



## 15 Tai Seng Drive

The property comprises a five-storey with basement industrial warehouse building. Basement warehouse/storage areas have been created within an area originally designated for car parking. The property has three loading/unloading bays with dock-levellers and serviced by two passenger and two cargo lifts.

It is located along the north-eastern end of Tai Seng Drive, a cul-de-sac off Airport Road. The property is well-served by the Pan-Island Expressway, Kallang Paya Lebar Expressway, Paya Lebar Road Airport Road and Macpherson Road and is approximately 9.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	30.00
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.87
Capitalisation rate (%)	6.75
Acquisition date	17 December 2007
Purchase price (S\$'million)	28.90
Leasehold title expiry year	31 March 2051
Land area (sq m)	9,077.90
Gross floor area (sq m)	21,350.00
NLA (sq m)	17,886.30
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.35

### Lease terms

Lease type	Multi-tenanted
No. of tenants	8
Name of major tenants	Element14 Pte Ltd Kumpulan Development (S) Pte Ltd Westfalia Separator (S.E.A.) Pte Ltd Zenitel Marine Asia Pte Ltd
Occupancy of property	100%
Annual rental income FY2013 (S\$' million)	2.80



## 10 Changi South Lane

The property comprises a part five-storey and part seven-storey warehouse with ancillary office space. The property is also equipped with eight loading and unloading bays with dock-levellers together with an Automated Storage and Retrieval System (ASRS) provided at the first-storey warehouse area.

It is located within Changi South Industrial Estate. The property is well-served by expressways/major roads such as the East Coast Parkway, Pan-Island Expressway and Upper Changi Road East and is approximately 15.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	28.60
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.74
Capitalisation rate (%)	6.50
Acquisition date	19 April 2007
Purchase price (S\$'million)	33.80
Leasehold title expiry year	15 June 2056
Land area (sq m)	9,219.10
Gross floor area (sq m)	14,793.00
NLA (sq m)	12,655.90
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	1.60

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Ossia International Limited
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	2.56

# Property Showcase



## 135 Joo Seng Road

The property comprises an eight-storey light industrial building with car parks on the first-storey and a canteen located on the second-storey. The property is primarily suitable for light industrial activities with retail areas on the second-storey. The building is served by two passenger lifts, two cargo lifts and six loading/unloading bays located on the first storey.

It is located at the north-western junction of Joo Seng Road and Jalan Bunga Rampai. The property well-served by the Upper Paya Lebar Road and Upper Aljunied Road, which link with the Pan-Island Expressway and the Kallang Paya Lebar Expressway and is approximately 9 km away from the City Centre.

### Property details

Valuation (S\$'million)	25.50
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.44
Capitalisation rate (%)	6.75
Acquisition date	10 March 2008
Purchase price (S\$'million)	25.00
Leasehold title expiry year	30 June 2054
Land area (sq m)	5,420.10
Gross floor area (sq m)	12,385.00
NLA (sq m)	9,490.77
Property type	Manufacturing
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	2.29

### Lease terms

Lease type	Multi-tenanted
No. of tenants	13
Name of major tenants	Extron Electronics Asia Pte Ltd Powermatic Data Systems Limited Pulse Electronics (Singapore) Pte Ltd Amasco Industries Pte Ltd
Occupancy of property	87.8%
Annual rental income FY2013 (S\$'million)	1.91



## 11 Changi South Street 3

The property comprises a four-storey light industrial building incorporating warehouse, office and showroom accommodation with basement car parking. A single basement level incorporates car parking for 60 bays and ancillary storage areas. The property is served by two passenger lifts and two cargo lifts which serve the basement to the fourth storey. There are three loading/unloading bays with dock-levellers.

It is located on the southern side of Changi South Street 3, north of Xilin Avenue. The property is well-served by Xilin Avenue, the Pan-Island Expressway and the East Coast Parkway and is approximately 16.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	24.70
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.36
Capitalisation rate (%)	6.50
Acquisition date	17 December 2007
Purchase price (S\$'million)	20.80
Leasehold title expiry year	31 March 2055
Land area (sq m)	8,832.60
Gross floor area (sq m)	14,015.90
NLA (sq m)	11,547.40
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.00
Current plot ratio	1.59

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Builders Shop Pte Ltd (Lorenzo International Limited)
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	2.29

# Property Showcase



## 61 Yishun Industrial Park A

The property comprises a six-storey industrial building suitable for light manufacturing, warehouse and distribution and ancillary offices. The building is served by a single passenger lift and three cargo lifts. There are six loading/unloading bays located on the first storey.

It is located at the south-eastern side of Yishun Industrial Park A. The property is well-served by major expressways/major roads, including Yishun Avenue 2, which directly links with the Seletar Expressway and is approximately 20 km away from the City Centre.

### Property details

Valuation (S\$ million)	24.50
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.34
Capitalisation rate (%)	7.00
Acquisition date	21 January 2008
Purchase price (S\$ million)	24.60
Leasehold title expiry year	31 August 2052
Land area (sq m)	5,921.80
Gross floor area (sq m)	14,601.00
NLA (sq m)	11,963.48
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.47

### Lease terms

Lease type	Multi-tenanted
No. of tenants	13
Name of major tenants	KWF Printing Pte Ltd Whistler Wine & Spirits Pte Ltd Primotech Packaging Pte Ltd Proach Distribution Services Pte Ltd
Occupancy of property	44.6%
Annual rental income	
FY2013 (S\$ million)	1.79



## 1 Bukit Batok Street 22

The property comprises an eight-storey industrial building incorporating a four-storey factory and eight storeys of ancillary office space. The building is served by two passenger and two cargo lifts.

It is located at the south-eastern junction of Bukit Batok Street 22 and Bukit Batok Avenue 6. The property is well-served by expressways/major roads such as the Pan-Island Expressway and Bukit Batok Road and is approximately 16 km away from the City Centre.

### Property details

Valuation (S\$ million)	24.50
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.34
Capitalisation rate (%)	7.00
Acquisition date	19 April 2007
Purchase price (S\$ million)	18.00
Leasehold title expiry year	30 June 2055
Land area (sq m)	6,399.30
Gross floor area (sq m)	15,978.40
NLA (sq m)	14,036.50
Property type	Warehouse and Logistics
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	2.50

### Lease terms

Lease type	Multi-tenanted
No. of tenants	18
Name of major tenants	Mentor Media Ltd Omega Integration Pte Ltd Lloyd's Register Drilling Integrity Services Asia Pacific Pte Ltd Scigate Automation (S) Pte Ltd
Occupancy of property	94.7%
Annual rental income	
FY2013 (S\$ million)	2.01

# Property Showcase



## 3 Tuas Avenue 2

The property comprises a two-storey ancillary office building, a single-storey factory building and a part two/part three-storey warehouse building. The property is served by a cargo lift at the warehouse building, which has loading and unloading areas.

It is located on the north-western side of Tuas Avenue 2, near its junction with Pioneer Road, within the Jurong Industrial Estate. The property is well-served by major arterial roads/expressways such as Jalan Ahmad Ibrahim, the Ayer Rajah Expressway and the Pan-Island Expressway and is approximately 25.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	24.00
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.30
Capitalisation rate (%)	7.00
Acquisition date	19 April 2007
Purchase price (S\$'million)	20.80
Leasehold title expiry year	15 March 2055
Land area (sq m)	17,802.70
Gross floor area (sq m)	16,334.30
NLA (sq m)	14,700.10
Property type	Manufacturing
Town planning	Business 2
Maximum plot ratio	1.40
Current plot ratio	0.92

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Cimelia Resource Recovery Pte Ltd
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	1.76



## 3 Toh Tuck Link

The property comprises a multi-storey office and warehouse building. The primary warehouse areas are located at level one and three, with the latter featuring a semi-automated narrow aisle storage system. The office accommodation is located over five levels. The building is served by seven loading/unloading bays and dock leveller located at the first storey of the building.

It is located to the south-eastern side of Toh Tuck Link, bounded by Old Toh Tuck Road and Toh Tuck Avenue 3. The property is well-served by major roads and expressways such as Boon Lay Way, Commonwealth Avenue West and the Pan-Island Expressway and is approximately 13 km from the City Centre.

### Property details

Valuation (S\$'million)	22.05
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	2.11
Capitalisation rate (%)	6.75
Acquisition date	11 January 2010
Purchase price (S\$'million)	19.30
Leasehold title expiry year	15 November 2056
Land area (sq m)	10,724.40
Gross floor area (sq m)	12,492.40
NLA (sq m)	11,851.90
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	1.60
Current plot ratio	1.16

### Lease terms

Lease type	Multi-tenanted
No. of tenants	2
Name of major tenants	SGS Testing & Control Services Singapore Pte Ltd Asia Storage Inn LLP
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	1.66

# Property Showcase



## 23 Tai Seng Drive

The property comprises a six-storey light industrial building with a basement car park. The building accommodates reception/ancillary office/warehouse areas on the first storey and data centre, production areas for clean and light industry uses, and ancillary office areas on the upper levels. The building is served by one cargo and two passenger lift with two loading/unloading bays with raised platform.

It is located at the junction of Tai Seng Drive and Tai Seng Avenue. The property is well-served by major roads and expressways such as the Paya Lebar Road, Eunos Link and Pan-Island Expressway and is approximately 9.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	19.23
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.84
Capitalisation rate (%)	6.75
Acquisition date	11 January 2010
Purchase price (S\$'million)	17.20
Leasehold title expiry year	31 July 2050
Land area (sq m)	3,813.60
Gross floor area (sq m)	9,493.10
NLA (sq m)	8,456.40
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	2.49

### Lease terms

Lease type	Multi-tenanted
No. of tenants	2
Name of major tenants	T-Systems Singapore Pte Ltd (Deutsche Telekom) IPC Corporation Ltd
Occupancy of property	95.4%
Annual rental income FY2013 (S\$'million)	1.57



## 30 & 32 Tuas West Road

The property comprises two three-storey detached industrial buildings connected by a covered link at the first-storey driveway. No. 30 Tuas West Road is a single-user factory with an office building while No. 32 Tuas West Road accommodates warehouse, production and offices areas on the first storey and production and ancillary office areas on the upper floors.

It is located on the south-eastern flank of Tuas West Road near its junction with Pioneer Road, within the Tuas Industrial Estate. The property is well served by the Second Link to Johor Malaysia and close proximity to the Ayer Rajah Expressway and is approximately 28 km away from the City Centre.

### Property details

Valuation (S\$'million)	17.40
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.67
Capitalisation rate (%)	6.75
Acquisition date	11 January 2010
Purchase price (S\$'million)	17.30
Leasehold title expiry year	31 December 2055
Land area (sq m)	12,894.90
Gross floor area (sq m)	14,838.10
NLA (sq m)	14,081.10
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	1.40
Current plot ratio	1.15

### Lease terms

Lease type	Master Lease
No. of tenants	8
Name of major tenants	Rentokil Initial Singapore Pte Ltd Precision Magnetics Tuas Pte Ltd YWSA Services Pte Ltd Kwang Ming Tyre Trading
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	1.65

# Property Showcase



## 56 Serangoon North Avenue 4

The property comprises a seven-storey light industrial building incorporating warehouse, production and ancillary office areas. The building is served by six loading/unloading bays and three dock-levellers at the first storey.

It is located on the eastern end of Serangoon North Avenue 4, bounded by Yio Chu Kang Road to the east within the Serangoon North Industrial Estate. The property is well-served by major roads and expressways such as Yio Chu Kang Road, Ang Mo Kio Avenue 5 and the Central Expressway and is approximately 12 km from the City Centre.

### Property details

Valuation (S\$ million)	17.20
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.65
Capitalisation rate (%)	7.00
Acquisition date	11 January 2010
Purchase price (S\$ million)	14.80
Leasehold title expiry year	15 May 2055
Land area (sq m)	4,999.10
Gross floor area (sq m)	11,751.00
NLA (sq m)	9,699.02
Property type	Warehouse and Logistics
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	2.35

### Lease terms

Lease type	Multi-tenanted
No. of tenants	3
Name of major tenants	Full House Home Furnishings Pte Ltd Dover Global Trading Pte Ltd M-Labelle ID Pte Ltd
Occupancy of property	14.2%
Annual rental income	
FY2013 (S\$ million)	1.20



## 8 & 10 Tuas Avenue 20

The property comprises two adjoining JTC "Type D" two-storey detached factories currently amalgamated into one factory.

It is located on the north-western side of Tuas Avenue 20, near its junction with Tuas Avenue 11, within the Jurong Industrial Estate. The property is well-served by major arterial roads and expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and the Pan-Island Expressway and is approximately 28 km away from the City Centre.

### Property details

Valuation (S\$ million)	16.10
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.54
Capitalisation rate (%)	6.75
Acquisition date	19 April 2007
Purchase price (S\$ million)	11.60
Leasehold title expiry year	
8 Tuas Avenue 20	31 December 2050
10 Tuas Avenue 20	30 September 2052
Land area (sq m)	10,560.00
Gross floor area (sq m)	10,918.00
NLA (sq m)	10,915.18
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	1.40
Current plot ratio	1.03

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	DNKH Logistics Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$ million)	0.98

# Property Showcase



## 541 Yishun Industrial Park A

The property comprises a four-storey factory building primarily incorporating production, warehouse and office areas. The building is served by a single passenger lift and two cargo lifts with six loading/unloading bays with dock-levellers located at the first storey.

It is located at the northern-eastern junction of Yishun Industrial Park A. The property is well-served by expressways/major roads, including Yishun Avenue 2, which directly links with the Seletar Expressway and is approximately 20.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	15.25
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.46
Capitalisation rate (%)	6.75
Acquisition date	3 October 2007
Purchase price (S\$'million)	16.80
Leasehold title expiry year	30 June 2054
Land area (sq m)	6,851.40
Gross floor area (sq m)	8,770.90
NLA (sq m)	8,017.50
Property type	Manufacturing
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	1.28

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	King Plastic Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	1.27



## 1 Kallang Way 2A

The property comprises an eight-storey light industrial building incorporating production areas, offices and showrooms. The building also features recreational areas in the form of an executive lounge, guest accommodation rooms, swimming pool, gymnasium, sauna, steam room and open seating areas. The building is served by two passenger lifts, a cargo lift, a fireman's lift and two loading/unloading bays.

It is located at the western junction of Kallang Way 2A and Kallang Way. The property is well-served by the Pan-Island Expressway, Central Expressway, Kallang Paya Lebar Expressway, MacPherson Road and Aljunied Road and is approximately 7.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	14.40
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.38
Capitalisation rate (%)	6.75
Acquisition date	30 January 2008
Purchase price (S\$'million)	14.00
Leasehold title expiry year	30 June 2055
Land area (sq m)	3,231.40
Gross floor area (sq m)	7,811.10
NLA (sq m)	6,910.60
Property type	Manufacturing
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	2.42

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Xpress Print Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	1.04

# Property Showcase



## 2 Ang Mo Kio Street 65

The property comprises an “L-shaped” three-storey detached factory building which was refurbished in 2006. The building is served by a cargo and a passenger lift.

It is located on the north-eastern junction of Ang Mo Kio Street 65 and Street 64, off Yio Chu Kang Road. The property is well-served by major arterial roads/expressways such as the Central Expressway and is approximately 14 km away from the City Centre.

### Property details

Valuation (S\$'million)	13.60
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.30
Capitalisation rate (%)	6.75
Acquisition date	19 April 2007
Purchase price (S\$'million)	15.20
Leasehold title expiry year	31 March 2047
Land area (sq m)	5,610.20
Gross floor area (sq m)	7,325.00
NLA (sq m)	6,255.00
Property type	Manufacturing
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	1.31

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	CIT Cosmeceutical Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	1.25



## 7 Clementi Loop

The property comprises a warehouse and office building consisting of a single level high-bay warehouse with a mezzanine level and a three-level section incorporating an ancillary air-conditioned storage and office accommodation. The building is served by a passenger lift servicing the office and ancillary storage and eight loading and unloading bays with dock-levellers on the first storey.

It is located to the western side of Clementi Avenue 6, within Clementi West Distripark. The property is well-served by the Pan-Island Expressway, Ayer Rajah Expressway and Commonwealth Avenue West and is approximately 13 km away from the City Centre.

### Property details

Valuation (S\$'million)	13.04
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.25
Capitalisation rate (%)	6.75
Acquisition date	31 March 2008
Purchase price (S\$'million)	18.30
Leasehold title expiry year	15 June 2053
Land area (sq m)	9,998.30
Gross floor area (sq m)	9,081.30
NLA (sq m)	8,099.40
Property type	Warehouse and Logistics
Town planning	Business 2
Maximum plot ratio	1.60
Current plot ratio	0.91

### Lease terms

Lease type	Multi-tenanted
No. of tenants	2
Name of major tenants	Mammoet (S) Pte Ltd EBS Logistics Pte Ltd
Occupancy of property	80.9%
Annual rental income	
FY2013 (S\$'million)	0.99

# Property Showcase



## 8 Senoko South Road

The property comprises a six-storey factory with an ancillary office building and a single-storey annex building. The building is served by a passenger lift and two cargo lifts, as well as five loading/unloading bays with dock-levellers on the first storey.

It is located along Senoko South Road, off Woodlands Avenue 8 and Admiralty Road West, within the Woodlands East Industrial Estate. The property is well-served by expressways such as the Bukit Timah Expressway and the Seletar Expressway and is approximately 25 km from the City Centre.

### Property details

Valuation (S\$'million)	12.80
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	1.22
Capitalisation rate (%)	7.00
Acquisition date	19 April 2007
Purchase price (S\$'million)	12.80
Leasehold title expiry year	31 October 2054
Land area (sq m)	7,031.30
Gross floor area (sq m)	9,249.00
NLA (sq m)	7,278.90
Property type	Manufacturing
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	1.30

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Sin Hwa Dee Food Stuff Industries Pte Ltd
Occupancy of property	100%
Annual rental income FY2013 (S\$'million)	0.99



## 103 Defu Lane 10

The property is currently undergoing redevelopment works which will comprise a purpose-built six-storey industrial facility with basement car parking. The building will be served by 12 loading and unloading bays, two passenger lifts and three cargo lifts.

It is located on the north-western side of Defu Lane 10, within Defu Industrial Estate. The property is well-served by major roads including the Kallang Paya Lebar Expressway and Hougang Avenue 3, which provides access to the Pan-Island Expressway via Eunos Link and is approximately 11.5 km away from the City Centre.

### Property details

Market value on "As Is Where Is" basis (S\$'million)	12.90
Valuation date	31 March 2013
Gross development value <sup>1</sup> (S\$'million)	42.60
Valuation as percentage of total portfolio value (%)	1.23
Capitalisation rate (%)	6.75
Acquisition date	21 January 2008
Purchase price (S\$'million)	14.50
Leasehold title expiry year	30 June 2043
Land area (sq m)	7,541.00
Proposed gross floor area (sq m)	18,850.00
Proposed NLA (sq m)	18,850.00
Property type	Warehouse and Logistics
Town planning	Business 1
Maximum plot ratio	2.50
Current plot ratio	Under development

### Lease terms

Lease type	Master Lease
No. of secured tenant	1
Name of anchor tenant	Focus Network Agencies (Singapore) Pte Ltd (occupying 76% of the lettable area)
Occupancy of property	Under development
Annual rental income FY2013 (S\$'million)	0.98 (Success Global Pte Ltd)

<sup>1</sup> Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013.

# Property Showcase



## 10 Soon Lee Road

The property comprises a four-storey factory with an ancillary office building and a single-storey factory building. The building is served by a passenger lift, a goods lift, a pallet lift and three loading/unloading bays with dock-levellers on the first storey.

It is located on the southern side of Soon Lee Road, off International Road, within the Jurong Industrial Estate. The property is well-served by major arterial roads/expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and the Pan-Island Expressway and is approximately 21 km away from the City Centre.

### Property details

Valuation (S\$'million)	10.30
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	0.99
Capitalisation rate (%)	6.75
Acquisition date	19 April 2007
Purchase price (S\$'million)	8.70
Leasehold title expiry year	12 March 2041
Land area (sq m)	9,303.30
Gross floor area (sq m)	8,142.00
NLA (sq m)	7,214.50
Property type	Manufacturing
Town planning	Business 2
Maximum plot ratio	2.50
Current plot ratio	0.88

### Lease terms

Lease type	Master Lease
No. of tenant	1
Name of master tenant	Fullmark Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	0.77



## 26 Tuas Avenue 7

The property comprises a two-storey purpose-built factory with a mezzanine office level. The building is served by a loading/unloading bay, a cargo lift and substation.

It is located at the eastern junction of Tuas Avenue 7 and Tuas West Road, within the Jurong Industrial Estate. The property is well-served by major arterial roads/expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and the Pan-Island Expressway and is approximately 26.5 km away from the City Centre.

### Property details

Valuation (S\$'million)	10.10
Valuation date	31 March 2013
Valuation as percentage of total portfolio value (%)	0.97
Capitalisation rate (%)	6.75
Acquisition date	19 April 2007
Purchase price (S\$'million)	8.30
Leasehold title expiry year	31 December 2053
Land area (sq m)	5,823.30
Gross floor area (sq m)	6,125.30
NLA (sq m)	5,522.10
Property type	Manufacturing
Town planning	Business 2
Maximum plot ratio	1.40
Current plot ratio	1.05

### Lease terms

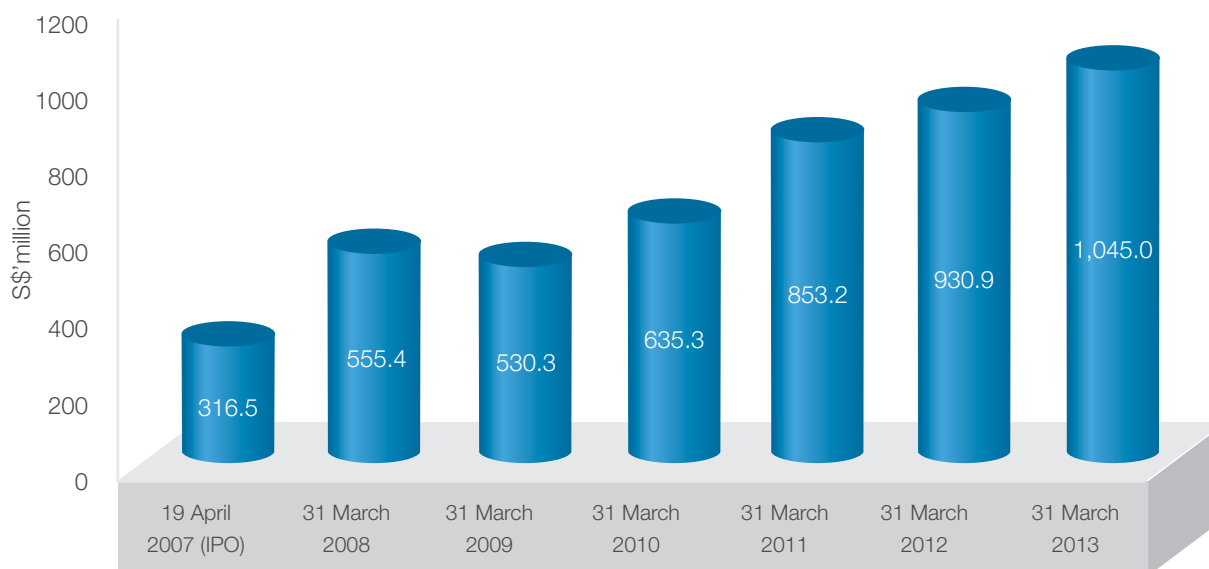
Lease type	Master Lease
No of tenant	1
Name of master tenant	Aalst Chocolate Pte Ltd
Occupancy of property	100%
Annual rental income	
FY2013 (S\$'million)	0.84

# Portfolio Analysis

## AIMS AMP Capital Industrial REIT property portfolio key statistics

	As at 19 April 2007 (IPO)	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
Number of properties <sup>1</sup>	12	21	21	26	26	26	25
Portfolio value (S\$m)	316.5	555.4	530.3	635.3	853.2	930.9	1,045.0
Net lettable area (sqm)	194,980.7	289,022.4	288,969.2	349,987.3	456,615.5	456,607.1	478,986.9
Number of tenants	12	27	25	49	71	70	141
Occupancy (%)	100.0	100.0	98.6	96.0	99.0	99.2	96.1
Location of properties	Singapore	Singapore Japan	Singapore Japan	Singapore Japan	Singapore	Singapore	Singapore

## Portfolio value



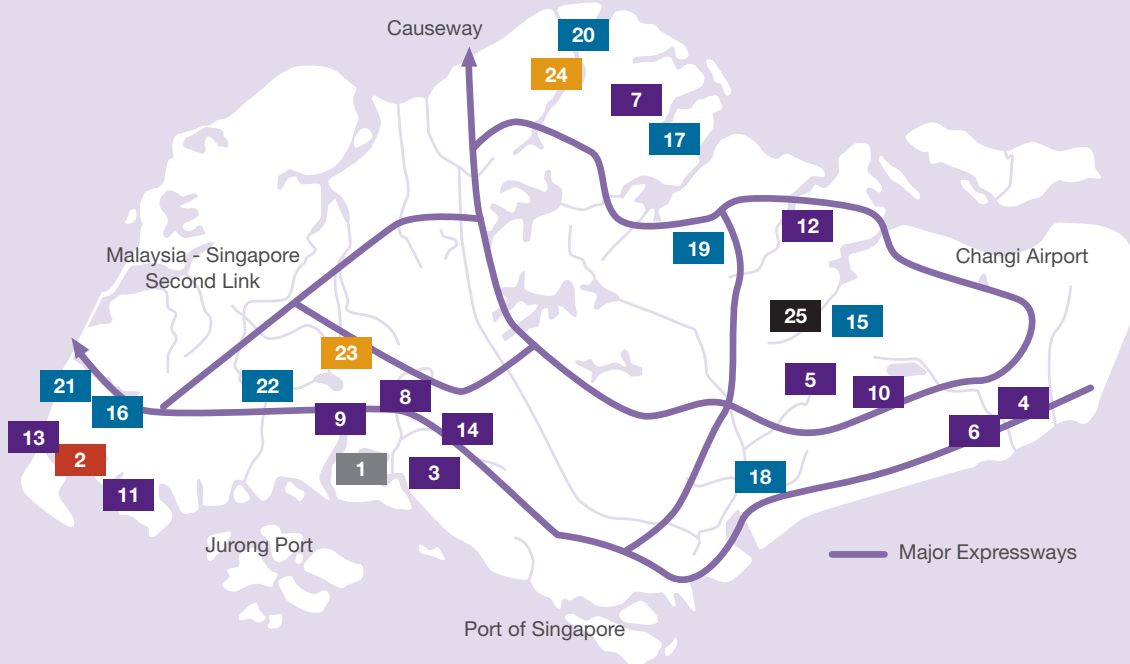
<sup>1</sup> The properties are wholly-owned by AIMSAMPREIT.

# Portfolio Analysis

## Strategically located portfolio

The portfolio comprises 25 quality properties which are strategically located in Singapore's established industrial areas and in service hubs supporting Singapore's port infrastructure. The properties are easily accessible by major highways and are in close proximity to sea ports, airports, amenities and public transportation.

## Property portfolio as at 31 March 2013



### Ramp Up Warehouse

- 1 27 Penjuru Lane
- 2 20 Gul Way, Phase One

### Warehouse and Logistics

- 3 8 & 10 Pandan Crescent
- 4 10 Changi South Lane
- 5 15 Tai Seng Drive
- 6 11 Changi South Street 3
- 7 61 Yishun Industrial Park A
- 8 1 Bukit Batok Street 22
- 9 3 Toh Tuck Link
- 10 23 Tai Seng Drive
- 11 30 & 32 Tuas West Road
- 12 56 Serangoon North Avenue 4
- 13 8 & 10 Tuas Avenue 20
- 14 7 Clementi Loop

### Manufacturing

- 15 135 Joo Seng Road
- 16 3 Tuas Avenue 2
- 17 541 Yishun Industrial Park A
- 18 1 Kallang Way 2A
- 19 2 Ang Mo Kio Street 65
- 20 8 Senoko South Road
- 21 26 Tuas Avenue 7
- 22 10 Soon Lee Road

### Business Park/Hi-Tech

- 23 1A International Business Park
- 24 29 Woodlands Industrial Park E1

### Under Redevelopment

- 2 20 Gul Way, Phase Two (TOP achieved on 7 May 2013)
- 25 103 Defu Lane 10

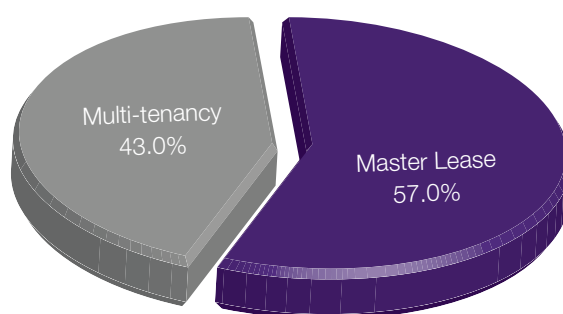
# Portfolio Analysis

## Stability of income from master lease and multi-tenancy properties

As at 31 March 2013, 14 out of the 25 properties are subject to single tenant master leases. The master leases provide for longer lease durations with structured escalations, thus providing a stable income stream for the Trust. Multi-tenancy properties, with typically shorter leases of around three years, allow the opportunity for the Trust to enjoy potential positive rental reversions, providing potential organic income growth within the portfolio.

The 14 properties with master leases contributed to approximately 57.0 percent of the rental income for the year whilst the multi-tenancy properties contributed the balance.

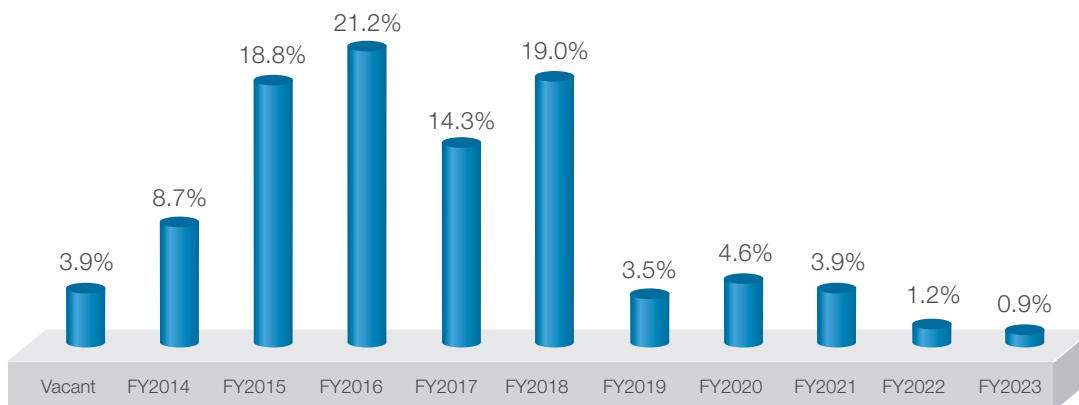
Master lease and multi-tenancy properties  
(by rental income)



## Stability of income from long weighted average lease expiry

As at 31 March 2013, the weighted average lease expiry (“WALE”) by rental income of the portfolio was 3.2 years, having increased from 2.6 years a year ago. The Trust had master leases and direct leases (in multi-tenancy properties) representing 38.9 percent of the portfolio by net lettable area expiring in FY2013. The Manager has successfully secured the renewal of underlying subleases beyond the master lease period and reduced the Trust’s lease exposure to not more than 22.0 percent in any one year. The Manager continues to conduct intensive asset and lease management programmes to ensure high occupancy is maintained and with a view to achieving positive rental reversions on the properties.

Lease expiry profile (by net lettable area)



Note: The lease expiry profile takes into account (i) the 20 Gul Way redevelopment and the master leases to CWT Limited upon completion and (ii) the 103 Defu Lane 10 development and lease to Focus Network Agencies (Singapore) Pte Ltd (including the remaining space to be leased) upon completion.

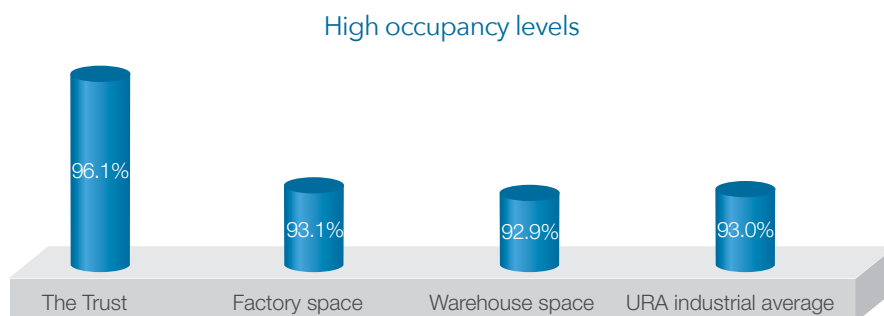
# Portfolio Analysis

## Organic rental growth

In FY2013, the Trust had the opportunity to renew leases on 11 multi-tenancy properties (six master leased properties reverted to multi-tenancy properties in FY2013), giving the Trust potential to capture increases in market rentals. The Trust signed 81 new and renewal leases representing 149,301.5 sqm of the total net lettable area of the portfolio in FY2013 and achieved weighted average rental increases of between 9.5 to 23.5 percent on these lease renewals. In addition, organic rental growth is supported by built-in rental escalations ranging from 2.0 to 7.5 percent on the master leased properties.

## High occupancy levels

The Trust's occupancy rate remains high at 96.1 percent as at 31 March 2013 (100.0 percent for the 14 master lease properties and weighted average of 93.4 percent for the 11 multi-tenancy properties). This compares favorably with the URA industrial average occupancy rate of 93.0 percent<sup>1</sup>.



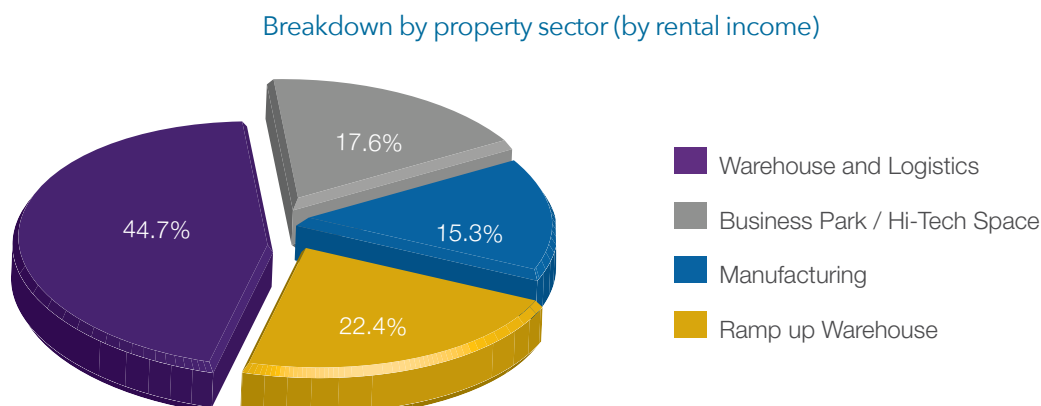
## Secured cashflow through security deposits

The rental obligations of the Trust's tenants are supported by security deposits in the form of cash or bank guarantees. As at 31 March 2013, the deposits ranged from three months' rental to 12 months' rental, with an average of 5.9 months per property (average of eight months for the 14 master leased properties and an average of 3.5 months for the 11 multi-tenancy properties).

## Diversification

### 1 Diversified property sector

The Trust's properties are well-diversified across a spread of industrial property sectors. Warehouse and logistics continued to be the largest sector with a bias towards high quality ramp up warehouse.



<sup>1</sup> Source: Based on URA 4<sup>th</sup> quarter 2012 statistics. URA industrial average is the average of the factory and warehouse space occupancy rates of 93.1 percent and 92.9 percent, respectively.

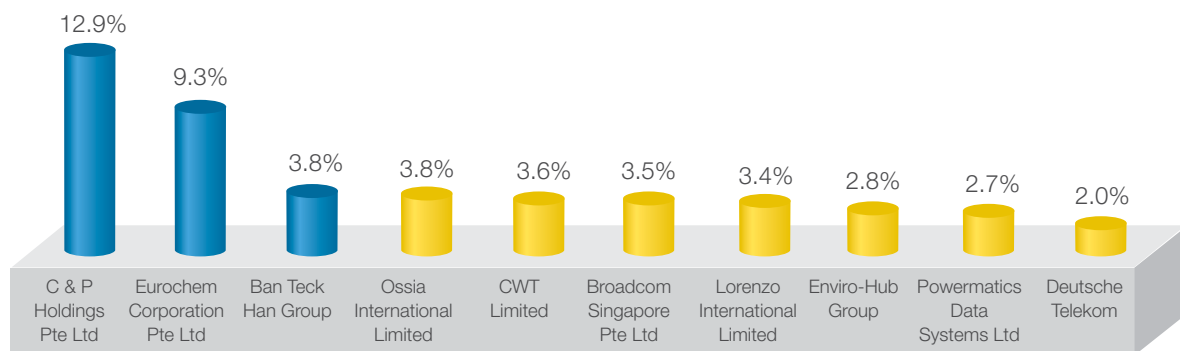
# Portfolio Analysis

## 2 Diversified and quality income base

The Manager has successfully increased the diversity of the portfolio's tenant base, with no single tenant now contributing to more than 12.9 percent of rental income. This compares to 33.6 percent contribution from the largest tenant at the time of listing in 2007 and 19.7 percent a year ago. The top 10 tenants accounted for 47.8 percent of the Trust's rental income, compared to 94.3 percent in the initial portfolio at the time of listing and 72.5 percent a year ago.

The Trust's portfolio maintains a high quality tenant base which includes a mixture of large multinational companies, publicly listed companies and private companies. Seven of the top 10 tenants are publicly listed companies, reflecting the quality of the tenant base.

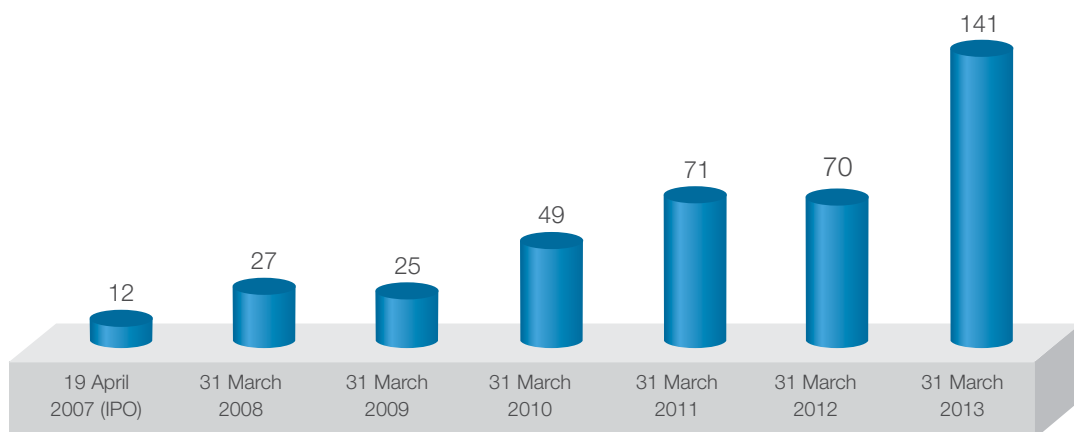
Top 10 tenants (by rental income)



■ Listed groups

The tenant concentration risk has improved from 12 tenants at listing to 141 tenants as at 31 March 2013.

Number of tenants

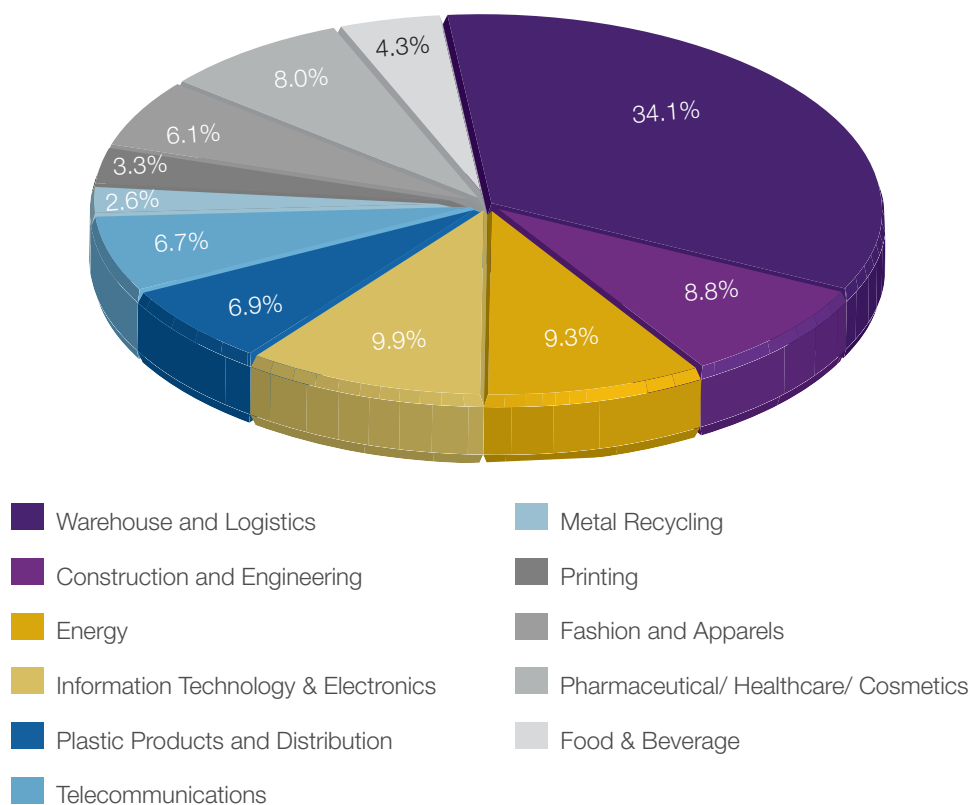


# Portfolio Analysis

## 3 Diversified tenant mix

The Trust seeks to achieve portfolio diversification and stability by maintaining a good tenant mix. Tenants in the warehouse and logistics sector were the largest sector contributing to 34.1 percent of the total rental income.

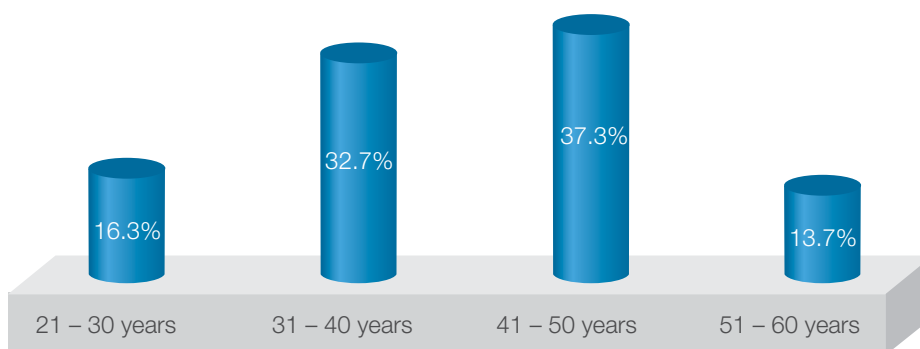
Tenant base by trade sector (by rental income)



## Long leasehold for expiry of underlying land lease

As at 31 March 2013, the weighted average unexpired lease term for the underlying leasehold land was 40.2 years.

Land lease expiry profile (by net lettable area)



# Overview of the Singapore Economy and Industrial Real Estate Market

The following report was prepared at 1 April 2013 by Colliers International (Singapore) Pte Ltd for the purpose of this Annual Report.

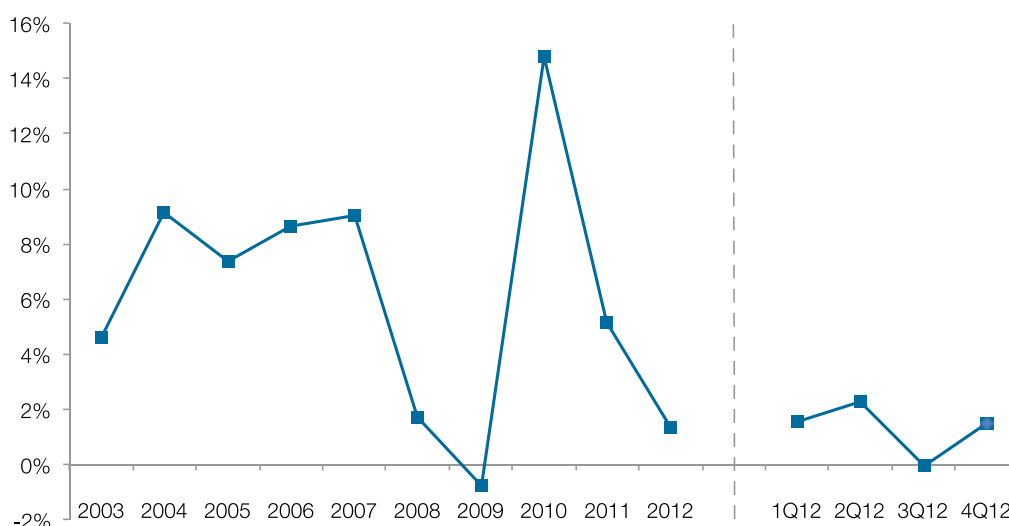
## 1 Macroeconomic trends

### 1.1 Review of economic performance in the past year

Statistics from the Ministry of Trade & Industry (“MTI”) showed that Singapore’s Gross Domestic Product (“GDP”) growth slowed to 1.3 percent year-on-year (“YoY”) in 2012, from 5.2 percent YoY in 2011. The second consecutive annual slowdown in economic growth can largely be attributed to the weaknesses in externally-oriented sectors like manufacturing and wholesale trade.

Specifically, growth in manufacturing output slowed to a mere 0.1 percent YoY in 2012, from 7.8 percent YoY in 2011, after being dragged down by the 11.3 percent YoY fall in the electronics cluster’s output during the year. Over the same period, the wholesale trade segment contracted by 1.0 percent, reversing the 1.4 percent YoY growth in 2011.

Year-on-Year growth in Gross Domestic Product (“GDP”)



Source: Singapore Department of Statistics

### 1.2 Economic outlook

The outlook of the Singapore economy in 2013 is cautiously optimistic. Although global macroeconomic conditions have stabilised in recent months, global economic growth is expected to remain subdued in 2013. As such, the MTI is projecting an economic growth of one to three percent in 2013. However, as the global economic outlook is still clouded with uncertainties, the MTI cautioned that actual growth may be lower than its forecast if any downside risks materialises.

# Overview of the Singapore Economy and Industrial Real Estate Market

## 2 Factory market overview

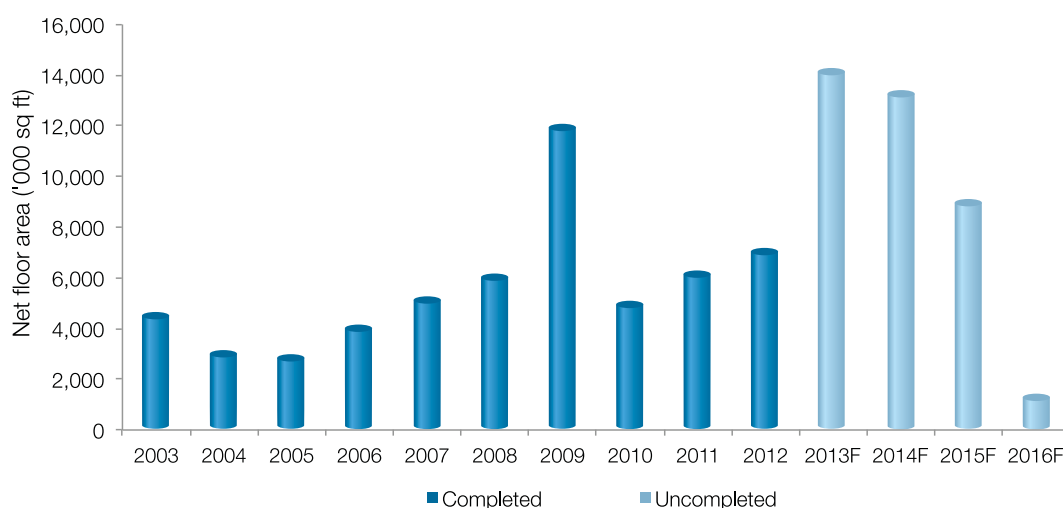
### 2.1 Existing and potential supply

According to data from the Urban Redevelopment Authority (“URA”), the islandwide stock of factory space (excluding business park space) stood at 328.4 million sq ft as of 4Q 2012, following a net increase of 7.2 million sq ft of new factory space in 2012.

Geographically, the West planning region held the majority 42.9 percent or 140.9 million sq ft of the existing stock of factory (excluding business park) space, followed by the Central (18.8 percent), North (16.9 percent), East (13.0 percent) and Northeast (8.4 percent) planning regions. The private sector owned 84.3 percent of the islandwide stock while the public sector held the remaining 15.7 percent share.

Based on the URA’s statistics as of 4Q 2012 and Colliers International’s research, the potential supply of new factory (excluding business park) space is estimated to amount to some 38.2 million sq ft<sup>1</sup> (net floor area) from 2013 to 2016. This translates to an average supply of 9.6 million sq ft per annum, which is 68.4 percent higher than the 10-year annual average net new supply of 5.7 million sq ft from 2003 to 2012.

Net new and potential supply of factory space (excludes business park space) (as of 4Q 2012)



F: Forecast

Source: URA/Colliers International Singapore Research

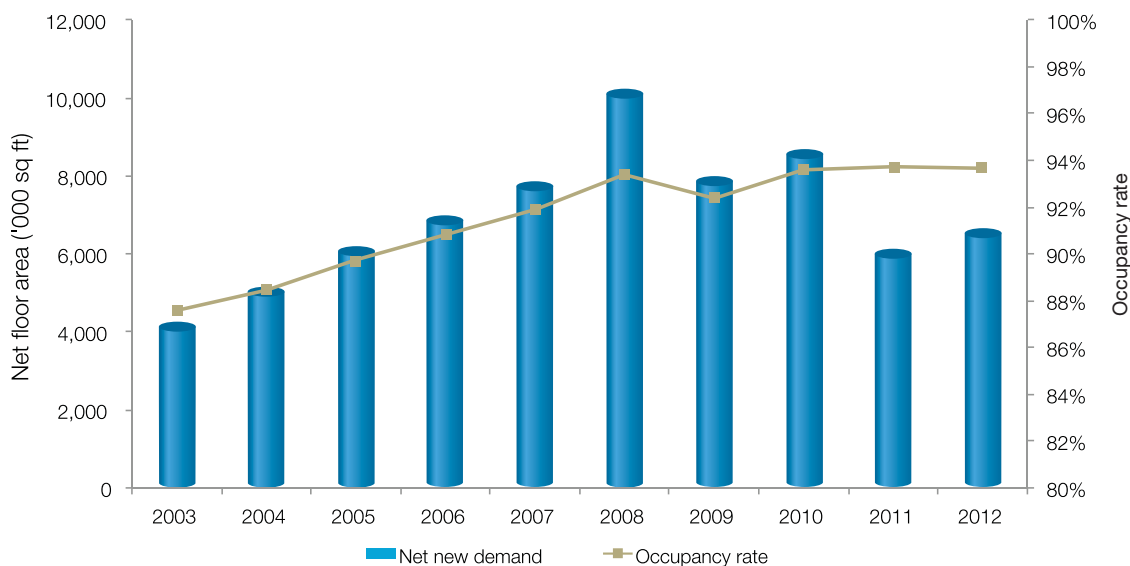
<sup>1</sup> Potential supply includes space under construction and planned but the actual level of new supply could change due to changes in the status of planned projects.

# Overview of the Singapore Economy and Industrial Real Estate Market

## 2.2 Demand and occupancy

Data from the URA showed that the amount of net new factory (excluding business park) space that was physically occupied rose 8.1 percent YoY to 6.6 million sq ft in 2012. This was despite the lacklustre manufacturing sector performance. With net new demand almost matching net new supply, this supported the average occupancy rate which stayed stable at end-2011's level of 93.7 percent as of 4Q 2012.

Net new demand and occupancy rate of factory space (excludes business park space)



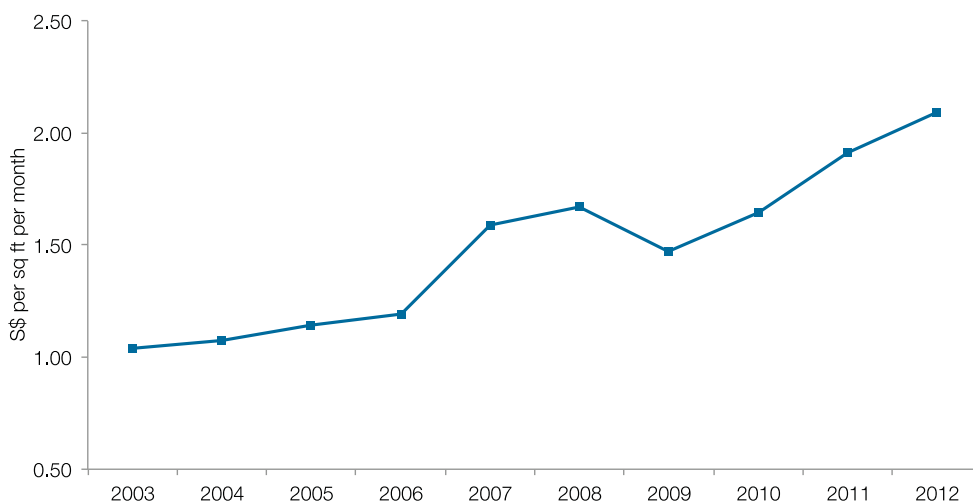
Source: URA/Colliers International Singapore Research

## 2.3 Rents and capital values of multi-user factory space

### 2.3.1 Rents

Rental data sourced from the URA's Property Market Information publication as of 4Q 2012 showed the median rent of multi-user factory space rose for the third consecutive year to S\$2.09 per sq ft per month as of 4Q 2012, on the back of healthy occupancies. However, the rate of rental growth has slowed to 9.6 percent YoY in 2012, from 16.2 percent YoY in 2011.

Monthly median gross rent of multi-user factory space



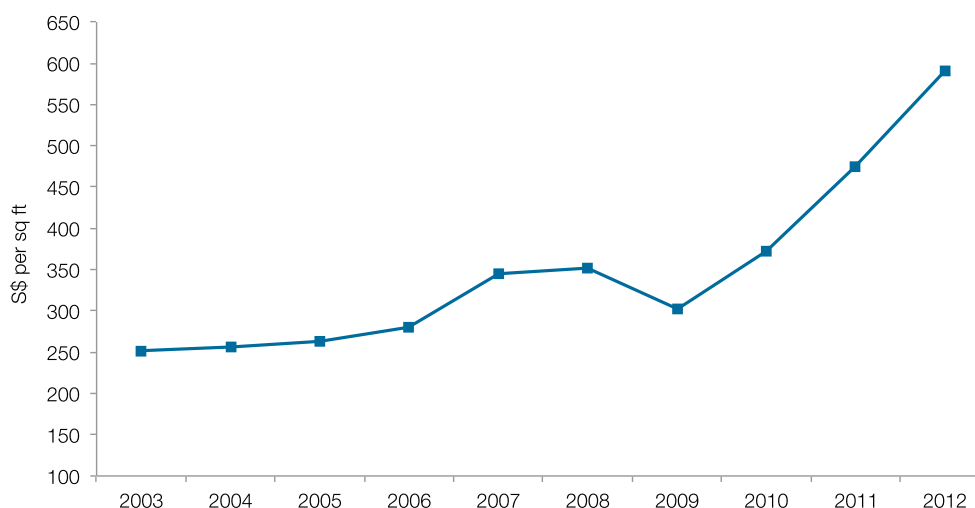
Source: URA/Colliers International Singapore Research

# Overview of the Singapore Economy and Industrial Real Estate Market

## 2.3.2 Capital values

Mirroring the rental trend, data from the URA showed the median price of multi-user factory space rose for the third straight year in 2012, rising 24.5 percent YoY to a new record high of S\$590 per sq ft as of 4Q 2012. This was supported by the low interest rate and high-liquidity environment, the diversion of investment demand from the residential market which was affected by a series of market cooling measures and end-users who decided to purchase their own premises in the face of rising rents.

Median price of multi-user factory space



Source: URA/Colliers International Singapore Research

## 2.4 Outlook

With economic and manufacturing sector prospects remaining tentative, and taking into consideration the rise in business operating cost (which includes real estate cost and other components like labour, materials and utilities), firms are expected to remain cost conscious in 2013. Coupled with the substantial quantum of new factory (excluding business park) space completing in 2013, this is expected to exert some downward pressure on the average occupancy rate of factory (excluding business park) space. Hence, while rents could see some potential upside on the back of higher rental expectations in newer buildings, the rate of growth is expected to slowdown in 2013.

Over the same period, prices of strata-titled factory premises are forecast to remain relatively stable with minimal fluctuations, as the Government's imposition of a Seller's Stamp Duty ("SSD") on industrial properties that are sold within three years of purchase with effect from 12 January 2013 is expected to lead to a fall in transaction volume and rein in industrial property prices.

# Overview of the Singapore Economy and Industrial Real Estate Market

## 3 Warehouse market overview

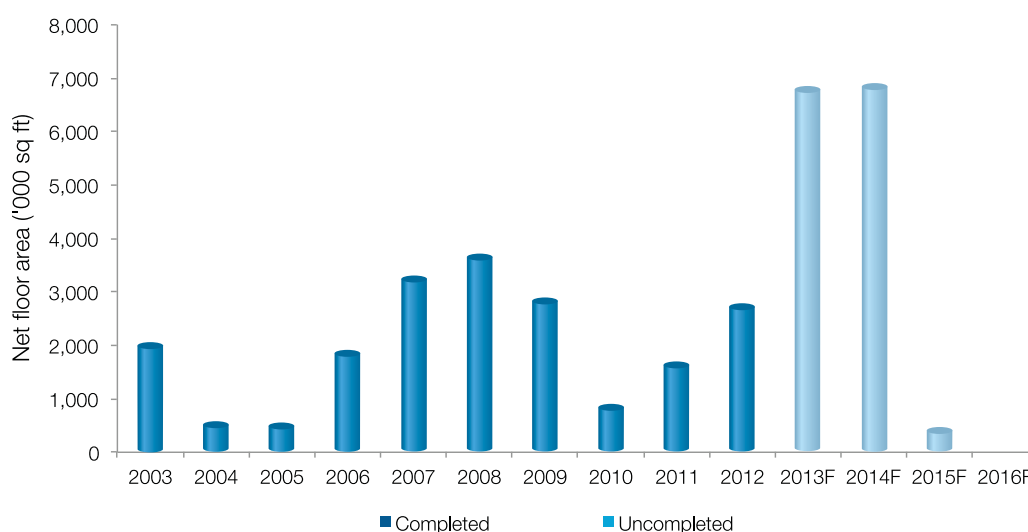
### 3.1 Existing and potential supply

Statistics sourced from the URA showed the islandwide stock of warehouse space stood at 79.4 million sq ft as of 4Q 2012, after a net increase of 2.8 million sq ft of new warehouse space in 2012.

The majority (59.3 percent) of the existing stock was located in the West Planning Region, followed by the Central (16.5 percent), East (14.3 percent), North (5.3 percent) and Northeast (4.6 percent) planning regions. The private sector owned 99.4 percent of the existing islandwide warehouse stock, while the public sector held the remaining 0.6 percent share.

Based on information from the URA as of 4Q 2012 and Colliers International's estimates, approximately 14.2 million sq ft<sup>1</sup> (net floor area) of new warehouse space is expected to be completed from 2013 to 2016. This translates to an annual average new supply of about 3.6 million sq ft over the forecast period, which is 28.6 percent higher than the 2.8 million sq ft added in 2012, and about 80.0 percent above the 10-year annual average net new supply of 2.0 million sq ft from 2003 to 2012.

Net new and potential supply of warehouse space (as of 4Q 2012)



F: Forecast

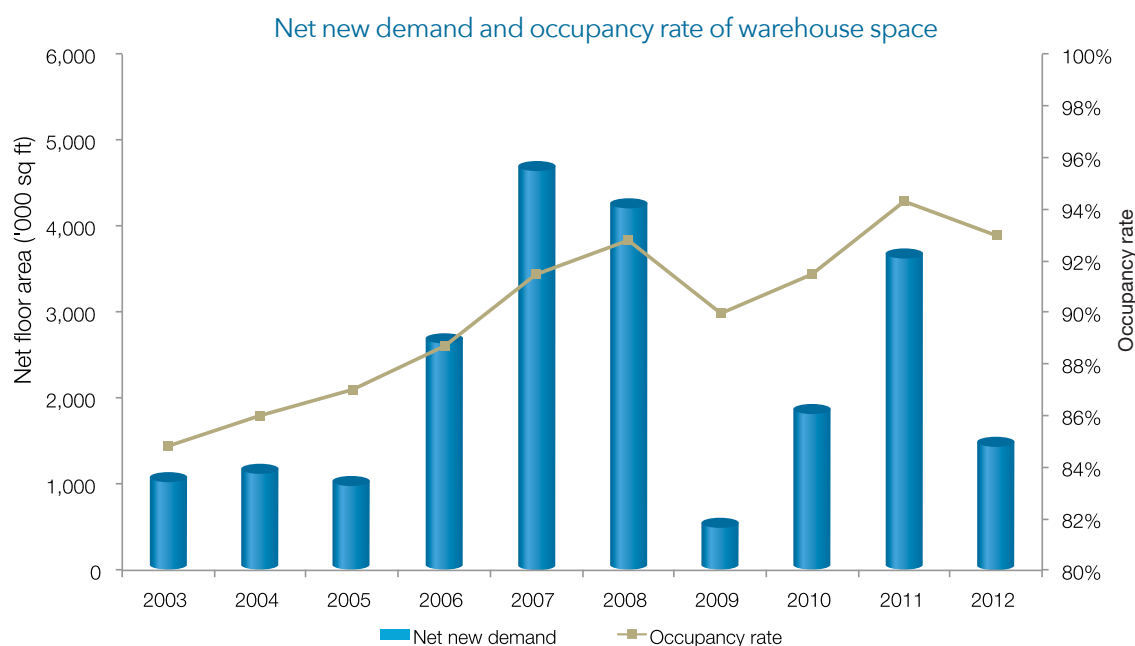
Source: URA/Colliers International Singapore Research

<sup>1</sup> Potential supply includes space under construction and planned but the actual level of new supply could change due to changes in the status of planned projects.

# Overview of the Singapore Economy and Industrial Real Estate Market

## 3.2 Demand and occupancy

In 2012, occupiers shifted into a net 1.6 million sq ft of new warehouse space. This was 56.8 percent lower than the 3.7 million sq ft occupied in 2011. With net new supply at 2.8 million sq ft outpacing net new demand during the year, this exerted downward pressure on the average occupancy rate which eased from 94.3 percent as of 4Q 2011, to 92.9 percent as of 4Q 2012.



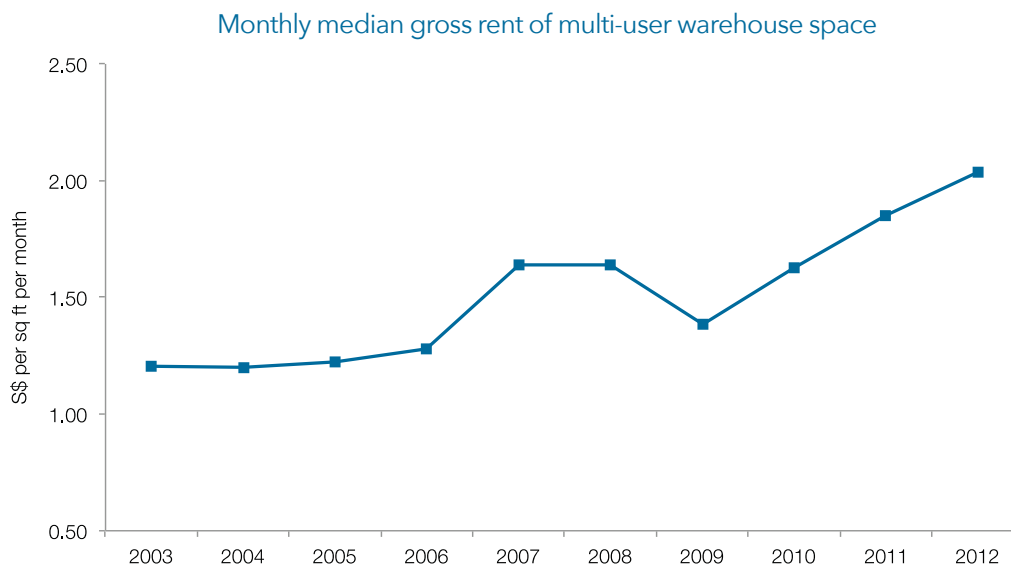
Source: URA/Colliers International Singapore Research

## 3.3 Rents and capital values of multi-user warehouse space

### 3.3.1 Rents

With supply of warehouse space remaining tight as reflected by the high average occupancy rate of 92.9 percent as of 4Q 2012, rents continued to rise in 2012. This was despite the slight 1.4 percentage point YoY slide in the average occupancy rate.

According to rental data sourced from the URA's Property Market Information publication, the median rent of multi-user warehouse space, which rose for the third consecutive year, gained 10.1 percent YoY to S\$2.03 per sq ft per month as of 4Q 2012. However, this is slower than the 13.6 percent YoY increase in 2011.



Source: URA/Colliers International Singapore Research

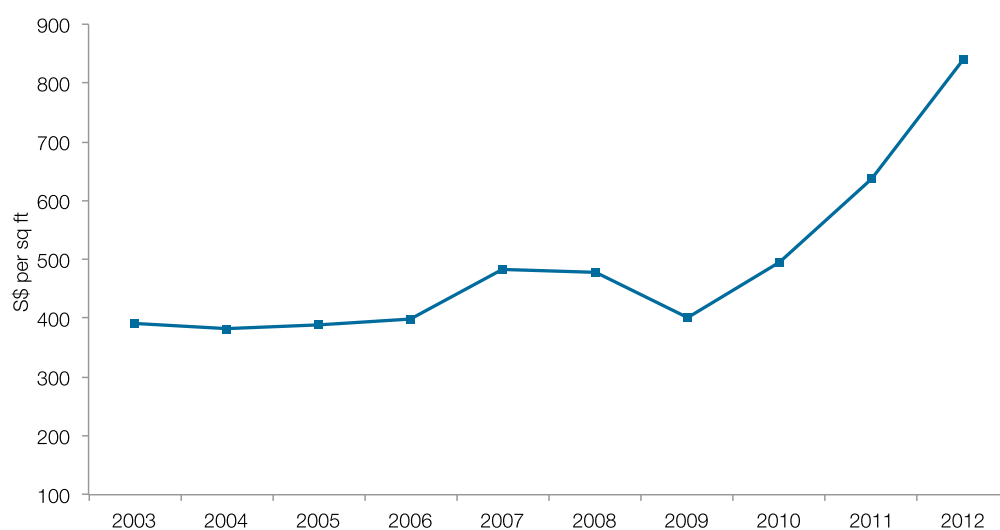
# Overview of the Singapore Economy and Industrial Real Estate Market

## 3.3.2 Capital values

Driven by the robust demand for industrial properties amid a low interest rate and high liquidity environment, and the diversion of demand from the residential property market where several rounds of cooling measures have been implemented by the Government, prices of multi-user warehouse space grew at a faster pace in 2012.

According to the URA's latest published data, the median price of multi-user warehouse space hit a new record high of S\$840 per sq ft as of 4Q 2012, after surging 32.1 percent YoY from 4Q 2011's S\$636 per sq ft.

Median price of multi-user warehouse space



Source: URA/Colliers International Singapore Research

## 3.4 Outlook

The uncertain economic and manufacturing sector outlook, coupled with the expected rise in new warehouse supply in 2013 amid cautious business sentiments, could exert some downward pressure on the average warehouse occupancy rate in 2013 if demand could not keep pace with supply. As such, multi-user warehouse rents are expected to rise at a slower pace in 2013.

Capital values of strata-titled warehouse premises, on the other hand, could remain relatively stable with minimal fluctuations in 2013 as the Government's imposition of a SSD on industrial properties that are sold within three years of purchase with effect from 12 January 2013 is expected to reduce transaction activity and rein in industrial property prices.

# Overview of the Singapore Economy and Industrial Real Estate Market

## 4 Business and science park market overview

### 4.1 Existing and potential supply

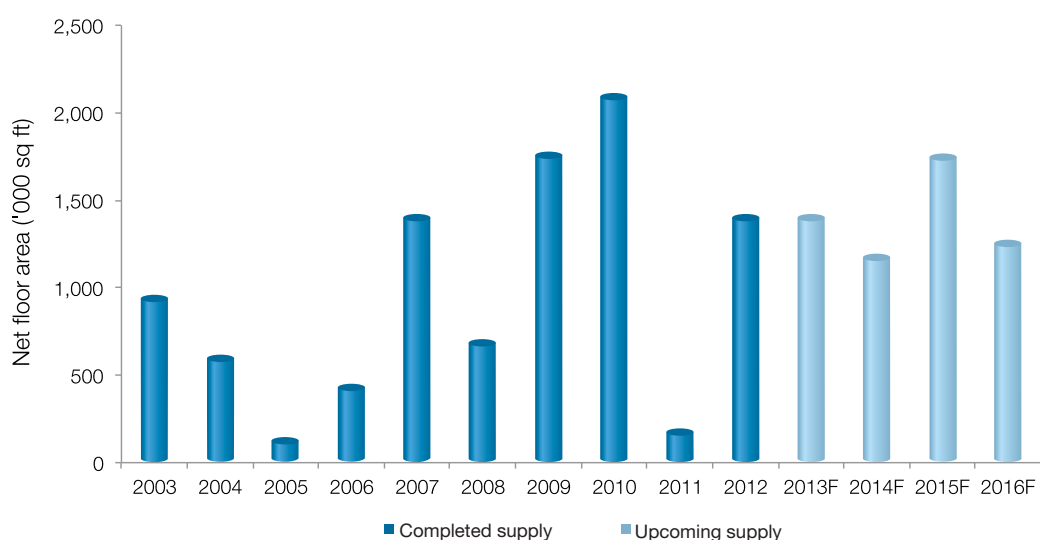
According to the URA, Singapore has a total islandwide stock of 16.7 million sq ft of business and science park space as of 4Q 2012. This followed the net addition of 1.4 million sq ft of new business and science park space in 2012.

The majority or 52.5 percent of the existing business and science park supply is located in the Central Planning Region, followed by the West (23.9 percent) and East (23.6 percent) planning regions. The bulk (82.1 percent) of the existing stock as of 4Q 2012 was owned by the private sector, while the public sector owned the remaining 17.9 percent share.

Based on the available statistics from the URA and Colliers International's estimates as of 4Q 2012, an estimated 5.7 million sq ft<sup>1</sup> (net floor area) of new business and science park space are expected to be completed from 2013 to 2016. Annually, some 1.4 million sq ft of new business and science park space is expected to be completed over the forecast period. This is about 42.7 percent higher than the 981,000 sq ft completed per annum in the 10 years from 2003 to 2012.

By location, most (55.7 percent) of this upcoming supply will be located in one-north, followed by the Alexandra area (22.4 percent), Singapore Science Park (12.7 percent), Changi Business Park (5.7 percent) and Cleantech Park (3.6 percent)<sup>2</sup>.

Net new and potential supply of business and science park space (as of 4Q 2012)



F: Forecast

Source: URA/Colliers International Singapore Research

<sup>1</sup> Potential supply includes space under construction and planned but the actual level of new supply could change due to changes in the status of planned projects.

<sup>2</sup> The numbers do not add up to 100.0 percent due to rounding off.

# Overview of the Singapore Economy and Industrial Real Estate Market

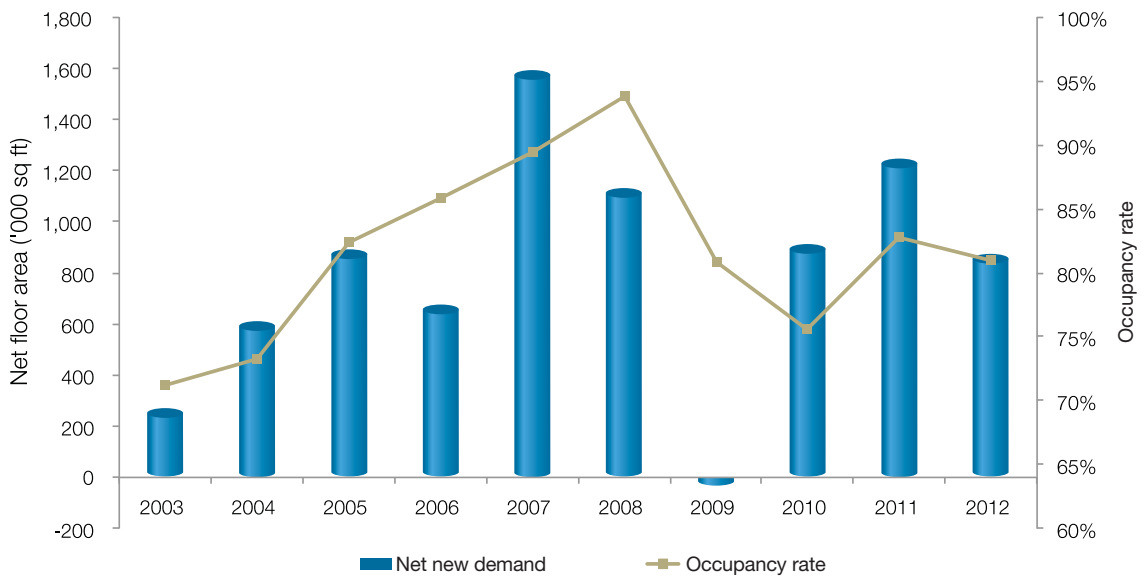
## 4.2 Demand and occupancy

Figures from the URA showed net new demand for business and science park space slowed down to 872,000 sq ft in 2012, from 1.2 million sq ft in 2011.

The slower pace of take-up could be partly due to the Government's recent move to eradicate non-qualifying users of industrial space. As existing tenants reviewed their business strategies and space needs amid the uncertain global economic environment towards the end of 2012, there could be some freeing up of space during the year as well.

As net addition outpaced net take-up, the average occupancy rate eased to 80.9 percent as of 4Q 2012, from 82.8 percent as of 4Q 2011.

Net new demand and occupancy rate of business and science park space



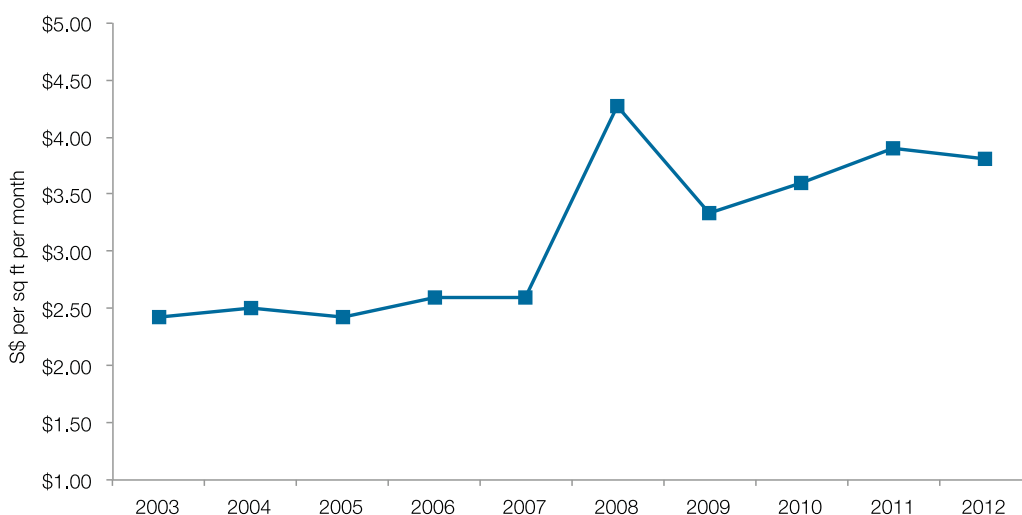
Source: URA/Colliers International Singapore Research

# Overview of the Singapore Economy and Industrial Real Estate Market

## 4.3 Rents of business and science park space

The increase in vacant business and science park space exerted downward pressure on rents in 2012. According to information from URA's Real Estate Information System which is based on actual rental transaction records, the median rent of business and science park space eased by 2.3 percent YoY in 2012 to S\$3.81 per sq ft per month, ending two consecutive years of rental growth.

Monthly median rent of islandwide business and science park space



Source: URA / Colliers International Singapore Research

## 4.4 Outlook

Taking into consideration the known line-up of new business and science park project completions and the progressive shifting in of tenants in both completed and upcoming single-user and multi-user business and science park developments in 2013, the average annual occupancy rate of business and science park space is expected to rise marginally in 2013, assuming that the prevailing global economic situation remains stable and that the Singapore Government's forecast on economic growth remains relevant.

However, overall business and science park rents could ease marginally in 2013 on the back of impending supply pressures, cautious business sentiments and the possible shift of some demand from the business and science parks to the office property market due to the Government's move to evict unauthorised occupiers of industrial space, and competition from the suburban office sector where rents had fallen in 2012 and are projected to fall further in 2013.

Financial Performance Metrics

**34.0%**  
Aggregate leverage

**\$1.476**  
NAV per Unit

**6.8%**  
Distribution yield per annum



## Solid Performance

The Trust delivered a solid performance in FY2013. Our focused investment strategy, coupled with asset and property management acumen, delivered an attractive annual distribution yield of 6.8 percent for Unitholders.



# Financial Review

	FY2013 S\$'000	FY2012 S\$'000	+ / (-) %
Gross revenue <sup>1</sup>	92,082	83,983	9.6
Property operating expenses	(32,325)	(25,056)	29.0
<b>Net property income</b>	<b>59,757</b>	<b>58,927</b>	<b>1.4</b>
Interest and other income	11	28	(60.7)
Borrowing costs	(14,137)	(11,026)	28.2
Manager's management fees			
- Base fees	(4,961)	(4,450)	11.5
- Performance fees	(1,056)	(1,878)	(43.8)
Other trust expenses	(1,099)	(1,349)	(18.5)
Non-property expenses	(21,253)	(18,703)	13.6
<b>Net income</b>	<b>38,515</b>	<b>40,252</b>	<b>(4.3)</b>
<b>Amount available for distribution to Unitholders</b>	<b>48,062</b>	<b>46,318</b>	<b>3.8</b>
<b>Distribution per Unit ("DPU") <sup>2</sup></b>	<b>10.72</b>	<b>10.45</b>	<b>2.6</b>

## Revenue

Gross revenue for FY2013, excluding a one-off additional property tax recovery of S\$4.1 million<sup>1</sup>, was S\$87.9 million. This was S\$3.9 million higher compared to the FY2012 gross revenue of S\$84.0 million mainly due to:

- (i) higher rental rates and recoveries achieved from 8 and 10 Pandan Crescent and 27 Penjuru Lane as the properties reverted to multi-tenancy properties from 19 April 2012 and 12 December 2012 respectively;
- (ii) contributions from Phase One of 20 Gul Way as the property became income producing from 29 December 2012; and
- (iii) higher rental rates and recoveries achieved for new and renewal leases at 29 Woodlands Industrial Park E1 and 1 Bukit Batok Street 22.

The higher contributions were partly offset by the loss of revenue contributions arising from the divestment of 31 Admiralty Road on 11 May 2012 and the redevelopment of 103 Defu Lane 10.

## Net property income

Property operating expenses for FY2013, excluding the one-off additional property tax assessed of S\$4.1 million for 27 Penjuru Lane, would have been S\$28.2 million. This was S\$3.1 million higher than FY2012 mainly due to higher property expenses which was consistent with the increase in revenue from 8 and 10 Pandan Crescent and 27 Penjuru Lane following the reversion of the properties to gross lease multi-tenancy properties in April 2012 and December 2012 respectively.

Taking into consideration the increase in gross revenue as well as higher property operating expenses, the net property income stood at S\$59.8 million, which was S\$0.8 million higher compared to FY2012.

## Net income

Borrowing costs of S\$14.1 million were S\$3.1 million higher than FY2012. This was largely due to accelerated recognition of unamortised loan transaction costs and prepayment fee in FY2013, higher borrowing costs incurred to finance the property at Phase One of 20 Gul Way (borrowing costs were previously capitalised whilst the property was under development but are now expensed following the achievement of Temporary Occupation Permit) and higher borrowing costs on the medium term notes ("Notes") which were issued under the Group's S\$500.0 million Multicurrency Medium Term Note Programme ("MTN Programme").

<sup>1</sup> The gross revenue of S\$92.1 million for FY2013 included a one-off additional property tax assessment of S\$4.1 million at 27 Penjuru Lane for the period from 10 April 2007 to 11 December 2012. The additional property tax was due to the change in the prior years' annual value assessed by Inland Revenue Authority of Singapore which was fully recovered from the master tenant, C&P Holdings Pte Ltd. Excluding the one-off additional property tax, gross revenue and property operating expenses for FY2013 would have been S\$87.9 million and S\$28.2 million respectively.

<sup>2</sup> For FY2013, the DPU of 10.72 cents included a distribution amount of 0.30 cents from the capital gain arising from the divestment of 31 Admiralty Road.

# Financial Review

Manager's base fee element of the management fees of S\$5.0 million were S\$0.5 million higher in FY2013 vis-à-vis FY2012 as a result of the net increase in size of the Trust's property portfolio.

In FY2013, the Manager's performance fees of S\$1.1 million were S\$0.8 million lower than FY2012. The Manager is entitled to a performance fee of 0.1 percent per annum of the value of the Deposited Property where the growth in DPU exceeds 2.5 percent but is less than 5.0 percent relative to the DPU in the previous financial year. The Manager is entitled to a performance fee of 0.2 percent where the growth in the DPU exceeds 5.0 percent relative to the DPU in the previous year. DPU for FY2013 was 10.72 cents, representing a 2.6 percent increase compared to FY2012. DPU for FY2012 was 10.45 cents, representing a 5.3 percent increase compared to FY2011.

Other trust expenses in FY2013 were lower than FY2012 by S\$0.3 million mainly due to implementation costs associated with distribution reinvestment plan and one-off cost incurred for the Unit consolidation in FY2012.

## Distribution

AIMSAMPPIREIT achieved Unitholders' distribution of S\$48.1 million for FY2013, which was S\$1.7 million or 3.8 percent higher as compared to FY2012. DPU for FY2013 was 10.72 cents, representing a 2.6 percent increase compared to FY2012. The increase was mainly due to the positive net contributions referred to above, as well as the partial distribution of the capital gain arising from the divestment of 31 Admiralty Road. AIMSAMPPIREIT continued to pay out 100.0 percent of Unitholders' distribution demonstrating a firm commitment to deliver stable distributions to Unitholders.

## Total assets

As at 31 March 2013, the total assets of AIMSAMPPIREIT and its subsidiaries were S\$1,056.2 million compared with S\$939.0 million as at 31 March 2012. The increase of S\$117.2 million was mainly due to capitalisation of development cost of S\$88.0 million for the redevelopment of 20 Gul Way into a five storey ramp up warehouse facility as well as a revaluation surplus of S\$40.8 million recognised during FY2013, partly offset by the sale of 31 Admiralty Road of S\$16.4 million.

## Corporate liquidity and capital resources (in S\$'000 unless otherwise indicated)

	FY2013	FY2012
<b>Banking facilities and available funds</b>		
Outstanding interest-bearing borrowings <sup>1</sup>	359,257	281,844
Available undrawn bank facilities	100,743	176,956
Cash and bank balances	2,975	3,580
Total available undrawn facilities and bank balances	103,718	180,536
Weighted average term to maturity (years)	3.1	2.5
<b>Aggregate leverage</b>		
Total borrowings	359,257	281,844
Total assets	1,056,248	938,972
Aggregate leverage (%)	34.0	30.0
<b>Interest cover ratio</b>		
EBITDA	56,366	54,412
Interest expenses	11,470	8,812
Interest cover (times)	4.9	6.2
<b>Derivative financial instruments</b>		
Negative fair value of derivative financial instruments	3,636	2,257
Total assets	1,056,248	938,972
Percentage of fair value of derivative financial instruments to total assets (%)	0.3	0.2

<sup>1</sup> Outstanding interest-bearing borrowings excluding unamortised loan transaction costs.

# Financial Review

## Borrowings

Total borrowings as at 31 March 2013 of S\$359.3 million was S\$77.4 million higher than the total borrowings as at 31 March 2012. This was largely due to drawdown under an existing debt facility to finance the redevelopment of the property at 20 Gul Way. AIMSAMPIREIT had drawn down S\$106.2 million under the facility during FY2013. However, AIMSAMPIREIT had used the net sales proceeds from the sale of 31 Admiralty Road and the cash generated from operations for the repayment of the amounts outstanding under its revolving credit facility.

On 25 July 2012, AIMSAMPIREIT, through its wholly-owned subsidiary, AACI REIT MTN Pte. Ltd., established a S\$500.0 million MTN Programme. As at 31 March 2013, S\$130.0 million Notes had been issued. These comprised of:

- (i) S\$100.0 million four year Notes with a fixed rate of 4.90 percent per annum, payable semi-annually in arrears, fully repayable on 8 August 2016.
- (ii) S\$30.0 million seven year Notes with a fixed rate of 4.35 percent per annum, payable semi-annually in arrears, fully repayable on 5 December 2019.

The proceeds from the issuance of the two series of Notes were mainly deployed to repay a term loan of S\$100.0 million which was due to expire in October 2013 and a S\$28.8 million term loan which was due to expire in February 2014.

The debt maturity profile of AIMSAMPIREIT as at 31 March 2013 is set out below:

<b>Maturity date</b>	<b>S\$'000</b>	<b>% of Debt</b>
Due in October 2013	–	–
Due in October 2015	229,257	63.8
Due in August 2016	100,000	27.8
Due in December 2019	30,000	8.4
	<u>359,257</u>	<u>100.0</u>

Out of the total borrowings as of 31 March 2013, 63.8 percent falls due in October 2015, 27.8 percent falls due in August 2016 and the balance falls due in December 2019.

As at 31 March 2013, 92.4 percent of AIMSAMPIREIT's borrowings were on fixed interest rates, taking into account the interest rate swaps entered into by AIMSAMPIREIT to hedge its exposure from floating rate borrowings and the fixed rate Notes issued under the MTN Programme.

The aggregate leverage as at 31 March 2013 was 34.0 percent, well within the 60.0 percent gearing limit allowed by the Monetary Authority of Singapore for property trusts in Singapore with a credit rating. AIMSAMPIREIT has an investment grade credit rating of BBB- assigned by Standard & Poor's Ratings Services.

AIMSAMPIREIT had approximately S\$100.7 million of undrawn debt facilities including revolving credit facility as at 31 March 2013. The undrawn revolving credit facility of S\$80.0 million is due to mature in October 2013. AIMSAMPIREIT has commitment from a syndicate of five financial institutions to extend the revolving credit facility from October 2013 to October 2016 and to increase the facility limit from S\$80.0 million to S\$120.0 million.

On 17 April 2013, the Manager raised equity with a S\$110.0 million private placement which immediately reduced aggregate leverage to 23.9 percent on a pro forma basis as at 31 March 2013. The equity raised together with the undrawn debt facilities provide AIMSAMPIREIT with the financial ability to complete the redevelopment of the properties at 20 Gul Way and 103 Defu Lane 10, as well as greater financial flexibility to capitalise on other development or acquisition opportunities.

## Cash flows

Total net cash flows from operating activities for FY2013 were S\$60.4 million. This was an increase of S\$5.7 million over the preceding financial year, mainly in line with higher net property income in FY2013 and collections of rental deposits from tenants.

Net cash used in investing activities was S\$83.2 million comprising mainly the redevelopment cost of the property at 20 Gul Way.

The cash inflows from financing activities comprised mainly the net proceeds from borrowings, partially offset by distributions paid to Unitholders and borrowing costs paid to lenders.

# Corporate Governance Statement

## Our role

AIMS AMP Capital Industrial REIT (“AIMSAMPIREIT”) is a real estate investment trust listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). AIMSAMPIREIT is externally managed by AIMS AMP Capital Industrial REIT Management Limited (the “Manager”).

The primary role of the Manager is to set the strategic direction of AIMSAMPIREIT and give recommendations to HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of AIMSAMPIREIT (the “Trustee”), on the acquisition, divestment and enhancement of the assets of AIMSAMPIREIT in accordance with its stated investment strategy.

The Manager has general powers of management over the assets of AIMSAMPIREIT and our main responsibility is to manage the assets and liabilities of AIMSAMPIREIT in the best interests of the Unitholders. We do this with a focus on generating rental income and, where appropriate, increasing the value of AIMSAMPIREIT’s assets over time so as to enhance the returns from the investments, and ultimately distributions and the total return to the Unitholders.

The Manager has covenanted in the Trust Deed to use its best endeavours to ensure that the business of AIMSAMPIREIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for AIMSAMPIREIT at arm’s length and on normal commercial terms.

Other main functions and responsibilities of the Manager include:

- (a) ensuring compliance with relevant laws and regulations, including the applicable provisions of the Securities and Futures Act (Chapter 289) (“SFA”), the Listing Manual of SGX-ST, the Code on Collective Investment Schemes (including Appendix 6 on the property funds thereto (“Property Funds Appendix”)) issued by the Monetary Authority of Singapore (“MAS”), the Trust Deed and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of AIMSAMPIREIT and its Unitholders;
- (b) preparing property plans on an annual basis for review by the Board of Directors of the Manager (“Board”), including proposals and forecasts on net property income, capital expenditure, sales and valuations, explanation of major variances to previous plan, commentary on key issues and relevant assumptions. These plans explain the performance of AIMSAMPIREIT’s assets;
- (c) managing the finances of AIMSAMPIREIT, including accounts preparation, capital management, coordination of the budget process, forecast modeling and corporate treasury functions;
- (d) attending to all regular communications with the Unitholders; and
- (e) supervising the property manager, AIMS AMP Capital Property Management Pte Ltd, which performs the day-to-day property management functions (including lease management, property management, maintenance and administration), pursuant to the Property Management Agreement.

The Manager appoints experienced and well-qualified management to run its day-to-day operations. The Manager holds a capital market services licence issued by MAS to conduct real estate investment management activities. All Directors and employees of the Manager are remunerated by the Manager and not AIMSAMPIREIT.

The Trust Deed outlines certain circumstances under which the Manager can be removed by notice in writing given by the Trustee, in favour of a corporation appointed by the Trustee upon the occurrence of certain events, including by a resolution passed by a simple majority of the Unitholders present and voting at a meeting of the Unitholders duly convened and held in accordance with the provision of the Trust Deed.

# Corporate Governance Statement

## Our corporate governance culture

We are committed to maintaining high standards of corporate governance in our management of AIMSAMPIREIT, and operate in keeping with the spirit of the Code of Corporate Governance in the discharge of our responsibilities as the Manager in our dealings with Unitholders and other stakeholders. We believe that strong and effective corporate governance is imperative for the long-term success of AIMSAMPIREIT.

The current Code of Corporate Governance was issued by MAS on 2 May 2012 ("2012 Code") and takes effect for AIMSAMPIREIT in respect of its annual report for the financial year commencing from 1 April 2013. Notwithstanding the 2012 Code is not yet applicable to AIMSAMPIREIT, the Board and Management are taking the progressive step of voluntarily describing our corporate governance policies and practices against the principles of the 2012 Code.

The following paragraphs describe our corporate governance policies and practices in FY2013 as the Manager, with specific references to the 2012 Code to the extent the 2012 Code is relevant and applicable to real estate investment trusts. Any deviations from the 2012 Code are also explained.

## Board matters

### The Board's conduct of affairs

**Principle 1:** Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board is responsible for the overall management and corporate governance of the Manager and AIMSAMPIREIT. It provides entrepreneurial leadership to the Manager, sets strategic directions and ensures that the necessary financial and human resources are in place for AIMSAMPIREIT to meet its objectives. The Board oversees the competent management of AIMSAMPIREIT by setting standards and goals for the Management and monitors the achievement of the targets set. It also establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Unitholders' interests and the assets of AIMSAMPIREIT.

The Board is also responsible in identifying key stakeholder groups such as tenants, Unitholders, lenders and management team and recognise that their perceptions affect AIMSAMPIREIT's reputation.

The Board comprises members with a breadth of expertise in real estate, accounting or finance, law, business and management. The Board members are:

Mr Andrew Bird	Chairman, Non-Executive	Non-Independent
Mr George Wang	Non-Executive	Non-Independent
Mr Tan Kai Seng	Non-Executive	Independent
Mr Norman Ip Ka Cheung	Non-Executive	Independent
Mr Eugene Paul Lai Chin Look	Non-Executive	Independent
Mr Simon Laurence Vinson	Non-Executive	Non-Independent
Mr Andrew Lam	Non-Executive	Non-Independent
Mr Nicholas Paul McGrath	Executive Director and Chief Executive Officer	Non-Independent

The profiles of the Directors and other relevant information are set out on pages 19 to 22 of this Annual Report.

Each Director must act honestly, with due care and diligence, and in the best interests of AIMSAMPIREIT. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of AIMSAMPIREIT for the benefit of the Unitholders. Decisions are taken objectively in the interests of AIMSAMPIREIT. The Manager has adopted guidelines for dealings with conflict of interests and interested party transactions, details of which are set out on pages 75 to 76 of this Annual Report.

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# Corporate Governance Statement

The Board meets regularly, at least once every quarter and as warranted by particular circumstances, to discuss and review the strategies and policies of AIMSAMPIREIT, including any significant acquisitions and disposals, the annual budget, the financial performance of AIMSAMPIREIT against a previously approved budget and to approve the release of the quarterly, half-year and full year results. The Board also reviews the risks to the assets of AIMSAMPIREIT and acts upon recommendations from both the internal and external auditors of AIMSAMPIREIT.

In the discharge of its functions, the Board is supported by special Board Committees which also serve to ensure that there are appropriate checks and balances. These Board Committees are the Audit, Risk and Compliance Committee (“ARCC”) and Property Investment Committee (“PIC”).

Each of these Board Committees operates under delegated authority from the Board. However, the Board retains overall responsibility for any decisions made by the Board Committees. Other Board Committees may be formed as dictated by business imperatives and/or to promote operational efficiency.

Information on the ARCC can be found in the section “Audit, Risk and Compliance Committee” on pages 72 to 73 of this Annual Report.

The PIC has adopted terms of reference to define its scope of authority and responsibilities in relation to AIMSAMPIREIT which include:

- consider the appropriateness of potential purchases and sales of the following assets:
  - direct property assets; and
  - other Permissible Investments within Property Funds Appendix of the Code on Collective Investment Schemes issued and administered by MAS;and then recommend to the Board for approval;
- consider the appropriateness of potential asset enhancement and/or development projects to be undertaken by AIMSAMPIREIT;
- oversee the asset management strategy of the investment property portfolio of AIMSAMPIREIT; and
- oversee the valuation process of the assets within AIMSAMPIREIT.

Decisions taken and minutes of meetings of the PIC are circulated to the Board for information.

The Manager has adopted a set of internal guidelines which sets out the financial authority limits for acquisition and/or divestment of investment properties, operating/capital expenditure, leasing, disposal and write-off of assets, bank borrowings as well as arrangements in relation to cheque signatories that require the approval of the Board. Appropriate delegation of authority and approval sub-limits are also provided at Management level to facilitate operational efficiency.

# Corporate Governance Statement

The number of Board and ARCC meetings held during the year, as well as the attendance of each Board member at these meetings are set out in the table below:

	Board meetings	ARCC meetings
<b>Number of meetings held</b>	4	7
<b>Board members</b>		
Mr Andrew Bird	4	-
Mr George Wang	3	-
Mr Tan Kai Seng	4	7
Mr Norman Ip Ka Cheung	4	7
Mr Eugene Paul Lai Chin Look	3	-
Mr Simon Laurence Vinson <sup>1</sup>	4	6
Mr Andrew Lam	4	-
Mr Nicholas Paul McGrath	4	7

The Manager's Articles of Association permit Board meetings to be held by way of telephone conference or any other electronic means of communication by which all persons participating in the meeting are able, contemporaneously, to hear and be heard by all other participants.

The Manager issues formal letters to new Directors upon appointment. Newly appointed Directors are briefed on their roles and responsibilities as Directors of the Manager, business activities of AIMSAMPIREIT and its strategic directions and the contribution they would be expected to make, including the time commitment and any participation in Board Committees.

The Board is regularly updated either during Board Meetings or at specially convened meetings involving the relevant professionals on new laws that may affect AIMSAMPIREIT's business, regulatory changes, changes in the Singapore Companies Act and industry-related matters and changes in financial reporting standards. Management also provides the Board with information in a timely manner through regular updates on financial results, market trends and business developments. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

## Board composition and guidance

**Principle 2:** There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10 percent shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Currently, the Board consists of eight members, of whom three are Independent Non-Executive Directors. The majority of the Board members are Non-Executive, with more than one-third of the Board being independent. The Chief Executive Officer is the only Executive Director.

Non-Executive Directors actively participate in setting and developing strategies and goals for Management and reviewing and assessing Management's performance. This enables Management to benefit from the external, diverse and objective perspectives of Independent and Non-Executive Directors on issues that are brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process.

A Director is considered independent if he has no relationship with the Manager, its related companies, its 10 percent shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of AIMSAMPIREIT.

<sup>1</sup> Mr Simon Laurence Vinson abstained from voting and attendance for ARCC meeting held on 22 June 2012 in respect of an interested party transaction.

# Corporate Governance Statement

The Board is of the view that its Independent Directors are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Directors' independent business judgement.

Principle 2.2 of the 2012 Code recommends independent directors to make up at least half of the Board in certain specified circumstances, including where the Chairman is not an independent director. Mr Andrew Bird, Chairman of the Board, is the Chief Investment Officer (Property) of AMP Capital and is not an independent director. Principle 2.2 of the 2012 Code takes effect following the end of the financial year commencing on or after 1 May 2016. The Board will review the composition of its members during this transitional period in view of Principle 2.2 of the 2012 Code.

The Board is of the view that its current composition is adequate and comprises persons who as a group, provides the necessary core competencies, balance and diversity of skills, experience and knowledge of AIMSAMPIREIT. The Board is also of the view that its current Board size is appropriate taking into consideration the nature and scope of AIMSAMPIREIT's operations.

## Chairman and Chief Executive Officer

**Principle 3:** There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The roles of Chairman and Chief Executive Officer are separate and the positions are held by two separate persons in order to maintain effective segregation of duties, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Chairman is responsible for the overall leadership and management of the Board to ensure its effectiveness on all aspects of its role. The Chairman leads the Board meeting to ensure that adequate time is available for open discussion and robust debate of all agenda items, in particular strategic issues, as well as ensures that Directors receive adequate, clear and timely information. The Chairman facilitates the contribution of Non-Executive Directors, encourages constructive relations between Executive Directors, Non-Executive Directors and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance. The Chairman also ensures that the Board works together with integrity and competency and that the Board engages the Management in constructive debate on strategy, business operations, enterprise risk and other plans.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager and AIMSAMPIREIT.

The division of responsibilities between the Chairman and the Chief Executive Officer facilitates effective oversight and a clear segregation of duties. The Chairman and the Chief Executive Officer are not related to each other.

Principle 3.3 of the 2012 Code recommends every company to appoint an independent director to be the lead independent director in certain specified circumstances, including where the Chairman is not an independent director. Mr Tan Kai Seng has been appointed as Lead Independent Director in accordance with Principle 3.3 of the 2012 Code. He is also the Chairman of the ARCC.

## Board membership

**Principle 4:** There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

As the Manager is not itself a listed entity, the Manager does not consider it necessary for the Board to establish a nominating committee. It believes that the performance of the Manager and hence, its Board, is reflected in the long term success of AIMSAMPIREIT. Thus, the Board performs the functions that may have been delegated to such a committee, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board and reviews the independence of the Directors.

In addition, as part of regulatory requirements, MAS also provides prior approval for any change of the Chief Executive Officer or of any appointment of Director. Directors of the Manager are not subjected to periodic retirement by rotation.

# Corporate Governance Statement

The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- (a) the Board should comprise directors with a broad range of commercial experience, including expertise in funds management, the property industry, legal and financial management.
- (b) at least one-third of the Board should comprise independent directors.

The selection of candidates is evaluated taking into account various factors including the current and mid-term needs and goals of AIMSAMPIREIT and hence, the Manager, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations.

Although some of the Directors have other listed company board representations and commitments, the Board has determined, through informal assessment of the Board's performance, that the individual Directors have devoted sufficient time and attention to his role as a Director and to the affairs of the Manager. The Board is of the view that such appointments do not hinder the Directors from carrying out their duties as Directors of the Manager and therefore believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold.

## Board performance

**Principle 5:** There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The Board assesses the performance of the Board as a whole and the contribution of each Director, taking into consideration factors such as Directors' attendance, commitments and contributions during Board meetings.

Contributions by an individual Director may also take other forms, including providing objective perspectives on issues, facilitating business opportunities and strategic relationships with external parties, and being accessible to Management outside of formal Board and/or Board Committee meetings.

The Manager believes that the Board's performance and that of each individual Director is reflected in and evidenced by its or his proper guidance, diligent oversight and able leadership and the level of support it or he has provided to Management in steering AIMSAMPIREIT in the appropriate direction, as well as the long term performance of AIMSAMPIREIT through both favourable and challenging market conditions.

Review of Board members' performance is currently on an informal basis, where renewal or replacement of a member does not necessarily reflect his/her contributions to-date but may be driven by the need to position and shape the Board in line with the needs of AIMSAMPIREIT and its business going forward.

## Access to information

**Principle 6:** In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Board with complete, timely and adequate information on Board matters and issues requiring the Board's deliberations. All Directors are also provided with ongoing reports relating to the operational and financial performance of the Trust to enable them to exercise effective oversight over AIMSAMPIREIT. Directors are briefed by the Management during Board meetings, at specially convened sessions or via circulation of Board papers. Information provided to the Board includes explanatory background relating to the matters to be brought before the Board. Additionally, reports by independent external analysts on AIMSAMPIREIT are forwarded to the Board from time to time to keep Directors apprised of analysts' views on AIMSAMPIREIT's performance.

Proposals to the Board and/or Board Committees for decision or mandate sought by Management are in the form of Board papers and/or Board Committee papers that provide facts, analysis, resource needed, conclusions and recommendations.

# Corporate Governance Statement

The Company Secretary of the Manager (“Secretary”) works with the Chairman and the Chief Executive Officer to ensure that Board papers and the agenda are provided to each Director in advance of the Board meetings so that they can familiarise themselves with the matters prior to the Board meetings. Senior executives who can provide additional insights into matters to be discussed are requested to also attend the Board meetings so as to be at hand to answer questions. AIMSAMPIREIT’s auditors, who can provide additional insight into the matters for discussion are also invited from time to time to attend such meetings.

The Board has separate and independent access to the Management team and the Secretary, as well as to all statutory records of the Manager. The Secretary or its designated representative attends all Board meetings and Board Committee meetings to record the minutes of the meeting. The Secretary renders assistance to the Board as may be necessary and helps to ensure that applicable rules and regulations are complied with. The appointment and removal of the Secretary is a Board reserved matter.

The Directors, either as a group or individually, may at the Manager’s expense seek independent professional advice where necessary to discharge his or their duties effectively.

## Remuneration matters

**Principle 7:** There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

**Principle 8:** The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

**Principle 9:** Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration and the procedure for setting remuneration in the company’s Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel and performance.

AIMSAMPIREIT, constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. The Manager appoints experienced and well-qualified personnel to manage the day-to-day operations of the Manager and AIMSAMPIREIT. The employees of the Manager are remunerated by the Manager and not by AIMSAMPIREIT. The remuneration policy adopted by the Manager enables the Manager to attract, motivate, reward and retain quality employees. Employee remuneration comprises a fixed component in the form of basic salary and a variable component in the form of short-term and long-term bonuses. The variable component is linked to the performance of the individual and the Manager, which in turn is linked to the performance of AIMSAMPIREIT in the context of the industry and the economy. This will allow alignment of employees’ interests with those of AIMSAMPIREIT’s Unitholders. Employee remuneration is reviewed annually to align compensation of employees to market rates.

The Chief Executive Officer and Non-Executive, Non-Independent Directors are not paid directors’ fees by the Manager. Independent Directors are paid basic fees for their Board and Board committee memberships by the Manager. In determining the quantum of the fees, factors such as time spent and responsibilities of the Directors are taken into account. Directors’ fees are reviewed periodically to benchmark such fees against the amounts paid by other listed real estate investment trusts. No director decides on his own fees.

# Corporate Governance Statement

Directors' fees	FY2013	FY2012
<b>Board members</b>		
Mr Andrew Bird	-	-
Mr George Wang	-	-
Mr Tan Kai Seng	S\$57,750	S\$55,000
Mr Norman Ip Ka Cheung	S\$52,500	S\$50,000
Mr Eugene Paul Lai Chin Look	S\$52,500	S\$50,000
Mr Simon Laurence Vinson	-	-
Mr Andrew Lam	-	-
Mr Nicholas Paul McGrath	-	-

Directors' fees are paid by the Manager.

## Accountability and audit

### Accountability

**Principle 10:** The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Management provides the Board with periodic financial reports which present a balanced and understandable assessment of AIMSAMPIREIT's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of AIMSAMPIREIT's performance, position and prospects through quarterly and annual financial reports as well as timely announcements through announcements and media release.

### Risk management, internal controls and audit

**Principle 11:** The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

**Principle 13:** The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of sound internal controls and effective risk management practices to good corporate governance. As such, the Manager has put in place a system of internal controls comprising procedures and processes to safeguard AIMSAMPIREIT's assets, Unitholders' interests and also to manage risks.

BDO LLP ("BDO") has been appointed by the ARCC to provide internal audit services to review and assess the adequacy of the internal control systems, including financial, operational, compliance and information technology controls over a three-year internal audit plan period. The internal auditor is independent of the Management and reports directly to the ARCC on audit matters and to the Board on administrative matters. BDO has unrestricted access to the ARCC. The internal auditor's activities are guided by the International Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The role of the internal auditors is to assist the ARCC to ensure that Management maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness. BDO's scope of work includes risk assessments and compliance audits in order to ensure internal controls are aligned to business objectives and in place to address related risks.

# Corporate Governance Statement

During the year, BDO adopted a risk-based auditing approach covering financial, operational, compliance and information technology controls. The internal auditor conducts audit reviews on the internal audit plan approved by ARCC. Upon completion of each audit assignment, BDO reports their audit findings and recommendations to the Management who would respond on the actions to be taken. The internal auditor submits internal audit reports, at least twice yearly to the ARCC on the audit findings and follow-up actions taken by the Management based on the recommendations.

The Board has received assurance from the Chief Executive Officer and Head of Finance of the Manager that the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 March 2013 and the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management and various Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls were adequate as at 31 March 2013 to address material financial, operational and compliance risks, which the Board considers relevant and material to its operations.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that AIMSAMPIREIT will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, fraud or other irregularities.

## Audit, Risk and Compliance Committee

**Principle 12:** The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The ARCC is appointed by the Board. The ARCC comprises Non-Executive Directors, the majority of whom, including the Chairman, are independent. The members are:

Mr Tan Kai Seng	Chairman
Mr Norman Ip Ka Cheung	Member
Mr Simon Laurence Vinson	Member

Members of the ARCC are appropriately qualified to discharge their responsibilities as they possess the requisite accounting and related financial management expertise and experience.

The ARCC is governed by written terms of reference with explicit authority to investigate any matter within its terms of reference, has full access to and cooperation by Management and full discretion to invite any Director or senior executive to attend its meetings and reasonable resources to enable it to discharge its functions properly.

The role of the ARCC is to review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of AIMSAMPIREIT and any announcements relating to its financial performance. The ARCC also reviews and reports to the Board at least annually the adequacy and effectiveness of the Manager's internal controls, including financial, operational, compliance and information technology controls as well as risk management processes. The ARCC reviews the effectiveness of the Manager's internal audit function. The ARCC also reviews the scope and results of the internal and external audit work performed and assesses the independence and objectivity of the internal and external auditors. The ARCC makes recommendations to the Board on the proposals to the Unitholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors. The ARCC meets with the internal and external auditors without the presence of the Management, at least once a year.

# Corporate Governance Statement

During the financial year ended 31 March 2013, the ARCC's activities included the following:-

- performed independent reviews of AIMSAMPIREIT's quarterly and full year financial results before their submission to the Board. In conducting its review of the audited financial statements of AIMSAMPIREIT for the financial year ended 31 March 2013, the ARCC had discussed with Management and the external auditor the accounting principles that were applied. Based on the review and discussions with Management and the external auditors, the ARCC is of the view that the financial statements are fairly presented and conform to generally accepted accounting principles in all material aspects.

In performing its duties, the ARCC had met the external auditors without the presence of Management once during the year and confirmed that they had full access to and received full cooperation and support of the Management.

- the ARCC reviewed and approved the audit plan and scope of external auditors on the audit of the full year financial statements.
- the ARCC also reviewed the nature and extent of the non-audit services provided to AIMSAMPIREIT by the external auditors for the financial year and was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors.

The aggregate amount of audit fees paid and payable by AIMSAMPIREIT and its subsidiaries ("the Group") to the external auditor for FY2013 was approximately S\$297,000, of which audit fees amounted to approximately S\$174,000 and non-audit fees amounted to approximately S\$123,000.

The non-audit fees paid/payable to the external auditors included general tax compliance and advisory services, one-off costs incurred for advance ruling in relation to the tax treatment on gain arising from the sale of 31 Admiralty Road and tax advice in relation to the S\$500.0 million Medium Term Note Programme.

The ARCC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board the nomination of the external auditors for re-appointment of KPMG LLP as the external auditors of AIMSAMPIREIT at the forthcoming annual general meeting.

The Board, on behalf of AIMSAMPIREIT, has complied with the requirements of Rule 712 and 715 of the Listing Manual of SGX-ST in respect of the suitability of the auditing firm for AIMSAMPIREIT.

- the ARCC reviewed and approved the internal audit plan and scope of the internal auditor's work and its audit program. It reviewed the findings during the year and Management's responses thereto and it satisfied itself as to the adequacy of the internal audit function. The ARCC also met the internal auditors without the presence of Management once during the year and confirmed that they had full access to and received full cooperation and support of the Management.
- the ARCC also reviewed interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Property Funds Appendix.

A Whistle Blowing Policy has been put in place to provide a channel through which employees may report in good faith and in confidence any concerns in financial and other matters and arrangements are in place for independent investigation with appropriate follow-up action.

The number of ARCC meetings held and corresponding attendances for the financial year are set out on page 67 of this Annual Report.

# Corporate Governance Statement

## Unitholders' rights and responsibilities

### Communication with Unitholders

**Principle 15:** Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders

The listing rules of the SGX-ST require that a listed entity discloses to the market matters that could or might reasonably be expected to have a material effect on the price of the entity's securities. The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager's disclosure policy requires timely and full disclosure of all material information relating to AIMSAMPIREIT by way of public releases or announcements through the SGX-ST via SGXNET.

In order to provide regular updates to Unitholders, the Manager also conducts regular briefings and conference calls for analysts and media representatives which generally coincide with the release of AIMSAMPIREIT's results. During these briefings, the Manager reviews AIMSAMPIREIT's most recent performance, discusses the business outlook and solicits to understand views of Unitholders and to address Unitholders' concerns. In line with the Manager's objective of transparent communication, briefing materials are released to the SGX-ST via SGXNET and posted on AIMSAMPIREIT's website at [www.aimsampcapital.com](http://www.aimsampcapital.com).

As part of the Manager's efforts to diversify the investor base of AIMSAMPIREIT, the Manager participated in conferences and road-shows in Singapore, Malaysia, Hong Kong, Australia and Japan. For the financial year ended 31 March 2013, the Chief Executive Officer, together with the Assistant Fund Manager/Investor Relations had attended and participated in several real estate focused conferences and had met with many institutional and retail investors. The Manager also organised several property tours for the media, analysts and investors to provide greater insights into AIMSAMPIREIT's quality portfolio and operations.

AIMSAMPIREIT currently has six research houses/investment banks which issue research on the Trust for the benefit of Unitholders.

Research House / Investment Bank	Analyst
Standard Chartered Bank	Kai Yip / Regina Lim
Macquarie Capital Securities (Singapore) Pte. Limited	Brandon Lee / Tuck Yin Soong
Religare Capital Markets Limited	Sumeet Singh / Tata Geoyardi
OSK/DMG & Partners Research	Pang Ti Wee
SIAS Research	Ng Kian Teck
Standard and Poor's	Tam Ching Wah

Principle 15.5 of the 2012 Code encourages companies to have policy on payment of dividends. The Manager's policy is to distribute at least 90.0 percent of AIMSAMPIREIT's taxable income, comprising substantially its income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion taking into account the needs of the Trust for capital expenditure, working capital requirement and the liquidity position of AIMSAMPIREIT. Since the listing in 2007, the Trust has distributed 100.0 percent of its taxable income to the Unitholders.

### Unitholders' rights and conduct of Unitholders' meetings

**Principle 14:** Companies should treat all shareholders fairly and equitably and should recognise, protect and facilitate the exercise of shareholders' rights and continually review and update such governance arrangements.

**Principle 16:** Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

An Annual General Meeting of Unitholders ("AGM") is held after the close of each financial year. The Notice of AGM setting out all items of business to be transacted at the AGM is published on SGXNET and AIMSAMPIREIT's website. A copy of AIMSAMPIREIT's Annual Report is sent to all Unitholders.

# Corporate Governance Statement

Board members, senior management of the Manager and the external auditors of AIMSAMPIREIT are in attendance at the AGM and Unitholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. Any Unitholder who is unable to attend the AGM is allowed to appoint up to two proxies to attend and vote on the Unitholder's behalf.

## Additional information

### Dealings in AIMSAMPIREIT Units

In line with Listing Rule 1207 (19) on Dealings in Securities, a quarterly memorandum is issued to the Directors, officers and employees of the Manager on restrictions on dealings in the Units in AIMSAMPIREIT:

- (a) during the period one month before the public announcement of the Group's annual results and two weeks before the public announcement of the Group's quarterly results, and ending on the date of announcement of the relevant results; and
- (b) at any time while in possession of unpublished material or price sensitive information.

The Directors and officers are also advised not to deal in the Units on short-term considerations.

Each Director is required to give notice to the Manager of his acquisition of Units or changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

In addition, the Manager is required to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto within two business days after the date on which it acquires or disposes of any Units, as the case may be. The Manager has also undertaken that it will not deal in the Units one month before the public announcement of the Group's annual results and two weeks before the public announcement of the Group's quarterly results, and ending on the date of announcement of the relevant results.

### Dealings with conflict of interests

The following main procedures have been established to address potential conflict of interest which may arise in managing AIMSAMPIREIT:

- (a) the Manager is dedicated to managing AIMSAMPIREIT and will not directly or indirectly manage other real estate investment trusts.
- (b) all executive officers of the Manager are employed by the Manager.
- (c) all resolutions in writing of the Directors of the Manager in relation to matters concerning AIMSAMPIREIT must be approved by a majority of the Directors.
- (d) Independent Directors constitute at least one third of the Board. The ARCC comprises Non-Executive Directors, the majority of whom, including the Chairman, are independent.
- (e) in respect of matters in which the Sponsors and/or their subsidiaries, have an interest, direct or indirect, any Directors appointed by the Sponsors and representing their interests shall abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors of the Manager and shall exclude such Directors of the Sponsors and/or their subsidiaries.
- (f) in respect of matters in which a Director or his associate has interest, direct or indirect, such interested Director is required to disclose his interest in any proposed transaction with AIMSAMPIREIT and is required to abstain from voting on resolutions approving the transaction.

# Corporate Governance Statement

## Interested party transactions

The Manager has established an internal control system to ensure that all transactions involving the Trustee and a related party of the Manager ("Interested Party Transactions") are undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of AIMSAMPIREIT and the Unitholders. As a general rule, the Manager must demonstrate to the ARCC that such transactions satisfy the foregoing criteria, which may include obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all Interested Party Transactions which are entered into by AIMSAMPIREIT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into. Further, the following procedures will be adhered to:

- (a) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S\$100,000 in value but below three percent of the Group's net tangible assets will be subject to review by the ARCC at regular intervals;
- (b) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding three percent but below five percent of the Group's net tangible assets will be subject to the review and prior approval of the ARCC;
- (c) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding five percent of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph by the ARCC which may, as it deems fit, request advice on the transaction from independent sources or advisors, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders; and
- (d) ARCC's approval shall only be given if the transactions are on arm's length and on normal commercial terms and consistent with similar types of transactions with third parties which are unrelated to the Manager.

Where matters concerning AIMSAMPIREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of AIMSAMPIREIT with a related party of the Manager (which would include relevant associates thereof), the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AIMSAMPIREIT and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Furthermore, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party of the Manager. If the Trustee is to sign any contract with a related party of the Manager, the Trustee will review the contract to ensure that it complies with the requirements relating to Interested Party Transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

AIMSAMPIREIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transactions if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is three percent or more of the Group's latest audited net tangible assets.

Details of all Interested Party Transactions (equal to or exceeding S\$100,000 each in value) entered into by AIMSAMPIREIT during the financial year are disclosed on page 126 of this Annual Report.

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## Financial Statements

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## Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of AIMS AMP Capital Industrial REIT (the “Trust”) and its subsidiaries (the “Group”) in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of AIMS AMP Capital Industrial REIT Management Limited (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the amending and restating trust deed dated 8 March 2007 between the Trustee and the Manager (the “Trust Deed”) in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year covered by these financial statements, set out on pages 81 to 123, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee

**HSBC Institutional Trust Services (Singapore) Limited**



**Antony Wade Lewis**  
**Director**

Singapore  
8 May 2013

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## Statement by the Manager

In the opinion of the Directors of AIMS AMP Capital Industrial REIT Management Limited, the accompanying financial statements set out on pages 81 to 123 comprising the balance sheets, statements of total return, distribution statements, statements of movements in Unitholders' funds and portfolio statements of the Group and the Trust, the consolidated cash flow statement of the Group and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 March 2013, and the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager

**AIMS AMP Capital Industrial REIT Management Limited**



**Nicholas Paul McGrath**  
**Director**

Singapore  
8 May 2013

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# Independent Auditors' Report

## **Unitholders of AIMS AMP Capital Industrial REIT**

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

### **Report on the financial statements**

We have audited the accompanying financial statements of AIMS AMP Capital Industrial REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the balance sheets and portfolio statements of the Group and of the Trust as at 31 March 2013, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Group and the Trust and the consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 81 to 123.

### *Manager's responsibility for the financial statements*

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet, portfolio statement, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 March 2013, and the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended, in accordance with recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

## **KPMG LLP**

*Public Accountants and Certified Public Accountants*

Singapore  
8 May 2013

# Balance Sheets

As at 31 March 2013

	Note	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
<b>Non-current assets</b>					
Investment properties	4	971,040	830,000	971,040	830,000
Investment properties under development	5	73,945	84,500	73,945	84,500
Subsidiaries	6	–	–	–*	–*
Plant and equipment	7	71	50	71	50
		<u>1,045,056</u>	<u>914,550</u>	<u>1,045,056</u>	<u>914,550</u>
<b>Current assets</b>					
Asset held for sale	4	–	16,438	–	16,438
Trade and other receivables	8	8,217	4,404	8,210	4,404
Cash at banks and in hand		2,975	3,580	2,974	3,580
		<u>11,192</u>	<u>24,422</u>	<u>11,184</u>	<u>24,422</u>
<b>Total assets</b>		<b><u>1,056,248</u></b>	<b><u>938,972</u></b>	<b><u>1,056,240</u></b>	<b><u>938,972</u></b>
<b>Current liabilities</b>					
Derivative financial instruments	9	534	292	534	292
Trade and other payables	10	19,659	28,236	19,652	28,236
		<u>20,193</u>	<u>28,528</u>	<u>20,186</u>	<u>28,528</u>
<b>Non-current liabilities</b>					
Rental deposits		7,276	4,945	7,276	4,945
Trade and other payables	10	3,481	–	3,481	–
Interest-bearing borrowings	11	356,860	277,297	356,860	277,297
Derivative financial instruments	9	3,102	1,965	3,102	1,965
		<u>370,719</u>	<u>284,207</u>	<u>370,719</u>	<u>284,207</u>
<b>Total liabilities</b>		<b><u>390,912</u></b>	<b><u>312,735</u></b>	<b><u>390,905</u></b>	<b><u>312,735</u></b>
<b>Net assets</b>		<b><u>665,336</u></b>	<b><u>626,237</u></b>	<b><u>665,335</u></b>	<b><u>626,237</u></b>
Represented by:					
Unitholders' funds		<u>665,336</u>	<u>626,237</u>	<u>665,335</u>	<u>626,237</u>

\* less than \$1,000

The accompanying notes form an integral part of these financial statements.

# Statements of Total Return

Year ended 31 March 2013

	Note	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
Gross revenue	14	92,082	83,983	92,082	83,983
Property operating expenses	15	(32,325)	(25,056)	(32,325)	(25,056)
<b>Net property income</b>		59,757	58,927	59,757	58,927
Interest and other income		11	28	11	28
Borrowing costs		(14,137)	(11,026)	(14,137)	(11,026)
Manager's management fees					
- Base fees	16	(4,961)	(4,450)	(4,961)	(4,450)
- Performance fees	16	(1,056)	(1,878)	(1,056)	(1,878)
Trustees' fees		(204)	(183)	(200)	(183)
Audit fees		(174)	(165)	(165)	(165)
Reversal of impairment loss on loan to a subsidiary	6	-	-	-	22
Other trust expenses	17	(721)	(1,001)	(735)	(1,023)
Non-property expenses		(21,253)	(18,703)	(21,254)	(18,703)
<b>Net income</b>		38,515	40,252	38,514	40,252
Net change in fair value of investment properties and investment properties under development		40,794	35,827	40,794	35,827
Net change in fair value of financial derivatives		(1,571)	(429)	(1,571)	(429)
Gain/(loss) on liquidation of a subsidiary		1,411	(172)	-	-
<b>Total return before income tax</b>		79,149	75,478	77,737	75,650
Income tax expense	18	-*	-	-	-
<b>Total return after income tax</b>		79,149	75,478	77,737	75,650
<b>Earnings per Unit (cents)</b>					
Basic and diluted	19	17.70	17.05	17.39	17.08

\* less than \$1,000

The accompanying notes form an integral part of these financial statements.

# Distribution Statements

Year ended 31 March 2013

	Note	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
<b>Amount available for distribution</b>					
<b>to Unitholders at beginning of the year</b>		11,987	5,638	11,987	5,638
Total return after income tax		79,149	75,478	77,737	75,650
Net effect of tax adjustments	A	(32,434)	(29,148)	(31,023)	(29,339)
Other adjustments	B	(1)	(19)	–	–
		46,714	46,311	46,714	46,311
<b>Amount available for distribution</b>					
<b>to Unitholders from taxable income</b>		58,701	51,949	58,701	51,949
Distribution from capital gain <sup>1</sup>		1,348	–	1,348	–
<b>Amount available for distribution</b>					
<b>to Unitholders</b>		60,049	51,949	60,049	51,949
<b>Distributions to Unitholders during the year:</b>					
0.255 cents <sup>2</sup> per Unit for the period from 23 February 2011 – 31 March 2011		–	(5,628)	–	(5,628)
0.53 cents <sup>2</sup> per Unit for the period from 1 April 2011 – 30 June 2011		–	(11,698)	–	(11,698)
2.50 cents per Unit for the period from 1 July 2011 – 30 September 2011		–	(11,096)	–	(11,096)
2.60 cents per Unit for the period from 1 October 2011 – 31 December 2011		–	(11,540)	–	(11,540)
2.70 cents per Unit for the period from 1 January 2012 – 31 March 2012		(11,984)	–	(11,984)	–
2.50 cents per Unit for the period from 1 April 2012 – 30 June 2012		(11,149)	–	(11,149)	–
2.50 cents per Unit for the period from 1 July 2012 – 30 September 2012		(11,208)	–	(11,208)	–
2.58 cents per Unit for the period from 1 October 2012 – 31 December 2012		(11,594)	–	(11,594)	–
		(45,935)	(39,962)	(45,935)	(39,962)
<b>Amount available for distribution</b>					
<b>to Unitholders at end of the year</b>		<b>14,114</b>	<b>11,987</b>	<b>14,114</b>	<b>11,987</b>

Please refer to Note 3.11 for the Trust's distribution policy.

<sup>1</sup> This relates to a partial distribution of the capital gain arising from the divestment of 31 Admiralty Road.

<sup>2</sup> Distribution per Unit for the period from 23 February 2011 to 30 June 2011 was based on Units before the Unit Consolidation.

The accompanying notes form an integral part of these financial statements.

# Distribution Statements

Year ended 31 March 2013

## Note A - Net effect of tax adjustments

	<b>Group 2013 \$'000</b>	<b>Group 2012 \$'000</b>	<b>Trust 2013 \$'000</b>	<b>Trust 2012 \$'000</b>
Amortisation and write-off of borrowing costs	3,551	2,326	3,551	2,326
Manager's management fees in Units				
- Base fees	2,569	-	2,569	-
- Performance fees	1,056	1,878	1,056	1,878
Net change in fair value of investment properties and investment properties under development	(40,794)	(35,827)	(40,794)	(35,827)
Net change in fair value of financial derivatives	1,571	429	1,571	429
(Gain)/loss on liquidation of a subsidiary	(1,411)	172	-	-
Prepayment fee on borrowings	147	-	147	-
Industrial building allowance	112	-	112	-
Reversal of impairment loss on loan to a subsidiary	-	-	-	(22)
Straight-lining of rental income	-	1,229	-	1,229
Temporary differences and other tax adjustments	765	645	765	648
Net effect of tax adjustments	<u>(32,434)</u>	<u>(29,148)</u>	<u>(31,023)</u>	<u>(29,339)</u>

## Note B - Other adjustments

Other adjustments for the Group comprised primarily the accounting results of the Trust's subsidiaries.

The accompanying notes form an integral part of these financial statements.

# Statements of Movements in Unitholders' Funds

Year ended 31 March 2013

	Note	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
<b>Balance at beginning of the year</b>		626,237	586,217	626,237	586,213
<b>Operations</b>					
Total return after income tax		79,149	75,478	77,737	75,650
<b>Foreign currency translation reserve</b>					
Exchange difference realised on disposal of a subsidiary		(1,411)	168	–	–
<b>Unitholders' transactions</b>					
Issuance of Units:					
- Manager's base fees in Units		2,569	–	2,569	–
- Manager's performance fees in Units		1,056	1,878	1,056	1,878
- Distribution Reinvestment Plan		3,686	–	3,686	–
- Placements		–	2,500	–	2,500
Distributions to Unitholders		(45,935)	(39,962)	(45,935)	(39,962)
Issue expenses	12	(15)	(42)	(15)	(42)
Change in Unitholders' funds resulting from Unitholders' transactions		(38,639)	(35,626)	(38,639)	(35,626)
Total increase in Unitholders' funds		39,099	40,020	39,098	40,024
<b>Balance at end of the year</b>		665,336	626,237	665,335	626,237
<b>Units in issue and to be issued ('000)</b>	13	450,890	445,538	450,890	445,538
<b>Net asset value per Unit (\$)</b>		1.476	1.406	1.476	1.406

The accompanying notes form an integral part of these financial statements.

# Portfolio Statements

As at 31 March 2013

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease (years)	Existing use
<b>Trust</b>					
<b>Properties in Singapore – Leasehold</b>					
1	27 Penjuru Lane	27 Penjuru Lane	45 years	36.6	Warehouse and Logistics
2	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	55.2	Warehouse and Logistics
3A	20 Gul Way – Phase One <sup>4</sup>	20 Gul Way	35 years	27.8	Warehouse and Logistics
4	1A International Business Park	1A International Business Park	52 years	46.2	Business Park
5	NorthTech	29 Woodlands Industrial Park E1	60 years	41.8	Hi-Tech
6	Element 14	15 Tai Seng Drive	60 years	38.0	Warehouse and Logistics
7	Ossia Building	10 Changi South Lane	60 years	43.2	Warehouse and Logistics
8	135 Joo Seng Road	135 Joo Seng Road	60 years	41.3	Manufacturing
9	Builders Centre	11 Changi South Street 3	60 years	42.0	Warehouse and Logistics
10	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	42.3	Warehouse and Logistics
11	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	39.4	Warehouse and Logistics
12	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	42.0	Manufacturing
13	3 Toh Tuck Link	3 Toh Tuck Link	60 years	43.6	Warehouse and Logistics
14	23 Tai Seng Drive	23 Tai Seng Drive	60 years	37.3	Warehouse and Logistics
15	30 / 32 Tuas West Road	30 / 32 Tuas West Road	60 years	42.8	Warehouse and Logistics
16	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	42.1	Warehouse and Logistics
17	8 & 10 Tuas Avenue 20	8 Tuas Avenue 20	57 years and 2 months	37.8	Warehouse and Logistics
		10 Tuas Avenue 20	60 years	39.5	
18	King Plastic	541 Yishun Industrial Park A	60 years	41.3	Manufacturing
19	Xpress Building	1 Kallang Way 2A	60 years	42.3	Manufacturing
20	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	34.0	Manufacturing
21	7 Clementi Loop	7 Clementi Loop	60 years	40.2	Warehouse and Logistics
22	8 Senoko South Road	8 Senoko South Road	60 years	41.6	Manufacturing
23	Fullmark Industrial Building	10 Soon Lee Road	60 years	28.0	Manufacturing
24	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	40.8	Manufacturing
25	103 Defu Lane 10 <sup>5</sup>	103 Defu Lane 10	60 years	30.2	Warehouse and Logistics
<b>Investment properties, at valuation</b>					
<b>Asset held for sale</b>					
26	Fook Tong Nam Building <sup>3</sup>	31 Admiralty Road	60 years	24.1	Warehouse and Logistics
<b>Investment properties under development, at valuation</b>					
3	20 Gul Way <sup>4</sup>	20 Gul Way	35 years	27.8	–
3B	20 Gul Way – Phase Two <sup>4</sup>	20 Gul Way	35 years	27.8	–
25	103 Defu Lane 10 <sup>5</sup>	103 Defu Lane 10	60 years	30.2	–
Other assets and liabilities (net)					
Total Unitholders' funds					

<sup>1</sup> Includes the period covered by the relevant options to renew.

<sup>2</sup> The occupancy rates shown are on committed basis.

<sup>3</sup> On 11 May 2012, the Trust completed the sale of the property.

The accompanying notes form an integral part of these financial statements.

Occupancy rate <sup>2</sup>		At valuation		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
2013	2012	2013	2012	2013	2012	2013	2012
%	%	\$'000	\$'000	%	%	%	%
100	100	180,050	175,000	27.1	27.9	27.1	27.9
100	100	136,700	127,000	20.5	20.3	20.5	20.3
100	N.A.	125,620	–	18.9	–	18.9	–
100	100	83,000	85,300	12.5	13.6	12.5	13.6
100	98	82,400	75,500	12.4	12.1	12.4	12.1
100	100	30,000	29,800	4.5	4.8	4.5	4.8
100	100	28,600	28,600	4.3	4.6	4.3	4.6
88	100	25,500	23,800	3.8	3.8	3.8	3.8
100	100	24,700	24,300	3.7	3.9	3.7	3.9
95	95	24,500	25,700	3.7	4.1	3.7	4.1
45	100	24,500	24,200	3.7	3.9	3.7	3.9
100	100	24,000	23,700	3.6	3.8	3.6	3.8
100	100	22,050	20,300	3.3	3.2	3.3	3.2
95	100	19,230	18,800	2.9	3.0	2.9	3.0
100	100	17,400	18,000	2.6	2.9	2.6	2.9
14	100	17,200	17,000	2.6	2.7	2.6	2.7
100	100	16,100	12,800	2.4	2.0	2.4	2.0
100	100	15,250	15,000	2.3	2.4	2.3	2.4
100	100	14,400	14,000	2.2	2.2	2.2	2.2
100	100	13,600	13,800	2.0	2.2	2.0	2.2
81	64	13,040	12,600	2.0	2.0	2.0	2.0
100	100	12,800	12,400	1.9	2.0	1.9	2.0
100	100	10,300	9,700	1.5	1.5	1.5	1.5
100	100	10,100	9,900	1.5	1.6	1.5	1.6
N.A.	100	–	12,800	–	2.0	–	2.0
		971,040	830,000	145.9	132.5	145.9	132.5
N.A.	100	–	16,438	–	2.6	–	2.6
N.A.	N.A.	–	84,500	–	13.5	–	13.5
N.A.	N.A.	61,050	–	9.2	–	9.2	–
N.A.	N.A.	12,895	–	2.0	–	2.0	–
		73,945	84,500	11.2	13.5	11.2	13.5
		1,044,985	930,938			157.1	148.6
		(379,650)	(304,701)			(57.1)	(48.6)
		665,335	626,237			100.0	100.0

<sup>4</sup> On 22 August 2011, the Trust started the redevelopment of 20 Gul Way and transferred it to "Investment properties under development". Phase One of 20 Gul Way achieved Temporary Occupation Permit ("TOP") on 29 October 2012 and was transferred back to "Investment properties". Phase Two of 20 Gul Way was classified as "Investment properties under development" as at 31 March 2013 and achieved its TOP on 7 May 2013.

<sup>5</sup> On 21 January 2013, the Trust started the redevelopment of 103 Defu Lane 10 and transferred it to "Investment properties under development".

The accompanying notes form an integral part of these financial statements.

# Portfolio Statements

As at 31 March 2013

	<b>Description of property</b>	<b>Location</b>	<b>Term of land lease</b>	<b>Remaining term of land lease (years)</b>
<b>Group</b>				
1-25	<b>Investment properties, at valuation – Leasehold (86 – 87)</b>			
<b>Asset held for sale</b>				
26	Fook Tong Nam Building	31 Admiralty Road	60 years	24.1
<b>Investment properties under development, at valuation</b>				
3	20 Gul Way	20 Gul Way	35 years	27.8
3B	20 Gul Way- Phase Two	20 Gul Way	35 years	27.8
25	103 Defu Lane 10	103 Defu Lane 10	60 years	30.2
Other assets and liabilities (net)				
Total Unitholders' funds				

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the years ended 31 March 2013 and 31 March 2012 related wholly to investing in real estate in the industrial sector in Singapore.

## Year ended 31 March 2013

As at 31 March 2013, all the investment properties and investment properties under development were valued by CBRE Pte. Ltd., except for 103 Defu Lane 10 which was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. The Manager believes that the independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations of the investment properties were based on capitalisation approach, discounted cash flow analysis and direct comparison methods. The investment properties under development were valued on an as-it-is basis using the same methods.

The accompanying notes form an integral part of these financial statements.

Existing use	Occupancy rate		At valuation		Group percentage of total Unitholders' funds	
	2013	2012	2013	2012	2013	2012
	%	%	\$'000	\$'000	%	%
			971,040	830,000	145.9	132.5
Warehouse and Logistics	N.A.	100	–	16,438	–	2.6
–	N.A.	N.A.	–	84,500	–	13.5
–	N.A.	N.A.	61,050	–	9.2	–
–	N.A.	N.A.	12,895	–	2.0	–
			1,044,985	930,938	157.1	148.6
			(379,649)	(304,701)	(57.1)	(48.6)
			665,336	626,237	100.0	100.0

### Year ended 31 March 2012

As at 31 March 2012, all the investment properties and investment property under development were valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. The Manager believes that the independent valuer has appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations of the investment properties were based on capitalisation approach, discounted cash flow analysis and direct comparison methods. The investment property under development was valued using the same methods as well as the residual value method. The fair value of the asset held for sale at 31 Admiralty Road was based on the contractual sale price.

The accompanying notes form an integral part of these financial statements.

# Consolidated Cash Flow Statement

Year ended 31 March 2013

	Note	Group 2013 \$'000	Group 2012 \$'000
<b>Cash flow from operating activities</b>			
Total return before income tax		79,149	75,478
<b>Adjustments for:</b>			
Borrowing costs		14,137	11,026
Manager's base fees in Units		2,569	–
Manager's performance fees in Units		1,056	1,878
(Gain)/loss on liquidation of a subsidiary		(1,411)	172
Net change in fair value of financial derivatives		1,571	429
Net change in fair value of investment properties and investment properties under development		(40,794)	(35,827)
Straight-lining of rental income		–	1,229
Depreciation		55	31
<b>Operating income before working capital changes</b>		<b>56,332</b>	<b>54,416</b>
<b>Changes in working capital</b>			
Rental deposits		2,647	5
Trade and other receivables		(2,442)	(855)
Trade and other payables		3,877	1,154
<b>Net cash from operating activities</b>		<b>60,414</b>	<b>54,720</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties and investment properties under development		(99,094)	(25,595)
Proceeds from divestment of investment properties	A	15,938	–
Purchase of plant and equipment		(76)	–
<b>Net cash used in investing activities</b>		<b>(83,232)</b>	<b>(25,595)</b>
<b>Cash flows from financing activities</b>			
Borrowing costs paid		(12,963)	(9,185)
Distributions to Unitholders		(42,222)	(39,188)
Proceeds from interest-bearing borrowings		251,013	40,044
Repayment of interest-bearing borrowings		(173,600)	(37,500)
Proceeds from placements		–	2,500
Issue expenses paid		(15)	(47)
Distribution to non-controlling interests		–	(15)
<b>Net cash from/(used in) financing activities</b>		<b>22,213</b>	<b>(43,391)</b>
<b>Net decrease in cash at banks and in hand</b>		<b>(605)</b>	<b>(14,266)</b>
<b>Cash at banks and in hand at beginning of the year</b>		<b>3,580</b>	<b>17,851</b>
Effect of exchange rate fluctuations on cash held		–	(5)
<b>Cash at banks and in hand at end of the year</b>		<b>2,975</b>	<b>3,580</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Cash Flow Statement

Year ended 31 March 2013

## Note:

### A Cash inflow from divestment of investment properties

	Group 2013 \$'000	Group 2012 \$'000
Investment properties	16,438	–
Disposal related costs	(500)	–
Cash received	15,938	–

### B Significant non-cash transactions

There were the following significant non-cash transactions:

- (i) During the financial year ended 31 March 2013, the Group issued an aggregate of 2,963,238 new Units amounting to \$3.7 million as part payment of the distributions for 4Q FY2012, 1Q FY2013 and 2Q FY2013, pursuant to the Distribution Reinvestment Plan.
- (ii) On 31 January 2013, the Group issued an aggregate of 898,298 new Units amounting to \$1.3 million as partial satisfaction of the base fee element of the Manager's management fee incurred for the period from 1 July 2012 to 31 December 2012.
- (iii) On 25 May 2012, the Group issued an aggregate of 1,685,917 new Units amounting to \$1.9 million as payment for the performance component of the Manager's management fee for the year ended 31 March 2012.

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 8 May 2013.

## 1 GENERAL

AIMS AMP Capital Industrial REIT (the "Trust") is a Singapore-domiciled real estate unit trust constituted pursuant to the trust deed dated 5 December 2006, subsequently amended by the amending and restating deed dated 8 March 2007 ("Trust Deed"), entered into between AIMS AMP Capital Industrial REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2007 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 21 February 2007. On 21 March 2007, the Trust was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337.

The principal activity of the Trust is to own and invest in a diversified portfolio of income-producing properties throughout Asia that are primarily used for industrial purposes, including, but not limited to, warehousing, manufacturing and distribution activities. The principal activities of the subsidiaries are set out on Note 6.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group").

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are summarised below.

### 1.1 Trustee's fees

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the Deposited Property (as defined in the Trust Deed) or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The Trustee's fee is accrued daily and is payable out of the value of the Deposited Property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

### 1.2 Manager's fees

Under the Trust Deed, the Manager is entitled to receive the base fee and performance fee as follows:

#### **Base fee**

The Manager is entitled to a base fee of 0.5% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an extraordinary resolution of a meeting of Unitholders.

The base fees are payable in the form of cash and/or Units as the Manager may elect. Where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 30 days of the last day of each calendar month in arrears. Where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 30 days of the last day of each calendar half-year in arrears.

# Notes to the Financial Statements

## 1 GENERAL (continued)

### 1.2 Manager's fees (continued)

#### *Performance fee*

The Manager is also entitled to a performance fee of 0.1% per annum of the value of the Deposited Property, provided that growth in distribution per Unit ("DPU") in a given financial year (calculated before accounting for the performance fee in that financial year) relative to the DPU in the previous financial year exceeds 2.5%. The performance fee is 0.2% per annum if the growth in DPU in a given financial year relative to the DPU in the previous financial year exceeds 5.0%.

For a period of 60 months from the Listing Date (save for the period from Listing Date to 31 March 2008 whereby no performance fee is payable), 100% of the performance fee shall be paid to the Manager in Units and thereafter, at the Manager's discretion.

#### *Acquisition and divestment fee*

The Manager is entitled to receive the following fees:

- (a) An acquisition fee of 1.0% of the acquisition price of any Authorised Investment (as defined in the Trust Deed), acquired directly or indirectly by the Trust or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.
- (b) A divestment fee of 0.5% of the sale price of any Authorised Investment sold or divested by the Trustee or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The acquisition and divestment fee will be paid in the form of cash or/and Units and is payable as soon as practicable after completion of the acquisition or disposal.

### 1.3 Property Manager's fees

The Manager and the Trustee have appointed AIMS AMP Capital Property Management Pte Ltd, a company related to the Manager, as the property manager (the "Property Manager") to operate, maintain and market all of the properties of the Group. The following fees are payable to the Property Manager in respect of all of the investment properties in Singapore:

- (i) A property management fee of 2.0% per annum of the rental income of each of the relevant properties.
- (ii) A lease management fee of 1.0% per annum of the rental income of each of the relevant properties.
- (iii) A marketing services commission equivalent to:
  - (a) one month's gross rent for securing a tenancy of three years or less;
  - (b) two months' gross rent for securing a tenancy of more than three years;
  - (c) half of one month's gross rent for securing a renewal of tenancy of three years or less;
  - (d) one month's gross rent for securing a renewal of tenancy of more than three years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commissions payable to such third party agent, and the Property Manager shall be entitled to a marketing services commission equivalent to:

- (a) 1.2 months' gross rent for securing a tenancy of three years or less; or
- (b) 2.4 months' gross rent for securing a tenancy of more than three years.

The gross rental, where applicable includes service charge, reimbursements, which are the contributions paid by tenants towards covering the operating maintenance expenses of the property, and licence fees.

# Notes to the Financial Statements

## 1 GENERAL (continued)

### 1.3 Property Manager's fees (continued)

- (iv) A project management fee in relation to development or redevelopment, the refurbishment, retrofitting and renovation works on a property.
- (v) A property tax services fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property.

The Property Manager's fees are payable monthly, in arrears.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore ("ICPAS"), and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties, investment properties under development, derivative financial instruments and certain financial assets and liabilities, which are stated at fair value.

### 2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 - Valuation of investment properties
- Note 5 - Valuation of investment properties under development
- Note 8 - Valuation of trade and other receivables
- Note 22 - Valuation of derivative financial instruments

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

### 3.1 Basis of consolidation

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

#### *Accounting for subsidiaries by the Trust*

Investments in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

### 3.2 Foreign currencies

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the entities in the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below).

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.2 Foreign currencies (continued)

#### *Foreign operations* (continued)

Foreign currency differences are recognised in Unitholders' funds. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

#### *Net investment in a foreign operation*

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to Unitholders' funds in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in Unitholders' funds is transferred to the statement of total return as an adjustment to total return arising on disposal.

### 3.3 Investment properties

#### *Investment properties and investment properties under development*

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Investment properties and investment properties under development are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter.

Cost includes expenditure that is directly attributable to the investment property or investment property under development. Transaction costs shall be included in the initial measurement. The cost of self-constructed investment property includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- (i) in such manner and frequency as required under the CIS code issued by MAS; and
- (ii) at least once in each period of 12 months following the acquisition of each investment property.

Any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties and investment properties under development.

Subsequent expenditure relating to investment properties or that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

#### *Asset held for sale*

Non-current asset that is expected to be recovered primarily through sale rather than through continuing use is classified as asset held for sale. The asset held for sale is stated at fair value.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.4 Plant and equipment

#### *Recognition and measurement*

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised in the statement of total return.

#### *Subsequent costs*

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

#### *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current period are as follows:

Plant and machinery - 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.5 Financial instruments

#### *Non-derivative financial assets*

The Group recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.5 Financial instruments (continued)

#### *Non-derivative financial assets* (continued)

The Group has the following non-derivative financial assets: loans and receivables.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash at banks and in hand, and trade and other receivables.

#### *Non-derivative financial liabilities*

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest-bearing borrowings, rental deposits and trade and other payables.

#### *Derivative financial instruments*

The Group holds derivative financial instruments to manage its interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the statement of total return.

### 3.6 Impairment

#### *Non-derivative financial assets*

A financial asset not carried at fair value through the statement of total return is assessed at the end of each reporting year to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.6 Impairment (continued)

#### *Non-derivative financial assets* (continued)

##### *Loans and receivables*

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

#### *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties and investment properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.7 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and are classified as equity. Incremental cost, directly attributable to the issuance, offering and placement of Units in the Trust are deducted directly against Unitholders' funds.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.8 Revenue recognition

(i) *Rental income and service charge from operating leases*

Rental income and service charge receivable under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Contingent rentals are recognised as an income in the accounting period in which they are earned.

(ii) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

### 3.9 Expenses

(i) *Manager's fees*

Manager's fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.2.

(ii) *Property expenses*

Property expenses are recognised on an accrual basis. Included in property expenses is the Property Manager's fee which is based on the applicable formula stipulated in Note 1.3.

(iii) *Other trust expenses*

Other trust expenses are recognised on an accrual basis.

(iv) *Borrowing costs*

Borrowing costs comprise interest expenses on borrowings and amortisation of borrowing related transaction costs which are recognised in the statement of total return using the effective interest rate method over the period for which the borrowings are granted.

### 3.10 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statements of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.10 Income tax expense (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore (“IRAS”) has issued a tax ruling on the taxation of the Trust and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be assessed to tax on the taxable income of the Trust that is distributed to the Unitholders. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Distributions made by the Trust out of such taxable income to Individuals and Qualifying Unitholders (as defined below) are distributed without deducting any income tax. This treatment is known as the “tax transparency” treatment.

The Trustee will deduct tax at the reduced rate of 10.0% from distributions made out of the Trust’s taxable income (that is not taxed at the Trust level) during the period from the date of constitution to 17 February 2010, to beneficial Unitholders who are foreign non-individual Unitholders (as defined below). It was announced in the Singapore Budget 2010 that the existing income tax concession for listed Real Estate Investment Trusts on distributions made to foreign non-individual Unitholders will be renewed for the period from 18 February 2010 to 31 March 2015. Based on this, the reduced rate of 10.0% in respect of distributions made to foreign non-individual Unitholders during the period from 18 February 2010 to 31 March 2015 will continue to apply.

For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such Unitholders are subject to tax on the regressed amounts of the distributions received but may claim a credit for the tax deducted at source by the Trustee.

Any portion of the taxable income that is not distributed, known as retained taxable income, tax will be assessed on the Trustee in accordance with section 10(1)(a) of the Income Tax Act, Chapter 134. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

A “Qualifying Unitholder” is a Unitholder who is:

- A Singapore-incorporated company which is a tax resident in Singapore;
- A body of persons other than a company or a partnership, registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and a trade industry association); or
- A Singapore branch of a foreign company which has been presented a letter of approval from IRAS granting waiver from tax deducted at source in respect of distributions from the Trust.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.10 Income tax expense (continued)

A “foreign non-individual Unitholder” is one which is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

### 3.11 Distribution policy

The Manager’s distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager’s discretion.

The Trust makes distributions to Unitholders on a quarterly basis, with the amount calculated as at 30 June, 30 September, 31 December and 31 March in each distribution year for the three-month period ending on each of those dates. Under the Trust Deed, the Manager shall pay distributions within 90 days after the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

In the event that there are gains arising from sale of real estate properties, and only if such gains are surplus to the business requirements and needs of the Group, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. The Trustee shall not distribute any gain arising from the sale of real estate properties until IRAS agrees on the nature of the gain and its taxability.

On 20 April 2012, the Manager announced the implementation of the Distribution Reinvestment Plan (“DRP”), which provides eligible Unitholders with the option to elect to receive Units in lieu of the cash amount of any distribution (including any interim, final, special or other distribution declared on their holding of Units (after the deduction of applicable income tax, if any)). The Manager may, in its absolute discretion, determine that the DRP will apply to any particular distribution.

### 3.12 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Chief Operating Decision Makers (“CODMs”) which comprise mainly the Board of Directors and CEO of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 3.13 New standards, interpretations not yet adopted and revised recommended accounting practice

On 29 June 2012, ICPAS issued a revised version of RAP 7. RAP 7 (2012) will become effective for the financial statements of the Group for the year ending 31 March 2014, and has not been applied in preparing these financial statements. The Manager does not expect the application of RAP 7 (2012) to have significant impact on the financial statements of the Group.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.13 New standards, interpretations not yet adopted and revised recommended accounting practice (continued)

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group, except for FRS 113 *Fair Value Measurement*, which replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosure purposes and would result in more extensive disclosure purposes on fair value measurements. On the initial application of the standard, the Group does not expect substantial changes to the bases used for determining fair values.

In accordance with the transitional provisions, the Group will apply FRS 113 prospectively as of 1 April 2013. As a result, prior periods in the 2014 financial statements of the Group will not be restated for any adjustments arising from the changes in valuation bases as set out above; any such adjustments will be recorded in the income statement in 2014. The Group does not plan to adopt these amendments early.

## 4 INVESTMENT PROPERTIES

	Note	Group and Trust	
		2013 \$'000	2012 \$'000
At 1 April		846,438	853,200
Capital expenditure capitalised		765	503
Disposal of investment properties		(16,438)	–
Straight-lining of rental income		–	(1,229)
Net change in fair value of investment properties		26,655	35,764
Transfer from investment properties under development	5	125,620	–
Transfer to investment properties under development	5	(12,000)	(41,800)
At 31 March		<u>971,040</u>	<u>846,438</u>
Classified as:			
Investment properties (non-current)		971,040	830,000
Asset held for sale (current)		–	16,438
		<u>971,040</u>	<u>846,438</u>

As at the balance sheet date, 17 investment properties (2012: 25 investment properties) of the Group and the Trust had been pledged as security for the interest-bearing borrowings (Note 11).

Investment properties (non-current) were stated at fair values based on valuations performed by independent professional valuers as at 31 March 2013. Asset held for sale was stated at fair value based on the contractual sale price.

The fair values are based on current open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

# Notes to the Financial Statements

## 4 INVESTMENT PROPERTIES (continued)

The key assumptions used to determine the fair value of investment properties include market corroborated capitalisation rates, discount rates and terminal yields. The Manager is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

## 5 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Note	Group and Trust	
		2013 \$'000	2012 \$'000
At 1 April		84,500	–
Transfer from investment properties	4	12,000	41,800
Net change in fair value of investment properties under development		14,139	63
Development expenditure capitalised		88,926	42,637
Transfer to investment properties	4	(125,620)	–
At 31 March		<u>73,945</u>	<u>84,500</u>

Included in the development expenditure capitalised is \$1,719,737 (2012: \$2,701,507) of borrowing costs capitalised during the year.

The investment properties under development were stated at fair value based on valuation performed by independent professional valuers as at 31 March 2013.

The fair value is based on market value, being the estimated amount for which a property could be exchanged on the reporting date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The key assumptions used to determine the fair value of the investment properties under development include estimated costs of development and discount rate. The Manager is satisfied that the valuation method and estimates used are reflective of the current market conditions.

## 6 SUBSIDIARIES

	Trust 2013 \$'000	Trust 2012 \$'000
<u>Non-current</u>		
Unquoted equity, at cost	–*	–*
* less than \$1,000		
<u>Current</u>		
Loan to a subsidiary	–	–

# Notes to the Financial Statements

## 6 SUBSIDIARIES (continued)

The movement in impairment losses in respect of loan to a subsidiary is as follows:

	Trust 2013 \$'000	Trust 2012 \$'000
At 1 April	–	10,416
Reversal of impairment losses	–	(22)
Amount utilised	–	(10,433)
Effect of movements in exchange rates	–	39
At 31 March	–	–

Details of the subsidiaries are as follows:

	Country of incorporation	Effective equity interest held by the Group	
		2013 %	2012 %
<u>Subsidiaries of the Trust</u>			
Japan Industrial Property Pte. Ltd. <sup>1</sup>	Singapore	–	100.0
AACI REIT MTN Pte. Ltd. <sup>1</sup>	Singapore	100.0	–

<sup>1</sup> Audited by KPMG LLP

### ***Japan Industrial Property Pte. Ltd.***

The liquidation of Japan Industrial Property Pte. Ltd. (“JIP”) was completed on 8 August 2012. JIP was dormant following the liquidation of its Japanese subsidiary, Guodou Kaisha Bayside, in November 2011.

### ***AACI REIT MTN Pte. Ltd.***

AACI REIT MTN Pte. Ltd. (“AACI MTN”), a wholly-owned subsidiary, was incorporated on 28 May 2012. The principal activity of AACI MTN is to issue notes under an unsecured Multi-currency Medium Term Note Programme for and on behalf of the Trust, provide financial and treasury services in connection with such issuance and lend the proceeds from the issuance of such notes to the Trust.

# Notes to the Financial Statements

## 7 PLANT AND EQUIPMENT

	<b>Group and Trust Plant and machinery \$'000</b>
<b>Cost</b>	
At 1 April 2011/At 31 March 2012	91
At 1 April 2012	91
Additions	76
At 31 March 2013	167
<b>Accumulated depreciation</b>	
At 1 April 2011	10
Depreciation for the year	31
At 31 March 2012	41
At 1 April 2012	41
Depreciation for the year	55
At 31 March 2013	96
<b>Carrying amounts</b>	
At 1 April 2011	81
At 31 March 2012	50
At 31 March 2013	71

## 8 TRADE AND OTHER RECEIVABLES

	<b>Group 2013 \$'000</b>	<b>Group 2012 \$'000</b>	<b>Trust 2013 \$'000</b>	<b>Trust 2012 \$'000</b>
Trade receivables	4,802	1,694	4,802	1,694
Impairment losses	(1,099)	(380)	(1,099)	(380)
Net trade receivables	3,703	1,314	3,703	1,314
Deposits	1	480	1	480
Other receivables	86	1,678	86	1,678
Loans and receivables	3,790	3,472	3,790	3,472
Prepayments	4,427	932	4,420	932
	8,217	4,404	8,210	4,404

# Notes to the Financial Statements

## 8 TRADE AND OTHER RECEIVABLES (continued)

The ageing of the loans and receivables at the reporting date was:

	Gross Group and Trust		Impairment loss Group and Trust	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Not past due	565	2,764	–	–
Past due 1 – 30 days	1,115	355	13	81
Past due 31 – 90 days	550	397	39	162
Past due more than 90 days	2,659	336	1,047	137
	4,889	3,852	1,099	380

The movement in impairment losses in respect of trade receivables during the year was as follows:

	Group and Trust	
	2013 \$'000	2012 \$'000
At 1 April	380	–
Impairment loss recognised	719	380
At 31 March	1,099	380

The Manager believes that no additional impairment allowance is necessary in respect of the remaining trade receivables as these receivables relate to tenants that have provided sufficient security deposits, bankers' guarantees or other form of collateral.

## 9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust	
	2013 \$'000	2012 \$'000
<b>Current liabilities</b>		
Interest rate swaps	534	292
<b>Non-current liabilities</b>		
Interest rate swaps	3,102	1,965

The Group and Trust use interest rate swaps to manage their exposures to interest rate movements on the floating rate interest-bearing term loan by swapping the interest expense on a portion of interest-bearing borrowings from floating rates to fixed rates.

As at 31 March 2013, the Group and Trust had interest rate swap contracts with tenors between three and seven years with total notional amounts of \$201.8 million (2012: \$228.8 million). Under the contracts, the Group and Trust pay fixed interest rates of 0.75% to 1.86% (2012: 0.95% to 1.86%) and receives interest at the three-month Singapore Dollar swap offer rate ("SOR").

# Notes to the Financial Statements

## 9 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The following are the expected contractual undiscounted cash inflows/(outflows) of derivative financial instruments:

Group and Trust	Carrying amount \$'000	Total \$'000	Contractual cash flows		
			Less than 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
<b>2013</b>					
<b>Current liabilities</b>					
Interest rate swaps	534	(480)	(480)	–	–
<b>Non-current liabilities</b>					
Interest rate swaps	3,102	(2,994)	(1,156)	(2,113)	275
	<u>3,636</u>	<u>(3,474)</u>	<u>(1,636)</u>	<u>(2,113)</u>	<u>275</u>
<b>2012</b>					
<b>Current liabilities</b>					
Interest rate swaps	292	(301)	(301)	–	–
<b>Non-current liabilities</b>					
Interest rate swaps	1,965	(1,911)	(1,564)	(1,296)	949
	<u>2,257</u>	<u>(2,212)</u>	<u>(1,865)</u>	<u>(1,296)</u>	<u>949</u>

## 10 TRADE AND OTHER PAYABLES

	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
Trade payables and accrued expenses	16,241	23,699	16,229	23,699
Amounts due to related parties (trade)				
- the Manager	59	399	59	399
- the Property Manager	3,730	174	3,730	174
- the Trustee	34	31	34	31
- subsidiary	–	–	6	–
Goods and services tax payable	155	109	154	109
Rental received in advance	44	515	44	515
Rental deposits	1,195	879	1,195	879
Deposit received on asset held for sale	–	1,644	–	1,644
Interest payable	1,682	786	1,682	786
	<u>23,140</u>	<u>28,236</u>	<u>23,133</u>	<u>28,236</u>
Current	19,659	28,236	19,652	28,236
Non-current	3,481	–	3,481	–
	<u>23,140</u>	<u>28,236</u>	<u>23,133</u>	<u>28,236</u>

# Notes to the Financial Statements

## 11 INTEREST-BEARING BORROWINGS

	Group and Trust	
	2013 \$'000	2012 \$'000
<b>Non-current</b>		
Term loans	229,257	251,844
Revolving credit facilities	–	30,000
Medium term notes	130,000	–
	359,257	281,844
Less: Unamortised borrowing transaction costs	(2,397)	(4,547)
	356,860	277,297

As at 31 March 2013, the Group had the following borrowings:

(a) Secured debt facility

A \$330 million (2012: \$430 million) facility granted to the Trust by financial institutions and secured on the following:

- (i) Mortgage over 17 (2012: 25) investment properties of the Trust in Singapore;
- (ii) Assignment of rights, title and interest in leases, insurances and rental deposits of the related mortgage properties; and
- (iii) A fixed and floating charge over certain assets arising out of or in connection with the mortgaged properties.

(b) Unsecured medium term notes

On 25 July 2012, the Trust, through AACI MTN (the "Issuer"), established a \$500 million Multi-currency Medium Term Note Programme (the "MTN Programme"). Under the MTN Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the notes will be unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of the Trust.

At the reporting date, \$130 million medium term notes (the "Notes") have been issued. These comprise of:

- (i) \$100 million four year Notes with a fixed rate of 4.90% per annum, payable semi-annually in arrears, fully repayable on 8 August 2016; and
- (ii) \$30 million seven year Notes with a fixed rate of 4.35% per annum, payable semi-annually in arrears, fully repayable on 5 December 2019.

The Notes shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

# Notes to the Financial Statements

## 11 INTEREST-BEARING BORROWINGS (continued)

As at 31 March 2013, the Trust had undrawn revolving credit facility of \$80.0 million (31 March 2012: \$50.0 million). The Trust's revolving credit facility is due to mature in October 2013. The Trust had received commitment from a syndicate of five financial institutions to extend the revolving credit facility to October 2016 and to increase the facility limit from \$80.0 million to \$120.0 million.

### Terms and debt repayment schedule

Terms and conditions of the interest-bearing borrowings are as follows:

	Nominal interest rate %	Date of maturity	Group and Trust	
			Face value \$'000	Carrying amount \$'000
<b>2013</b>				
SGD fixed rate medium term notes	4.90	August 2016	100,000	99,097
SGD fixed rate medium term notes	4.35	December 2019	30,000	29,758
SGD floating rate term loan	SOR <sup>1</sup> + margin	October 2015	100,000	98,748
SGD floating rate term loan	SOR <sup>1</sup> + margin	October 2015	129,257	129,257
			359,257	356,860
<b>2012</b>				
SGD floating rate term loan	SOR <sup>1</sup> + margin	October 2013	100,000	98,760
SGD floating rate term loan	SOR <sup>1</sup> + margin	February 2014	28,800	28,192
SGD floating rate term loan	SOR <sup>1</sup> + margin	October 2015	100,000	98,293
SGD floating rate term loan	SOR <sup>1</sup> + margin	October 2015	23,044	23,044
SGD floating rate revolving credit facility	SOR <sup>1</sup> + margin	October 2013	30,000	29,008
			281,844	277,297

<sup>1</sup> Swap offer rate

# Notes to the Financial Statements

## 11 INTEREST-BEARING BORROWINGS (continued)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including interest payments:

	Carrying Amount \$'000	Total \$'000	Contractual Cash flows		
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2013</b>					
<b>Group</b>					
Medium term notes	128,855	(156,936)	(6,205)	(117,467)	(33,264)
Term loans	228,005	(244,521)	(5,652)	(238,869)	–
Trade and other payables	23,140	(23,140)	(19,659)	(3,481)	–
Rental deposits (non-current)	7,276	(7,276)	–	(6,895)	(381)
	<u>387,276</u>	<u>(431,873)</u>	<u>(31,516)</u>	<u>(366,712)</u>	<u>(33,645)</u>
<b>Trust</b>					
Medium term notes	128,855	(156,936)	(6,205)	(117,467)	(33,264)
Term loans	228,005	(244,521)	(5,652)	(238,869)	–
Trade and other payables	23,133	(23,133)	(19,652)	(3,481)	–
Rental deposits (non-current)	7,276	(7,276)	–	(6,895)	(381)
	<u>387,269</u>	<u>(431,866)</u>	<u>(31,509)</u>	<u>(366,712)</u>	<u>(33,645)</u>
<b>2012</b>					
<b>Group and Trust</b>					
Term loans	277,297	(301,615)	(6,432)	(295,183)	–
Trade and other payables	28,236	(28,236)	(28,236)	–	–
Rental deposits (non-current)	4,945	(4,945)	–	(4,634)	(311)
	<u>310,478</u>	<u>(334,796)</u>	<u>(34,668)</u>	<u>(299,817)</u>	<u>(311)</u>

## 12 ISSUE EXPENSES

Issue expenses comprised professional, underwriting and selling commission and other costs in relation to issuance of Units in the Trust. These expenses are deducted directly against Unitholders' funds.

# Notes to the Financial Statements

## 13 UNITS IN ISSUE AND TO BE ISSUED

	Note	Group and Trust	
		2013 '000	2012 '000
Units in issue at beginning of the year		443,852	2,207,064
<u>Issue of new Units:</u>			
Units issued pursuant to placements	(a)	–	12,195
Units issued pursuant to Distribution Reinvestment Plan	(c)	2,963	–
Units issued as payment of Manager's base fees	(d)	898	–
Units issued as payment of Manager's performance fees	(e)	1,686	–
Adjustment arising from Unit consolidation	(b)	–	(1,775,407)
<b>Units in issue at end of the year</b>		<b>449,399</b>	<b>443,852</b>
<u>Units to be issued:</u>			
Manager's base fees		820	–
Manager's performance fees		671	1,686
<b>Units in issue and to be issued at end of the year</b>		<b>450,890</b>	<b>445,538</b>

- (a) On 5 September 2011, the Trust issued 12,195,122 Units at an issue price of \$0.205 per Unit by way of private placement (the placement took place prior to the Unit consolidation (please refer to note 13(b) below)). The gross proceeds of \$2.5 million were included for working capital and general corporate purposes of the REIT.
- (b) On 3 October 2011, the Trust completed the consolidation of every five existing Units held as at 3 October 2011 into one consolidated Unit.
- (c) During the financial year ended 31 March 2013, there were the following issuances pursuant to the Trust's DRP:
- 420,591 Units on 19 June 2012 at an issue price of \$1.1622 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the Trust's DRP in respect of the 4Q FY2012 distribution;
  - 2,348,604 Units on 18 September 2012 at an issue price of \$1.2421 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the Trust's DRP in respect of the 1Q FY2013 distribution; and
  - 194,043 Units on 20 December 2012 at an issue price of \$1.4378 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the Trust's DRP in respect of the 2Q FY2013 distribution.
- (d) On 31 January 2013, the Trust issued 898,298 Units at an average issue price of \$1.4191 per Unit as partial satisfaction of the base fee element of the management fee incurred for the period from 1 July 2012 to 31 December 2012.
- (e) On 25 May 2012, the Trust issued 1,685,917 Units at an issue price of \$1.1139 per Unit as payment of the performance component of the Manager's management fee for the year ended 31 March 2012.

The issue price for management fees and performance fees payable in Units were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the fees accrue.

# Notes to the Financial Statements

## 13 UNITS IN ISSUE AND TO BE ISSUED (continued)

Each Unit in the Trust represents an undivided interest in the Trust and carries the same voting rights. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him;
- Attend all Unitholder meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders representing not less than one-tenth of the issued Units of the Trust) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per Unit at meetings of the Trust.

The restrictions on a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request redemption of his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

## 14 GROSS REVENUE

	<b>Group and Trust</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Property rental income	66,921	63,881
Property expenses recoverable from tenants	25,161	20,102
	92,082	83,983

## 15 PROPERTY OPERATING EXPENSES

	<b>Group and Trust</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Land rent	6,383	6,305
Property and lease management fees	2,032	1,982
Property tax	10,212	6,590
Other operating expenses	13,698	10,179
	32,325	25,056

# Notes to the Financial Statements

## 16 MANAGER'S MANAGEMENT FEES

	Group and Trust	
	2013	2012
	\$'000	\$'000
Base fees		
- Paid/payable in cash	2,392	4,450
- Paid/payable in Units	2,569	–
	4,961	4,450
Performance fees paid/payable in Units	1,056	1,878

## 17 OTHER TRUST EXPENSES

	Group	Group	Trust	Trust
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-audit fees paid/payable to auditors of the Trust				
- current year	98	48	95	48
- prior year	25	–	25	–
Professional fees	(76)	247	(76)	260
Non-deal road show expenses	44	67	44	67
Other expenses	630	639	647	648
	721	1,001	735	1,023

## 18 INCOME TAX EXPENSE

Reconciliation of effective tax rate:

	Group	Group	Trust	Trust
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Total return before income tax	79,149	75,478	77,737	75,650
Tax calculated using Singapore tax rate of 17%	13,455	12,831	13,215	12,861
Non-tax chargeable items	(7,175)	(6,091)	(6,935)	(6,095)
Non-tax deductible items	1,642	1,136	1,642	1,107
Tax losses foregone	–	(3)	–	–
Utilisation of industrial building allowance	19	–	19	–
Tax transparency	(7,941)	(7,873)	(7,941)	(7,873)
	–	–	–	–

# Notes to the Financial Statements

## 19 EARNINGS PER UNIT

The earnings per Unit (“EPU”) is computed using total return after tax over the weighted average number of Units for the financial year, computed as follows:

	Group and Trust	
	2013 ‘000	2012 ‘000
Units in issue at beginning of the year	443,852	2,207,064
Effect of creation of new Units:		
- Distribution Reinvestment Plan	1,639	–
- placement	–	1,393
- issued and issuable as payment of Manager’s base fees	150	5
- issued and issuable as payment of Manager’s performance fees	1,438	–
Effect of Unit Consolidation	–	(1,765,652)
Weighted average number of Units at end of the year	447,079	442,810

The diluted EPU is the same as the basic EPU as there was no dilutive instruments in issue as at the balance sheet date.

## 20 COMMITMENTS

### (a) Lease commitments

The Group leased out its investment properties. The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

	Group and Trust	
	2013 \$’000	2012 \$’000
Within 1 year	78,747	46,666
After 1 year but within 5 years	169,184	77,102
After 5 years	27,612	21,986
	275,543	145,754

### (b) Operating lease commitments

The Group is required to pay Jurong Town Corporation (“JTC”), the Housing and Development Board (“HDB”) and Ascendas Land (Singapore) Pte Ltd (“Ascendas”) annual land rent (including payable for investment properties under development) in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreement limits any increase in the annual land rent from year to year to 5.5% and 7.6% for lease with JTC or HDB and Ascendas respectively, of the annual land rent for the immediate preceding year. The land rent paid to JTC, HDB and Ascendas amounted to \$5,782,000 (2012: \$5,462,000), \$1,119,000 (2012: \$1,061,000) and \$372,000 (2012: \$346,000) respectively, in relation to 23 (2012: 23) properties for the financial year ended 31 March 2013 (including amounts that have been directly recharged to tenants).

# Notes to the Financial Statements

## 20 COMMITMENTS (continued)

### (c) Capital commitments

	Group and Trust	
	2013 \$'000	2012 \$'000
Capital expenditure commitments contracted but not provided for	36,009	100,443

## 21 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, significant related party transactions carried out in the normal course of business on terms agreed between the parties are as follows:

	Group 2013 \$'000	Group 2012 \$'000	Trust 2013 \$'000	Trust 2012 \$'000
<b>The Manager</b>				
Manager's management fees				
Base fees	4,961	4,450	4,961	4,450
Performance fees	1,056	1,878	1,056	1,878
Divestment fee relating to the sale of an investment property	82	–	82	–
<b>Entities controlled by a corporate shareholder of the Manager</b>				
Debt advisory fees	200	300	200	300
<b>The Property Manager</b>				
Property management fees	1,338	1,302	1,338	1,302
Lease management fees	669	651	669	651
Marketing services commissions	4,508	386	4,508	386
Project management fees	1,405	1,378	1,405	1,378
<b>The Trustee</b>				
Trustee fees	200	183	200	183
<b>Subsidiary</b>				
Interest expense	–	–	3,587	–
Service fee expense	–	–	26	–

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT

### Capital management

The Board of the Manager reviews the Group's and the Trust's debt and capital management and financing policy regularly so as to optimise the Group's and the Trust's funding structure. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust and its subsidiaries are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS code. The CIS code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the fund's deposited property. The Aggregate Leverage of a property fund may exceed 35.0% of its deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of its deposited property. As at 31 March 2013, the Aggregate Leverage of the Group and the Trust were 34.0% (2012: 30.0%).

The Group's and Trust's corporate rating with Standard and Poor's as at the date of this report is investment grade BBB- and had complied with the Aggregate Leverage limit during the financial year.

There were no changes in the Group's approach to capital management during the financial year.

### Overview of risk management

Exposure to credit, interest rate, liquidity and foreign currency risks arises in the normal course of the Group's business. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### (a) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a lessee to settle its financial and contractual obligations to the Group, as and when they fall due.

Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. Rental deposits as a multiple of monthly rent, are received, either in cash or bank guarantees, to reduce credit risk. The Manager also monitors the amount owing by the lessees on an ongoing basis.

Cash is placed with financial institutions which are regulated by Monetary Authority of Singapore. Transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

At 31 March 2013, \$2,814,000 of trade receivables related to 3 tenants (2012: \$789,000 of trade receivables related to 2 tenants). Except for this, concentration of credit risk relating to trade receivables is limited due to the Group's many tenants and credit policy of obtaining security deposits from tenants for leasing the Group's investment properties.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT (continued)

### Overview of risk management (continued)

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Manager monitors and maintains a level of cash at banks and in hand deemed adequate by management to finance the Group's operations and to mitigate the effect of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The Group also monitors and observes the Property Funds Appendix issued by the MAS concerning limits on total borrowings.

#### (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with adverse movement in interest rates on the loan facilities while also seeking to ensure that the Group's cost of debt remains competitive. The policy aims to protect the Group's earnings from the volatility in interest rates, providing stability to Unitholders' returns.

As at 31 March 2013, the Group had interest rate swap contracts with total notional amount of \$201.8 million (2012: \$228.8 million) whereby the Group had agreed with counterparties to exchange at specified intervals, the difference between the floating rate pegged to the SOR and fixed rate interest amounts calculated by reference to the agreed notional amounts. The swaps are used to manage the exposure to fluctuation in the variable interest rates of its floating rate interest-bearing borrowings.

#### *Exposure to interest rate risk*

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Group and Trust	
	2013 \$'000	2012 \$'000
<b>Fixed rate instruments</b>		
Financial liabilities	130,000	–
<b>Variable rate instruments</b>		
Financial liabilities	229,257	281,844

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT (continued)

### Overview of risk management (continued)

#### (c) Market risk (continued)

##### (i) Interest rate risk (continued)

###### *Sensitivity analysis*

For the variable rate financial liabilities and the derivative financial instruments, a change of 100 basis points ("bps") in interest rate at the reporting date would increase/(decrease) the total return and Unitholders' funds of the Group and the Trust by the amounts shown below. This analysis assumes that all other variables remain constant.

	<b>Group and Trust</b>			
	<b>Total Return</b>		<b>Unitholders' Fund</b>	
	<b>100 bps increase</b>	<b>100 bps decrease</b>	<b>100 bps increase</b>	<b>100 bps decrease</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2013</b>				
Variable rate financial liabilities	(2,293)	2,293	–	–
Derivative financial instruments	2,018	(2,018)	–	–
Cash flow sensitivity (net)	(275)	275	–	–
<b>2012</b>				
Variable rate financial liabilities	(2,818)	2,818	–	–
Derivative financial instruments	2,288	(2,288)	–	–
Cash flow sensitivity (net)	(530)	530	–	–

##### (ii) Foreign currency risk

As the Group does not have transactions in foreign currencies, its monetary assets and monetary liabilities are substantially independent of changes in foreign exchange fluctuations.

#### (d) Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust:

##### (i) Financial derivatives

The fair values of derivative financial instruments are based on quotes by banks. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest and currency exchange rates for similar instruments at the reporting date.

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT (continued)

### Overview of risk management (continued)

#### (d) Estimation of fair values (continued)

##### (ii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash at banks and in hand, trade and other payables and borrowings) and borrowings which reprice within three months are assumed to approximate their fair values because of the short period to maturity or repricing. The fair values of the Notes are based on quotes by banks. All other financial assets and liabilities are discounted to determine their fair values.

*Discount rates used in determining fair value*

Discount rates used to estimate fair values, where applicable, are based on the following rates:

	<b>Group and Trust</b>	
	<b>2013</b>	<b>2012</b>
	<b>%</b>	<b>%</b>
SGD financial liabilities	2.75	2.38

### Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	<b>Note</b>	<b>Loans and receivables \$'000</b>	<b>Trading liabilities \$'000</b>	<b>Other financial liabilities \$'000</b>	<b>Total carrying amount \$'000</b>	<b>Fair value \$'000</b>
<b>Group</b>						
<b>2013</b>						
Loans and receivables	8	3,790	–	–	3,790	3,790
Cash at banks and in hand		2,975	–	–	2,975	2,975
		<u>6,765</u>	<u>–</u>	<u>–</u>	<u>6,765</u>	<u>6,765</u>
Financial derivatives	9	–	(3,636)	–	(3,636)	(3,636)
Trade and other payables	10	–	–	(23,140)	(23,140)	(23,024)
Rental deposits (non-current)		–	–	(7,276)	(7,276)	(6,803)
Interest-bearing borrowings	11	–	–	(356,860)	(356,860)	(362,174)
		<u>–</u>	<u>(3,636)</u>	<u>(387,276)</u>	<u>(390,912)</u>	<u>(395,637)</u>
<b>2012</b>						
Loans and receivables	8	3,472	–	–	3,472	3,472
Cash at banks and in hand		3,580	–	–	3,580	3,580
		<u>7,052</u>	<u>–</u>	<u>–</u>	<u>7,052</u>	<u>7,052</u>
Financial derivatives	9	–	(2,257)	–	(2,257)	(2,257)
Trade and other payables	10	–	–	(28,236)	(28,236)	(28,236)
Rental deposits (non-current)		–	–	(4,945)	(4,945)	(4,578)
Interest-bearing borrowings	11	–	–	(277,297)	(277,297)	(277,297)
		<u>–</u>	<u>(2,257)</u>	<u>(310,478)</u>	<u>(312,735)</u>	<u>(312,368)</u>

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT (continued)

### Overview of risk management (continued)

(d) Estimation of fair values (continued)

#### Classification and fair value of financial instruments (continued)

	Note	Loans and receivables \$'000	Trading liabilities \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Trust</b>						
<b>2013</b>						
Loans and receivables	8	3,790	–	–	3,790	3,790
Cash at banks and in hand		2,974	–	–	2,974	2,974
		<u>6,764</u>	<u>–</u>	<u>–</u>	<u>6,764</u>	<u>6,764</u>
Financial derivatives	9	–	(3,636)	–	(3,636)	(3,636)
Trade and other payables	10	–	–	(23,133)	(23,133)	(23,017)
Rental deposits (non-current)		–	–	(7,276)	(7,276)	(6,803)
Interest-bearing borrowings	11	–	–	(356,860)	(356,860)	(362,174)
		<u>–</u>	<u>(3,636)</u>	<u>(387,269)</u>	<u>(390,905)</u>	<u>(395,630)</u>
<b>2012</b>						
Loans and receivables	8	3,472	–	–	3,472	3,472
Cash at banks and in hand		3,580	–	–	3,580	3,580
		<u>7,052</u>	<u>–</u>	<u>–</u>	<u>7,052</u>	<u>7,052</u>
Financial derivatives	9	–	(2,257)	–	(2,257)	(2,257)
Trade and other payables	10	–	–	(28,236)	(28,236)	(28,236)
Rental deposits (non-current)		–	–	(4,945)	(4,945)	(4,578)
Interest-bearing borrowings	11	–	–	(277,297)	(277,297)	(277,297)
		<u>–</u>	<u>(2,257)</u>	<u>(310,478)</u>	<u>(312,735)</u>	<u>(312,368)</u>

# Notes to the Financial Statements

## 22 FINANCIAL RISK MANAGEMENT (continued)

### Overview of risk management (continued)

(d) Estimation of fair values (continued)

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group and Trust</b>				
<b>2013</b>				
Derivative financial instruments	–	3,636	–	3,636
<b>2012</b>				
Derivative financial instruments	–	2,257	–	2,257

There had been no transfers between the levels during the year.

## 23 SEGMENT REPORTING

Segment information is presented based on the information reviewed by the Group's CODMs for performance assessment and resource allocation. For the purpose of the assessment of segment performance, the Group's CODMs have focused on its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

As each investment property is mainly used for industrial (including warehousing and business park) purposes, these investment properties are similar in terms of economic characteristics and nature of services. The CODMs are of the view that the Group only has one reportable segment – leasing of investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Accordingly, no operating segment information has been prepared as the Group only has one reportable segment.

No geographical segment information has been prepared as all the investment properties of the Group are located in Singapore.

#### Major tenants

Rental income from one major tenant of the Group's reportable segment represents approximately \$8,633,000 (2012: \$21,127,000 rental income from two major tenants) of the Group's property rental income.

# Notes to the Financial Statements

## 24 FINANCIAL RATIOS

	<b>Group 2013 %</b>	<b>Group 2012 %</b>
Expenses to weighted average net assets <sup>1</sup>		
- Expense ratio excluding performance-related fee	0.93	0.96
- Expense ratio including performance-related fee	1.09	1.27
Portfolio turnover rate <sup>2</sup>	-	-

<sup>1</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs, changes in fair value of financial derivatives and investment properties and foreign exchange gain/(losses).

<sup>2</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

## 25 SUBSEQUENT EVENTS

On 16 April 2013, the Manager announced a distribution of 3.14 cents per Unit, amounting to \$14,111,000, in respect of the period from 1 January 2013 to 31 March 2013.

On 17 April 2013, the Manager announced a private placement of new Units in the Trust to institutional and other investors.

On 17 April 2013, the Manager also announced an advanced distribution of approximately 0.85 cents per Unit, amounting to approximately \$3,820,000, in respect of the period from 1 April 2013 to 1 May 2013.

On 2 May 2013, in connection with the private placement, the Trust issued 68,750,000 new Units at an issue price of \$1.60 per Unit, raising gross proceeds of approximately \$110.0 million.

On 3 May 2013, the Trust utilised \$100.2 million (which is equivalent to approximately 91.1% of the gross proceeds of the private placement) to repay outstanding borrowings, pending the deployment of such funds for their intended use.

# Statistics of Unitholders

## Statistics of Unitholders as at 22 May 2013

### Issued and fully paid Units

518,149,302 Units (voting rights: 1 vote per Unit)

There is only one class of Units in AIMS AMP Capital Industrial REIT.

### Distribution of unitholdings

Size of unitholdings	Number of Unitholders	%	Number of Units	%
1 - 999	1,020	19.50	422,844	0.08
1,000 - 10,000	2,937	56.15	12,949,270	2.50
10,001 - 1,000,000	1,253	23.95	63,558,344	12.27
1,000,001 and above	21	0.40	441,218,844	85.15
<b>Total</b>	<b>5,231</b>	<b>100.00</b>	<b>518,149,302</b>	<b>100.00</b>

### Top 20 Unitholders

As listed in the Register of Unitholders

Name	Number of Units	%
1 HSBC (Singapore) Nominees Pte Ltd	93,381,606	18.02
2 DBSN Services Pte Ltd	73,575,391	14.20
3 DBS Nominees Pte Ltd	67,297,821	12.99
4 Citibank Nominees Singapore Pte Ltd	56,125,717	10.83
5 BNP Paribas Securities Services Singapore	47,033,845	9.08
6 Great World Capital Holdings Limited	31,490,884	6.08
7 Raffles Nominees (Pte) Ltd	28,635,790	5.53
8 United Overseas Bank Nominees Pte Ltd	13,447,651	2.60
9 DB Nominees (S) Pte Ltd	5,728,505	1.11
10 Ng Chung Ming	3,587,380	0.69
11 Maybank Kim Eng Securities Pte Ltd	2,582,254	0.50
12 Phillip Securities Pte Ltd	2,512,098	0.48
13 CWT Limited	2,400,000	0.46
14 UOB Kay Hian Pte Ltd	2,290,903	0.44
15 Bank of Singapore Nominees Pte Ltd	2,254,506	0.44
16 DBS Vickers Securities (S) Pte Ltd	2,108,145	0.41
17 Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,542,077	0.30
18 OCBC Securities Private Ltd	1,458,954	0.28
19 BNP Paribas Nominees Singapore Pte Ltd	1,450,029	0.28
20 CIMB Securities (Singapore) Pte Ltd	1,237,214	0.24
<b>Total</b>	<b>440,140,770</b>	<b>84.96</b>

# Statistics of Unitholders

## Substantial Unitholders as at 22 May 2013

As listed in the Register of Substantial Unitholders maintained by the Manager

Name	Number of Units		% of total issued Units
	Direct interest	Deemed interest	
Dragon Pacific Assets Limited	60,992,000	–	11.77
APG Algemene Pensioen Groep N.V.	47,330,930	–	9.13
AMP Limited <sup>1</sup>	–	45,914,914	8.86
AMP Group Holdings Limited <sup>1</sup>	–	45,914,914	8.86
AMP Holdings Limited <sup>1</sup>	–	45,914,914	8.86
AMP Capital Holdings Limited <sup>1</sup>	–	45,914,914	8.86
J.P. Morgan Chase & Co. <sup>2</sup>	–	32,613,501	6.29
JF Asset Management Limited	32,352,829	–	6.24
George Wang <sup>3</sup>	–	32,389,182	6.25
Great World Capital Holdings Limited	31,490,884	–	6.08
Universities Superannuation Scheme Limited	31,448,604	–	6.07

<sup>1</sup> These companies are deemed to have an interest in the Units held by AMP Capital Investors (Luxembourg No. 4) S.A.R.L Limited (which is held through BNP Paribas Securities Services, Singapore Branch), funds managed by AMP Capital Investors Limited and 898,298 Units held by the Manager.

<sup>2</sup> J.P. Morgan Chase & Co. is deemed to have an interest in the Units held by JF Asset Management Limited and other J.P. Morgan affiliates.

<sup>3</sup> Mr George Wang is deemed to have an interest in the following Units:  
 (i) 31,490,884 Units held by Great World Capital Holdings Limited; and  
 (ii) 898,298 Units held by the Manager.

## Unitholdings of Directors of the Manager as at 21 April 2013

As listed in the Register of Directors' Unitholdings maintained by the Manager

Directors	Number of Units	
	Direct interest	Deemed interest
Mr George Wang	–	32,389,182
Mr Nicholas Paul McGrath	38,707	–
Mr Norman Ip Ka Cheung	135,000	–

## Free Float

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0 percent of its listed securities are at all times held by the public. Based on the information made available to the Manager as at 22 May 2013, approximately 85.1 percent of the Units in AIMS AMP Capital Industrial REIT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST had been complied with.

# Additional Information

## Interested Party Transactions

The transactions entered into with related parties during the financial year which fall under the Listing Manual of the SGX-ST and the Property Funds Appendix under the Code of Collective Investment Schemes are:

<b>Name of entity</b>	<b>Aggregate value of all Interested Party Transactions during the financial year under review (excluding transactions less than S\$100,000) S\$'000</b>
<b>AIMS AMP Capital Industrial REIT Management Limited</b>	
Manager's management fees	
- Base fees	4,961
- Performance fees	1,056
<b>AIMS AMP Capital Property Management Pte. Ltd.</b>	
- Property management fees	1,338
- Lease management fees	669
- Marketing services commissions	4,508
- Project management fees	1,405
<b>HSBC Institutional Trust Services (Singapore) Limited</b>	
- Trustee fees	200
<b>AMP Capital Investors Singapore Pte Limited</b>	
- Debt advisory fees	100
<b>Great World Capital Holdings Limited</b>	
- Debt advisory fees	100

Please also refer to Note 21 "Significant Related Party Transactions" in the Financial Statements.

Except as disclosed above,

- (a) There were no other material contracts entered into by AIMSAMP REIT and/or its subsidiaries involving the interests of the Chief Executive Officer, any director or controlling Unitholder, either still subsisting at the end of the year or entered into since the end of the previous financial year.
- (b) There were no additional interested party transactions (excluding transactions of less than S\$100,000 each) entered into up to and including 31 March 2013.

# Corporate Directory

## AIMS AMP Capital Industrial REIT

*Registered Address*

### **HSBC Institutional Trust Services (Singapore) Limited**

21 Collyer Quay  
#10-02 HSBC Building  
Singapore 049320

### **Trustee**

### **HSBC Institutional Trust Services (Singapore) Limited**

21 Collyer Quay  
#03-01 HSBC Building  
Singapore 049320  
Telephone : (65) 6658 6906  
Fax : (65) 6534 5526

### **Auditor**

### **KPMG LLP**

### **Public Accountants and Certified Public Accountants, Singapore**

16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581  
Phone : (65) 6213 3388  
Fax : (65) 6225 0984  
Partner in charge: Adrian Tan  
(With effect from financial year commencing 1 April 2012)

### **Unit Registrar**

### **Boardroom Corporate & Advisory Services Pte. Ltd.**

50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623  
Telephone : (65) 6536 5355  
Fax : (65) 6536 1360

## The Manager

*Registered address*

### **AIMS AMP Capital Industrial REIT Management Limited**

### **Company Registration No. 200615904N**

1 Raffles Place, #21-01 Tower 1  
One Raffles Place  
Singapore 048616  
Telephone : (65) 6309 1050  
Fax : (65) 6534 3942  
Website : [www.aimsampcapital.com](http://www.aimsampcapital.com)  
Email : [investorrelations@aimsampcapital.com](mailto:investorrelations@aimsampcapital.com)

## Directors of the Manager

Mr Andrew Bird (Chairman)  
Mr George Wang  
Mr Tan Kai Seng  
Mr Norman Ip Ka Cheung  
Mr Eugene Paul Lai Chin Look  
Mr Simon Laurence Vinson  
Mr Andrew Lam  
Mr Nicholas Paul McGrath

## Audit Committee

Mr Tan Kai Seng (Chairman)  
Mr Norman Ip Ka Cheung  
Mr Simon Laurence Vinson

## Company Secretary

Ms Yap Siew Buay Regina

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 4th Annual General Meeting (“AGM”) of the holders of Units of AIMS AMP Capital Industrial REIT (“AIMSAMPIREIT”, and the holders of Units of AIMSAMPIREIT, “Unitholders”) will be held at the Amara Singapore, Level 3, Ballroom 2, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 25 July 2013 at 11.00 a.m. to transact the following business:

## Ordinary Business

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of AIMSAMPIREIT (the “Trustee”), the Statement by AIMS AMP Capital Industrial REIT Management Limited, as manager of AIMSAMPIREIT (the “Manager”), the Audited Financial Statements of AIMSAMPIREIT for the financial year ended 31 March 2013 and the Auditors’ Report thereon. *(Ordinary Resolution 1)*
  
2. To re-appoint KPMG LLP as Auditors of AIMSAMPIREIT and to hold office until the conclusion of the next AGM and to authorise the Manager to determine their remuneration. *(Ordinary Resolution 2)*

## Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

3. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 3)*
  - (a) (i) issue units in AIMSAMPIREIT (“Units”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,  
  
at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
  - (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty percent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty percent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

# Notice of Annual General Meeting

- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under subparagraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
  - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting AIMSAMPIREIT (as amended) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by the Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of AIMSAMPIREIT or (ii) the date by which the next AGM of AIMSAMPIREIT is required to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Instruments or Units notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of AIMSAMPIREIT to give effect to the authority conferred by this Resolution.

**(Please see Explanatory Note)**

## **Other Business**

4. To transact such other business which may properly be brought forward.

## **By Order of The Board**

**AIMS AMP Capital Industrial REIT Management Limited**  
**(Company Registration No. 200615904N, Capital Markets Services license no.: CMS100137-2)**  
**As Manager of AIMS AMP Capital Industrial REIT**

## **Nicholas Paul McGrath**

Executive Director and Chief Executive Officer  
19 June 2013

# Notice of Annual General Meeting

## Notes:

1. A Unitholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. The proxy form must be lodged at the Manager's appointed Unit Registrar's office at **Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623** not later than 23 July 2013 at 11.00 a.m. being 48 hours before the time fixed for the AGM.

## Explanatory Note:

### *Resolution 3*

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of AIMSAMPIREIT or (ii) the date by which the next AGM of AIMSAMPIREIT is required to be held, or (iii) the date on which such authority is revoked or varied by Unitholders in a general meeting, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50 percent of the total number of issued Units (excluding treasury Units, if any), of which up to 20 percent of the total number of issued Units (excluding treasury Units, if any) may be issued other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

## Important Notice

The value of Units and the income derived from them may fall as well as rise. 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 AIMSAMPIREIT 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.

The past performance of AIMSAMPIREIT is not necessarily indicative of the future performance of AIMSAMPIREIT.

# AIMS AMP CAPITAL INDUSTRIAL REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 December 2006 (as amended))

## PROXY FORM

## ANNUAL GENERAL MEETING

### IMPORTANT

1. For investors who have used their CPF monies to buy units in AIMS AMP Capital Industrial REIT, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as observers have to submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We \_\_\_\_\_ (Name(s) and NRIC/Passport Number(s))

of \_\_\_\_\_ (Address)

being a unitholder/unitholders of AIMS AMP Capital Industrial REIT ("AIMSAMPREIT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of AIMSAMPREIT to be held at the Amara Singapore, Level 3, Ballroom 2, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 25 July 2013 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*
<b>ORDINARY BUSINESS</b>			
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of AIMSAMPREIT for the financial year ended 31 March 2013 and the Auditors' Report thereon.		
2.	To re-appoint KPMG LLP as Auditors and authorise the Manager to determine the Auditors' remuneration.		
<b>SPECIAL BUSINESS</b>			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments.		
<b>OTHER BUSINESS</b>			
4.	To transact any other business as may be transacted at an annual general meeting.		

\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature(s) of Unitholder(s)/Common Seal

**Total number of Units held**

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM ON THE REVERSE PAGE.**



## IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

### Notes to Proxy Form

1. A Unitholder of AIMSAMPIREIT ("Unitholder") entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of AIMSAMPIREIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the Manager's appointed Unit Registrar's office at **Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, not less than 48 hours before the time set for the Annual General Meeting.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
10. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.





| **AMPCAPITAL** 

**AIMS AMP Capital Industrial REIT Management Limited**  
**(As Manager of AIMS AMP Capital Industrial REIT)**  
**Company Registration No. 200615904N**

1 Raffles Place #21-01  
One Raffles Place Tower 1 Singapore 048616  
Telephone : (65) 6309 1050  
Fax : (65) 6534 3942  
Website : [www.aimsampcapital.com](http://www.aimsampcapital.com)  
Email : [investorrelations@aimsampcapital.com](mailto:investorrelations@aimsampcapital.com)