



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
SECOND QUARTER ENDED 30 SEPTEMBER 2015
("2Q FY2016")**

Introduction

AIMS AMP Capital Industrial REIT ("AA REIT" or the "Trust") is a real estate investment trust which was listed on the Main Board of the SGX-ST on 19 April 2007. The principal investment objective of the Manager is to invest in a diversified portfolio of income-producing real estate assets located in Singapore and throughout the Asia-Pacific region that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The Manager's key objectives are to deliver stable distributions to Unitholders and to provide long-term capital growth.

The Group¹ has a portfolio of 26 industrial properties, 25 of which are located throughout Singapore and one business park property in Macquarie Park, New South Wales ("NSW"), Australia².

Summary of AIMS AMP Capital Industrial REIT Group results

| | Note | 2Q FY2016 | 1Q FY2016 | + / (-) | 2Q FY2015 | + / (-) | 1H FY2016 | 1H FY2015 | + / (-) |
|--|------|--------------|--------------|---------|--------------|---------|--------------|--------------|---------|
| | | S\$'000 | S\$'000 | % | S\$'000 | % | S\$'000 | S\$'000 | % |
| Gross revenue | (a) | 31,259 | 30,296 | 3.2 | 28,261 | 10.6 | 61,555 | 55,621 | 10.7 |
| Net property income | (a) | 20,697 | 20,205 | 2.4 | 19,714 | 5.0 | 40,902 | 39,207 | 4.3 |
| Share of results of joint venture (net of tax) | (a) | 18,855 | 3,655 | >100.0 | 3,898 | >100.0 | 22,510 | 7,620 | >100.0 |
| Distribution to Unitholders | (b) | 17,770 | 17,441 | 1.9 | 17,258 | 3.0 | 35,211 | 33,107 | 6.4 |
| Distribution per Unit ("DPU") (cents) | | 2.80 | 2.75 | 1.8 | 2.77 | 1.1 | 5.55 | 5.32 | 4.3 |

Notes:

- (a) Please refer to section 8 on "Review of the performance" for explanation of the variances.
- (b) The Manager resolved to distribute S\$17.8 million for 2Q FY2016, comprising (i) taxable income of S\$16.5 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.1 million and capital distribution of S\$1.2 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 2Q FY2016, the Manager has resolved to distribute 98.6% of the Singapore taxable income available for distribution to the Unitholders. Please refer to details in section 1(a)(ii) for the distribution statement.

¹ The Group comprises AIMS AMP Capital Industrial REIT, its wholly-owned subsidiaries and its interest in a joint venture.

² AA REIT has a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.

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Distribution and Books Closure Date

| | |
|--------------------|---|
| Distribution | For 1 July 2015 to 30 September 2015 |
| Distribution Type | (a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution ³ |
| Distribution Rate | (a) Taxable Income Distribution: 2.60 cents per Unit (b) Tax-Exempt Income Distribution: 0.02 cents per Unit (b) Capital Distribution ³ : <u>0.18 cents per Unit</u> <u>2.80 cents per Unit</u> |
| Books Closure Date | 6 November 2015 |
| Payment Date | 23 December 2015 |

1 (a)(i) Consolidated Statement of Total Return

| | | Group 2Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | + / (-) % | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 | + / (-) % |
|---|---------|----------------------------------|----------------------------------|--------------|----------------------------------|----------------------------------|--------------|
| Note | | | | | | | |
| Gross revenue | (a) | 31,259 | 28,261 | 10.6 | 61,555 | 55,621 | 10.7 |
| Property operating expenses | (a) | (10,562) | (8,547) | 23.6 | (20,653) | (16,414) | 25.8 |
| Net property income | (a) | 20,697 | 19,714 | 5.0 | 40,902 | 39,207 | 4.3 |
| Foreign exchange loss | | (9) | (16) | (43.8) | (23) | (7) | >100.0 |
| Interest income | | 26 | 12 | >100.0 | 59 | 26 | >100.0 |
| Borrowing costs | (a) | (5,039) | (5,534) | (8.9) | (10,101) | (10,767) | (6.2) |
| Manager's management fees | | (1,836) | (1,814) | 1.2 | (3,656) | (3,583) | 2.0 |
| Other trust expenses | | (458) | (544) | (15.8) | (1,022) | (964) | 6.0 |
| Non-property expenses | | (7,333) | (7,892) | (7.1) | (14,779) | (15,314) | (3.5) |
| Net income before joint venture's results | | 13,381 | 11,818 | 13.2 | 26,159 | 23,912 | 9.4 |
| Share of results of joint venture (net of tax) | (a),(b) | 18,855 | 3,898 | >100.0 | 22,510 | 7,620 | >100.0 |
| Net income | | 32,236 | 15,716 | >100.0 | 48,669 | 31,532 | 54.3 |
| Net change in fair value of investment properties and investment properties under development | (c) | (11,076) | 27,033 | >(100.0) | (11,076) | 36,441 | >(100.0) |
| Net change in fair value of derivative financial instruments | (d) | 264 | 451 | (41.5) | 7 | (49) | >(100.0) |
| Total return before income tax | | 21,424 | 43,200 | (50.4) | 37,600 | 67,924 | (44.6) |
| Income tax expense | (e) | (2,363) | (143) | >100.0 | (2,924) | (287) | >100.0 |
| Total return after income tax | | 19,061 | 43,057 | (55.7) | 34,676 | 67,637 | (48.7) |

³ This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

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Notes:

- (a) Please refer to section 8 on “Review of the performance” for explanation of the variances.
- (b) The share of results of joint venture (net of tax) comprised of contribution from the Group’s 49.0% interest in Optus Centre, which is located in Macquarie Park, NSW, Australia. The increase in the contribution was mainly due to the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre. The independent valuation was carried out by CBRE Valuations Pty Limited as at 30 September 2015.
- (c) The net change in fair value of investment properties of S\$11.1 million for 2Q FY2016 was in relation to the valuation of the Trust’s 24 Singapore properties which were valued as at 30 September 2015. The independent valuation of the 24 Singapore properties was carried out by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Investment properties under development relates to the redevelopment of 30 & 32 Tuas West Road which are carried at fair value based on directors’ valuation.

The net change in fair value of investment properties and investment properties under development is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

- (d) This relates to changes in fair value due to the revaluation of the Trust’s interest rate swap contracts in accordance with Financial Reporting Standard (“FRS”) 39. Please refer to note (e) of section 1(b)(i) for further details of the swap contracts.

The net change in fair value of derivative financial instruments is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

- (e) Income tax expense relates to withholding tax paid / payable by the Trust on the distribution and interest income from Australia, income tax payable by the Trust’s wholly-owned subsidiary, AACI REIT MTN Pte Ltd (“AACI REIT MTN”) as well as provision for deferred tax liabilities for the Trust’s investment in Australia. The increase in income tax expense was mainly due to deferred tax provision for the increase in fair value of Optus Centre.

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1(a)(ii) Distribution Statement

| | | Group 2Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | + / (-) % | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 | + / (-) % |
|---|-------------|--|--|----------------------|--|--|----------------------|
| | Note | | | | | | |
| Total return before income tax | | 21,424 | 43,200 | (50.4) | 37,600 | 67,924 | (44.6) |
| Net effect of tax adjustments | (a) | 12,650 | (24,109) | >(100.0) | 14,734 | (31,691) | >(100.0) |
| Other adjustments | (b) | (17,343) | (2,138) | >100.0 | (19,424) | (4,102) | >100.0 |
| Amount available for distribution from Singapore taxable income | | 16,731 | 16,953 | (1.3) | 32,910 | 32,131 | 2.4 |
| Distribution from Singapore taxable income | (c) | 16,501 | 16,199 | 1.9 | 32,610 | 31,240 | 4.4 |
| Distribution from tax-exempt income | (d) | 127 | 311 | (59.2) | 603 | 311 | 93.9 |
| Capital distribution | (e) | 1,142 | 748 | 52.7 | 1,998 | 1,556 | 28.4 |
| Distribution to Unitholders | | 17,770 | 17,258 | 3.0 | 35,211 | 33,107 | 6.4 |

Notes:

(a) Net effect of tax adjustments

| | Group 2Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | + / (-) % | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 | + / (-) % |
|---|--|--|----------------------|--|--|----------------------|
| Amortisation and write-off of borrowing transaction costs | 225 | 333 | (32.4) | 448 | 653 | (31.4) |
| Foreign exchange loss | 16 | 9 | 77.8 | 22 | 7 | >100.0 |
| Manager's management fees in Units | 553 | 1,270 | (56.5) | 1,192 | 1,800 | (33.8) |
| Net change in fair value of investment properties and investment properties under development | 11,076 | (27,033) | >(100.0) | 11,076 | (36,441) | >(100.0) |
| Net change in fair value of derivative financial instruments | (264) | (451) | (41.5) | (7) | 49 | >(100.0) |
| Prepayment fee on borrowings | - | - | - | - | 66 | (100.0) |
| Net tax adjustment on foreign sourced income | 594 | 867 | (31.5) | 1,190 | 1,738 | (31.5) |
| Temporary differences and other tax adjustments | 450 | 896 | (49.8) | 813 | 437 | 86.0 |
| Net effect of tax adjustments | 12,650 | (24,109) | >(100.0) | 14,734 | (31,691) | >(100.0) |

(b) Other adjustments comprised primarily the net accounting results of the Trust's subsidiaries.

(c) The Trust's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 2Q FY2016, the Manager has resolved to distribute 98.6% of the Singapore taxable income available for distribution to the Unitholders.

(d) This relates to tax-exempt income arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

(e) This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

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1(b)(i) Statements of Financial Position as at 30 September 2015 vs. 31 March 2015

| | | Group | Group | | Trust | Trust | |
|---|-------------|---------------------|--------------------|------------------|---------------------|--------------------|------------------|
| | Note | 30 Sept 2015 | 31 Mar 2015 | +/(-) % | 30 Sept 2015 | 31 Mar 2015 | +/(-) % |
| | | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Non-current assets | | | | | | | |
| Investment properties | (a) | 1,210,600 | 1,233,470 | (1.9) | 1,210,600 | 1,233,470 | (1.9) |
| Investment properties under development | (b) | 14,276 | - | NM | 14,276 | - | NM |
| Subsidiaries | (c) | - | - | - | 84,764 | 85,051 | (0.3) |
| Joint venture | (d) | 210,377 | 204,894 | 2.7 | - | - | - |
| Trade and other receivables | | 3,178 | 3,464 | (8.3) | 3,178 | 3,464 | (8.3) |
| Derivative financial instruments | (e) | 643 | 213 | >100.0 | 643 | 213 | >100.0 |
| | | 1,439,074 | 1,442,041 | (0.2) | 1,313,461 | 1,322,198 | (0.7) |
| Current assets | | | | | | | |
| Trade and other receivables | | 6,431 | 6,183 | 4.0 | 5,693 | 5,775 | (1.4) |
| Cash and cash equivalents | (f) | 7,814 | 10,111 | (22.7) | 6,907 | 9,216 | (25.1) |
| | | 14,245 | 16,294 | (12.6) | 12,600 | 14,991 | (15.9) |
| Total assets | | 1,453,319 | 1,458,335 | (0.3) | 1,326,061 | 1,337,189 | (0.8) |
| Non-current liabilities | | | | | | | |
| Trade and other payables | (g) | 6,237 | 6,276 | (0.6) | 6,237 | 6,276 | (0.6) |
| Interest-bearing borrowings | (h) | 346,213 | 454,237 | (23.8) | 236,201 | 338,793 | (30.3) |
| Derivative financial instruments | (e) | 4,099 | 4,314 | (5.0) | 471 | 48 | >100.0 |
| Deferred tax liabilities | (i) | 3,683 | 1,134 | >100.0 | - | - | - |
| | | 360,232 | 465,961 | (22.7) | 242,909 | 345,117 | (29.6) |
| Current liabilities | | | | | | | |
| Trade and other payables | (j) | 26,854 | 30,279 | (11.3) | 25,320 | 28,999 | (12.7) |
| Interest-bearing borrowings | (h) | 99,771 | - | NM | 99,771 | - | NM |
| Derivative financial instruments | (e) | - | -* | (100.0) | - | -* | (100.0) |
| | | 126,625 | 30,279 | >100.0 | 125,091 | 28,999 | >100.0 |
| Total liabilities | | 486,857 | 496,240 | (1.9) | 368,000 | 374,116 | (1.6) |
| Net assets | | 966,462 | 962,095 | 0.5 | 958,061 | 963,073 | (0.5) |
| Represented by: | | | | | | | |
| Unitholders' funds | | 966,462 | 962,095 | 0.5 | 958,061 | 963,073 | (0.5) |
| | | 966,462 | 962,095 | 0.5 | 958,061 | 963,073 | (0.5) |

* : less than S\$1,000.

NM: not meaningful.

Notes:

- (a) The decrease in investment properties was primarily due to the transfer of S\$14.1 million to investment properties under development due to the redevelopment of 30 & 32 Tuas West Road as well as revaluation deficit of S\$11.1 million recognised in September 2015. This was partially offset by capital expenditure capitalised on asset enhancement work of S\$2.3 million.

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- (b) Investment properties under development refer to the redevelopment project at 30 & 32 Tuas West Road. On 22 May 2015, the Manager announced the Trust's third redevelopment project which will transform the property into a five-storey ramp-up warehouse facility with an expected gross floor area of approximately 287,866 square feet. The site was handed over to the contractor on 3 September 2015.
- (c) This relates to the Trust's interest in its wholly-owned subsidiaries, AACI REIT MTN, AIMS AMP Capital Industrial REIT (Australia) Trust and AACI REIT Opera Pte. Ltd.
- (d) This relates to the Group's 49.0% interest in Macquarie Park Trust, the Australian unit trust which holds Optus Centre, located in Macquarie Park, NSW, Australia. The increase in the joint venture balances was mainly due to the share of the net change in fair value of the underlying property of S\$15.3 million, partially offset by a decrease of S\$9.9 million due to the strengthening of the Singapore dollar against the Australian dollar. As the Australian investment is substantially hedged through the use of Australian dollar denominated loans, there is a corresponding reduction in interest-bearing borrowings of S\$8.8 million (see note 1(b)(i)(h) below).
- (e) The derivative financial instruments as at 30 September 2015 were in relation to interest rate swap contracts with a total notional amount of S\$250.7 million. As at 30 September 2015, approximately 96.0% of the Group's borrowings were on fixed rates taking into account (i) the interest rate swaps entered into and (ii) the medium term notes. Under the interest rate swap contracts, the Group pays fixed interest rates of between 1.500% to 3.825% per annum and receives interest at the three-month Singapore dollar swap offer rate or at the three-month Australian bank bill swap bid rates, as the case may be. The decrease in derivative financial instruments (non-current liability) was mainly attributable to the net change in fair value of a subsidiary's Australian dollar financial derivatives which registered a favourable change during the period.
- (f) Cash and cash equivalents as at 30 September 2015 of S\$7.8 million was S\$2.3 million lower compared to balances as at 31 March 2015. This was mainly due to the funding of asset enhancement work and retention sum of S\$1.7 million paid for the redevelopment of Phase 2E and Phase Three of 20 Gul Way.
- (g) Non-current trade and other payables comprised rental deposits received from tenants with tenors of more than one year.
- (h) The decrease in interest-bearing borrowings of the Group by S\$8.3 million as at 30 September 2015 was mainly due to the decrease in the Australian dollar denominated borrowings of S\$8.8 million due to the strengthening of the Singapore dollar against the Australian dollar. Please refer to the details of interest-bearing borrowings in section 1(b)(ii).
- (i) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.
- (j) Trade and other payables as at 30 September 2015 included retention sum of S\$5.6 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10. (31 March 2015: included retention sum of S\$7.3 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10). These costs are to be funded by the committed loan facilities of the Trust. As at 30 September 2015, the Group and the Trust have undrawn committed facilities of S\$152.3 million to fulfil their liabilities as and when they fall due.

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1(b)(ii) Aggregate amount of borrowings

| | Group 30 Sep 2015 S\$'000 | Group 31 Mar 2015 S\$'000 | Trust 30 Sep 2015 S\$'000 | Trust 31 Mar 2015 S\$'000 |
|---|--|--|--|--|
| Interest-bearing borrowings | | | | |
| Amount repayable within one year | | | | |
| Unsecured | | | | |
| Medium Term Notes | 100,000 | - | 100,000 | - |
| Less: Unamortised borrowing transaction costs | (229) | - | (229) | - |
| | <u>99,771</u> | <u>-</u> | <u>99,771</u> | <u>-</u> |
| Amount repayable after one year | | | | |
| Secured | | | | |
| Term loans | 268,417 | 277,234 | 157,833 | 161,100 |
| Unsecured | | | | |
| Medium Term Notes | 80,000 | 180,000 | 80,000 | 180,000 |
| | <u>348,417</u> | <u>457,234</u> | <u>237,833</u> | <u>341,100</u> |
| Less: Unamortised borrowing transaction costs | (2,204) | (2,997) | (1,632) | (2,307) |
| | <u>346,213</u> | <u>454,237</u> | <u>236,201</u> | <u>338,793</u> |
| Total | <u>445,984</u> | <u>454,237</u> | <u>335,972</u> | <u>338,793</u> |

Details of borrowings and collateral

(a) Secured borrowings

(i) Secured debt facility and revolving credit facility of the Trust

The facility comprised:

- a three year term loan facility of A\$65.1 million to partially fund the 49.0% interest in Optus Centre, Macquarie Park, NSW, Australia;
- a four year term loan facility of S\$125.0 million to fund real estate development and/or acquisitions; and
- a three year revolving credit facility of S\$120.0 million.

The details of the collateral for the facility are as follows:

- first legal mortgage over 12 investment properties of the Trust; and
- assignment of rights, title and interest in leases, insurances and rental proceeds of the related mortgaged investment properties.

(ii) Secured Australian dollar denominated term loan facility of a subsidiary

On 7 February 2014, AMP Capital AA REIT Investments (Australia) Pty Limited in its capacity as trustee of AA REIT Macquarie Park Investment Trust (an indirect wholly-owned subsidiary of the Trust) (the "Borrower") entered into a A\$110,655,000 syndicated facility agreement for a five year debt facility to partially fund the acquisition of the 49.0% interest in Optus Centre.

The details of the collateral are as follows:

- first ranking general security agreement over the current and future assets and undertakings of the Borrower, including the Borrower's units in Macquarie Park Trust; and

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- first ranking specific security agreement from AMP Capital Investors Limited in its capacity as trustee for AIMS AMP Capital Industrial REIT (Australia) Trust over the units of the Borrower and all present and future rights and property interests in respect of the units in the Borrower.

(b) Unsecured borrowings

On 25 July 2012, the Trust, through its subsidiary AACI REIT MTN, established a S\$500 million Multi-currency Medium Term Note Programme ("MTN Programme").

As at 30 September 2015, S\$180.0 million medium term notes ("Medium Term Notes") had been issued comprising:

- (i) S\$100.0 million four year Medium Term Notes with a fixed rate of 4.90% per annum, payable semi-annually in arrears and will mature on 8 August 2016;
- (ii) S\$50.0 million five year Medium Term Notes with a fixed rate of 3.80% per annum, payable semi-annually in arrears and will mature on 21 May 2019; and
- (iii) S\$30.0 million seven year Medium Term Notes with a fixed rate of 4.35% per annum, payable semi-annually in arrears and will mature on 5 December 2019.

As at 30 September 2015, the Group and the Trust have undrawn committed facilities of S\$152.3 million to fulfil their liabilities as and when they fall due.

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1(b)(iii) Use of Proceeds from 2013 Placement and 2014 Rights Issue

On 2 May 2013, AA REIT issued 68,750,000 Units at an issue price of S\$1.60 per Unit by way of private placement, raising gross proceeds of S\$110.0 million ("2013 Placement"). On 20 March 2014, AA REIT issued 92,512,712 Units at an issue price of S\$1.08 per Unit in an underwritten and renounceable rights issue on the basis of seven rights Units for every 40 existing Units, raising gross proceeds of S\$99.9 million ("2014 Rights Issue").

Status report on the specific use of proceeds is as follows:

| | 2013 Placement S\$ million | 2014 Rights Issue S\$ million |
|--|---|--|
| Gross Proceeds | 110.0 | 99.9 |
| Use of proceeds | | |
| Development costs at 103 Defu Lane 10 and 20 Gul Way | 94.3 | - |
| Development costs at 30 & 32 Tuas West Road (estimated at S\$41.7 million) | - | 0.2 |
| Repay outstanding borrowings | 0.3 | 17.2 |
| Issue expenses in relation to the 2013 Placement and 2014 Rights Issue | 2.7 | 2.5 |
| Asset enhancement initiatives | 8.4 | 2.1 |
| | <u>105.7</u> | <u>22.0</u> |

As at 30 September 2015, the balance proceeds of the 2013 Placement was approximately S\$4.3 million.

As at 30 September 2015, the balance proceeds of the 2014 Rights Issue was approximately S\$77.9 million, of which S\$59.4 million of the proceeds from the 2014 Rights Issue had been temporarily used to repay outstanding borrowings pending the deployment of such funds for their intended use. The Trust intends to set aside approximately S\$41.7 million from the existing loan facility to fund the proposed redevelopment of 30 & 32 Tuas West Road progressively over the course of the construction.

The use of proceeds from the 2013 Placement and 2014 Rights Issue was in accordance with the stated use of proceeds and there is no material deviation from the percentage allocated as previously disclosed.

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1(c) Consolidated Statement of Cash Flows

| | Group 2Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 |
|---|--|--|--|--|
| Cash flows from operating activities | | | | |
| Total return after income tax | 19,061 | 43,057 | 34,676 | 67,637 |
| Adjustments for: | | | | |
| Share of results of joint venture (net of tax) | (18,855) | (3,898) | (22,510) | (7,620) |
| Borrowing costs | 5,039 | 5,534 | 10,101 | 10,767 |
| Depreciation | - | 7 | - | 13 |
| Foreign exchange loss | 9 | 16 | 23 | 7 |
| Manager's management fees in Units | 553 | 1,270 | 1,192 | 1,800 |
| Net change in fair value of derivative financial instruments | (264) | (451) | (7) | 49 |
| Net change in fair value of investment properties | 11,076 | (27,033) | 11,076 | (36,441) |
| Income tax expense | 2,363 | 143 | 2,924 | 287 |
| Operating income before working capital changes | 18,982 | 18,645 | 37,475 | 36,499 |
| Changes in working capital | | | | |
| Trade and other receivables | 1,328 | 308 | (85) | 2,122 |
| Trade and other payables | 254 | (2,505) | (249) | (3,430) |
| Income tax paid | (196) | (143) | (375) | (287) |
| Net cash from operating activities | 20,368 | 16,305 | 36,766 | 34,904 |
| Cash flows from investing activities | | | | |
| Capital expenditure on investment properties and investment properties under development | (849) | (20,559) | (4,346) | (42,930) |
| Distributions from a joint venture | 3,606 | 3,850 | 7,208 | 6,302 |
| Net cash from/(used in) investing activities | 2,757 | (16,709) | 2,862 | (36,628) |
| Cash flows from financing activities | | | | |
| Borrowing costs paid | (5,189) | (6,203) | (9,610) | (10,707) |
| Distributions to Unitholders | (16,888) | (13,735) | (32,202) | (29,276) |
| Proceeds from interest-bearing borrowings | - | 20,730 | - | 81,578 |
| Repayments of interest-bearing borrowings | - | - | - | (50,000) |
| Issue expenses paid | - | (30) | (30) | (2,334) |
| Net cash (used in)/from financing activities | (22,077) | 762 | (41,842) | (10,739) |
| Net increase/(decrease) in cash and cash equivalents | 1,048 | 358 | (2,214) | (12,463) |
| Cash and cash equivalents at beginning of the period | 6,827 | 8,998 | 10,111 | 21,809 |
| Effect of exchange rate fluctuation | (61) | (57) | (83) | (47) |
| Cash and cash equivalents at end of the period | 7,814 | 9,299 | 7,814 | 9,299 |

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1(c)(a) Significant non-cash transactions

There were the following significant non-cash transactions:

- (i) On 25 May 2015, the Trust issued an aggregate of 1,991,579 new Units amounting to S\$2.9 million as payment for the performance component of the Manager's management fees incurred for the year ended 31 March 2015.
- (ii) On 26 May 2015, the Trust issued an aggregate of 824,373 new Units amounting to S\$1.2 million to AIMS AMP Capital Property Management Pte. Ltd. (the "Property Manager") as payment for marketing services provided by the Property Manager in respect of securing tenants at the Trust's properties, namely 20 Gul Way and 29 Woodlands Industrial Park E1.
- (iii) On 13 July 2015, the Trust issued an aggregate of 427,667 new Units amounting to S\$0.6 million as partial payment of the base fee element of the Manager's management fees incurred. Please refer to details in section 1(d).
- (iv) During the current financial period, the Trust issued an aggregate of 2,463,314 new Units amounting to S\$3.6 million as part payment of the distributions pursuant to the AIMS AMP Capital Industrial REIT Distribution Reinvestment Plan (the "AA REIT DRP"). Please refer to details in section 1(d).

1(d)(i) Statement of Movements in Unitholders' Funds (2Q FY2016 vs. 2Q FY2015)

| | Group 2Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | Trust 2Q FY2016 S\$'000 | Trust 2Q FY2015 S\$'000 |
|---|--|--|--|--|
| Balance at beginning of the period | 965,512 | 920,279 | 966,187 | 922,039 |
| Operations | | | | |
| Total return after income tax | 19,061 | 43,057 | 8,136 | 45,598 |
| Foreign currency translation reserve | | | | |
| Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations | (751) | (620) | - | - |
| Hedging reserve | | | | |
| Effective portion of changes in fair value of cash flow hedges | (1,098) | 26 | - | - |
| Unitholders' transactions | | | | |
| Issuance of Units (including units to be issued): | | | | |
| - Manager's management fees | 553 | 1,270 | 553 | 1,270 |
| - Distribution Reinvestment Plan | 626 | 2,201 | 626 | 2,201 |
| Distributions to Unitholders | (17,441) | (15,849) | (17,441) | (15,849) |
| Issue expenses | - | (30) | - | (30) |
| Change in Unitholders' funds resulting from Unitholders' transactions | (16,262) | (12,408) | (16,262) | (12,408) |
| Total increase/(decrease) in Unitholders' funds | 950 | 30,055 | (8,126) | 33,190 |
| Balance at end of the period | 996,462 | 950,334 | 958,061 | 955,229 |

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1(d)(ii) Statement of Movements in Unitholders' Funds (1H FY2016 vs. 1H FY2015)

| | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 | Trust 1H FY2016 S\$'000 | Trust 1H FY2015 S\$'000 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Balance at beginning of the period | 962,095 | 911,888 | 963,073 | 912,743 |
| Operations | | | | |
| Total return after income tax | 34,676 | 67,637 | 24,768 | 69,961 |
| Foreign currency translation reserve | | | | |
| Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations | (1,021) | (507) | - | - |
| Hedging reserve | | | | |
| Effective portion of changes in fair value of cash flow hedges | 492 | (1,209) | - | - |
| Unitholders' transactions | | | | |
| Issuance of Units (including units to be issued): | | | | |
| - Manager's management fees | 1,192 | 1,800 | 1,192 | 1,800 |
| - Distribution Reinvestment Plan | 3,632 | 2,201 | 3,632 | 2,201 |
| - Property Manager's fees | 1,232 | - | 1,232 | - |
| Distributions to Unitholders | (35,806) | (31,440) | (35,806) | (31,440) |
| Issue expenses | (30) | (36) | (30) | (36) |
| Change in Unitholders' fund resulting from Unitholders' transactions | (29,780) | (27,475) | (29,780) | (27,475) |
| Total increase/(decrease) in Unitholders' funds | 4,367 | 38,446 | (5,012) | 42,486 |
| Balance at end of the period | 966,462 | 950,334 | 958,061 | 955,229 |

1(d)(iii) Details of any change in the Units

| Note | Trust 2Q FY2016 Units '000 | Trust 2Q FY2015 Units '000 | Trust 1H FY2016 Units '000 | Trust 1H FY2015 Units '000 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Units in issue at beginning of the period | 633,780 | 621,156 | 628,935 | 621,156 |
| <u>Issue of new Units relating to:</u> | | | | |
| - Manager's performance fees (a) | - | - | 1,992 | - |
| - Manager's base fees (b) | 428 | 370 | 428 | 370 |
| - Property Manager's fees (c) | - | - | 824 | - |
| - Distribution Reinvestment Plan (d) | 434 | 1,523 | 2,463 | 1,523 |
| Units in issue at end of the period | 634,642 | 623,049 | 634,642 | 623,049 |
| <u>Units to be issued:</u> | | | | |
| Manager's management fees (e) | 391 | 872 | 391 | 872 |
| Total Units in issue and to be issued at end of the period | 635,033 | 623,921 | 635,033 | 623,921 |

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- (a) On 25 May 2015, the Trust issued 1,991,579 new Units at an issue price of S\$1.4645 per Unit as payment of the performance component of the Manager's management fee for the year ended 31 March 2015.
- (b) On 13 July 2015, the Trust issued 427,667 new Units at an average issue price of S\$1.4944 per Unit as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2015 to 30 June 2015.
- (c) On 26 May 2015, the Trust issued 824,373 new Units at an issue price of S\$1.4949 per Unit as payment for marketing services provided by the Property manager in respect of securing tenants at the Trust's properties, namely 20 Gul Way and 29 Woodlands Industrial Park E1.
- (d) During the current financial period, there were the following issuances of Units pursuant to the AA REIT DRP:
 - (i) 2,029,288 new Units on 24 June 2015 at an issue price of S\$1.4804 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP with respect to the 4Q FY2015 distribution; and
 - (ii) 434,026 new Units on 23 September 2015 at an issue price of S\$1.4402 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP with respect to the 1Q FY2016 distribution.
- (e) The new Units to be issued relate to Units to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2015 to 30 September 2015.

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

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements of the current period are consistent with those applied in the audited financial statements for the year ended 31 March 2015.

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- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- 6 Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the period**

The EPU is computed using total return after income tax over the weighted average number of Units for the period. The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue as at the end of the period.

| | Group 2Q FY2016 | Group 2Q FY2015 | Group 1H FY2016 | Group 1H FY2015 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Weighted average number of Units ('000) | 634,194 | 621,548 | 632,222 | 621,354 |
| Earnings per Unit (cents) - basic and diluted | 3.01 | 6.93 | 5.48 | 10.89 |

In computing the DPU, the number of Units entitled to the distribution for each respective period was used.

| | Group 2Q FY 2016 | Group 2Q FY 2015 | Group 1H FY2016 | Group 1H FY2015 |
|--|-----------------------------|-----------------------------|----------------------------|----------------------------|
| Number of Units in issue at end of period ('000) | 634,642 | 623,049 | 634,642 | 623,049 |
| Distribution per Unit (cents) | 2.80 | 2.77 | 5.55 | 5.32 |

- 7 Net asset value per Unit based on issued Units at the end of the period**

| | Group 30 Sep 2015 S\$ | Group 31 Mar 2015 S\$ | Trust 30 Sep 2015 S\$ | Trust 31 Mar 2015 S\$ |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Net asset value per Unit ⁴ | 1.5219 | 1.5249 | 1.5087 | 1.5264 |

⁴ Based on Units in issue and to be issued at the end of the period.

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8 Review of the performance

| | Group 2Q FY2016 S\$'000 | Group 1Q FY2016 S\$'000 | Group 2Q FY2015 S\$'000 | Group 1H FY2016 S\$'000 | Group 1H FY2015 S\$'000 |
|--|--|--|--|--|--|
| Gross revenue | 31,259 | 30,296 | 28,261 | 61,555 | 55,621 |
| Property operating expenses | (10,562) | (10,091) | (8,547) | (20,653) | (16,414) |
| Net property income | 20,697 | 20,205 | 19,714 | 40,902 | 39,207 |
| Foreign exchange loss | (9) | (14) | (16) | (23) | (7) |
| Interest income | 26 | 33 | 12 | 59 | 26 |
| Borrowing costs | (5,039) | (5,062) | (5,534) | (10,101) | (10,767) |
| Manager's management fees | (1,836) | (1,820) | (1,814) | (3,656) | (3,583) |
| Other trust expenses | (458) | (564) | (544) | (1,022) | (964) |
| Non-property expenses | (7,333) | (7,446) | (7,892) | (14,779) | (15,314) |
| Net income before joint venture's results | 13,381 | 12,778 | 11,818 | 26,159 | 23,912 |
| Share of results of joint venture (net of tax) | 18,855 | 3,655 | 3,898 | 22,510 | 7,620 |
| Net income | 32,236 | 16,433 | 15,716 | 48,669 | 31,532 |
| Distribution to the Unitholders | 17,770 | 17,441 | 17,258 | 35,211 | 33,107 |

Review of the performance for 2Q FY2016 vs. 1Q FY2016

The gross revenue achieved for 2Q FY2016 of S\$31.3 million was S\$1.0 million higher than the gross revenue of 1Q FY2016 of S\$30.3 million mainly due to higher rental income from 8 & 10 Pandan Crescent as well as higher recoveries from 29 Woodlands Industrial Park E1, 8 & 10 Pandan Crescent and 23 Tai Seng Drive. Property operating expenses for 2Q FY2016 of S\$10.6 million was S\$0.5 million higher compared to property expenses of 1Q FY2016 of S\$10.1 million which was consistent with the increase in recoveries from tenants.

Net property income for 2Q FY2016 stood at S\$20.7 million, which was S\$0.5 million higher than the net property income for 1Q FY2016.

The share of results of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre which is located in Macquarie Park, NSW, Australia. The increase in the share of results of joint venture (net of tax) was mainly due to the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre. The independent valuation was carried out by CBRE Valuations Pty Limited as at 30 September 2015.

The distribution to the Unitholders for 2Q FY2016 stood at S\$17.8 million, an increase of S\$0.3 million compared to 1Q FY2016. This was mainly in line with the increase in the net property income.

Review of the performance for 2Q FY2016 vs. 2Q FY2015

The gross revenue achieved for 2Q FY2016 of S\$31.3 million was S\$3.0 million higher than the corresponding quarter in the previous year of S\$28.3 million mainly due to:

- (i) rental contribution from Phase 2E and Phase Three of 20 Gul Way as they became income-producing from 14 August 2014 and 9 November 2014 respectively;

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- (ii) rental contribution from 103 Defu Lane 10 as the property became income-producing from 1 August 2014; and
- (iii) higher recoveries from 29 Woodlands Industrial Park E1 and 8 & 10 Pandan Crescent.

This was partially offset by lower rental contribution due to lower occupancy rates at 11 Changi South Street 3 and 1 Kallang Way 2A as the properties reverted to multi-tenancy leases upon expiration of the master leases on 16 December 2014 and 29 January 2015 respectively.

Property expenses for 2Q FY2016 of S\$10.6 million was S\$2.0 million higher than 2Q FY2015 of S\$8.5 million, in line with the increase in gross revenue, recoveries from tenants and the reversion to multi-tenancy properties for 11 Changi South Street 3 and 1 Kallang Way 2A upon expiration of the master leases on 16 December 2014 and 29 January 2015 respectively.

Net property income for 2Q FY2016 stood at S\$20.7 million, which was S\$1.0 million higher compared to 2Q FY2015.

Borrowing costs for 2Q FY2016 of S\$5.0 million was S\$0.5 million lower than the borrowing costs for the corresponding quarter in the previous financial year mainly attributed to lower borrowing costs on the Australian denominated loans due to lower interest rates and the strengthening of the Singapore dollar against the Australian dollar.

The increase in the share of results of joint venture (net of tax) was mainly due to the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre.

The distribution to the Unitholders for 2Q FY2016 stood at S\$17.8 million, an increase of S\$0.5 million compared to 2Q FY2015 mainly in line with the positive net contributions above.

Review of the performance for YTD FY2016 vs. YTD FY2015

The gross revenue achieved for 1H FY2016 of S\$61.6 million was S\$5.9 million higher than the corresponding period in the previous year mainly due to:

- (i) rental contribution from Phase 2E and Phase Three of 20 Gul Way as they became income-producing from 14 August 2014 and 9 November 2014 respectively;
- (ii) rental contribution from 103 Defu Lane 10 as the property became income-producing from 1 August 2014; and
- (iii) higher recoveries from 29 Woodlands Industrial Park E1 and 8 & 10 Pandan Crescent.

This was partially offset by lower rental contribution due to lower occupancy rates at 11 Changi South Street 3 and 1 Kallang Way 2A as the properties reverted to multi-tenancy leases upon expiration of the master leases on 16 December 2014 and 29 January 2015 respectively.

Property expenses for 1H FY2016 of S\$20.7 million was S\$4.2 million higher than 1H FY2015 of S\$16.4 million, in line with the increase in gross revenue, higher recoveries from tenants and the reversion to multi-tenancy properties for 11 Changi South Street 3 and 1 Kallang Way 2A upon expiration of the master leases on 16 December 2014 and 29 January 2015 respectively.

Net property income for 1H FY2016 stood at S\$40.9 million, which was S\$1.7 million higher compared to 1H FY2015.

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Borrowing costs for 1H FY2016 of S\$10.1 million was S\$0.7 million lower than the borrowing costs for the corresponding period in the previous financial year mainly attributed to lower borrowing costs on the Australian denominated loans due to lower interest rates and the strengthening of the Singapore dollar against the Australian dollar.

The increase in the share of results of joint venture (net of tax) was mainly due to the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre.

The distribution to the Unitholders for 1H FY2016 stood at S\$35.2 million, an increase of S\$2.1 million compared to 1H FY2015 mainly in line with the positive net contributions above.

9 Variance between Forecast / Prospect Statement

The current results are broadly in line with the guidance provided in the previous quarter.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Based on advance estimates, the Ministry of Trade and Industry ("MTI") announced on 14 October 2015⁵ that the Singapore economy grew by 1.4% on a year-on-year basis in the third quarter of 2015, lower than the 2.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1%, a reversal from the 2.5% contraction in the preceding quarter.

On a year-on-year basis, the manufacturing sector contracted by 6.0%, extending the 4.9% decline in the previous quarter. The contraction was largely due to a fall in the output of the electronics, biomedical manufacturing and transport engineering clusters. The construction sector expanded by 1.6% on a year-on-year basis in the third quarter, easing from the 2.0% growth recorded in the previous quarter. The slowdown was mainly due to weaker private sector construction activities. The services producing industries grew by 3.0% on a year-on-year basis in the third quarter, slower than the 3.6% growth in the previous quarter. The moderation in growth was largely due to slower pace of expansion in the wholesale & retail trade and finance & insurance sectors.

Based on JTC 3Q 2015 statistics released on 22 October 2015⁶, overall occupancy rates of Singapore's industrial property market decreased marginally to 90.8% from 91.0% the preceding quarter. A 1.0% increase in supply outstripped a 0.8% increase in demand. On a year-on-year basis, occupancy rate of the overall industrial property market fell from 90.9% in 3Q 2014 to 90.8% in 3Q 2015. In 3Q 2015, the price index of overall industrial space fell by 0.3% on a quarter-on-quarter basis and a year-on-year basis. The decline in the price indices contrasts with the average annual increases of 8% to 9% over the past 4 years. The rental index of the overall industrial space market also fell by 0.8% from the preceding quarter, and 1.6% year-on-year. The decline in the rental indices contrasts with the average annual increase of around 3% over the past 4 years. In 4Q 2015 and 2016, about 3.8 million sqm of industrial space is estimated to come on-stream. This is about 8% of current available stock. As a comparison, the average annual supply and demand of industrial spaces were around 1.6 million sqm and 1.2 million sqm in the past 3 years.

⁵ Source: www.mti.gov.sg.

⁶ Source: www.jtc.gov.sg.

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In early October this year, JTC revised their anchor tenant policies for third party service providers which include REITs. JTC have reduced the anchor tenant minimum space requirement from 1,500 sqm to 1,000 sqm. This positive change in policy allows the Trust to pursue a wider pool of eligible tenants and may also indicate that JTC has adjusted the policy in view of weaker economic conditions.

The Group's portfolio occupancy improved to 96.5% as at 30 September 2015 and continued to be above the industry average.

Outlook for financial year ending 31 March 2016

Recent turmoil in the stock market and concerns about China were the main reasons the Federal Reserve have decided to maintain low interest rate and delay the hike in their recent September meeting⁷. Credit rating agencies, Moody's and Fitch noted that rated S-REITs have well-staggered lease expiry profile and some 80% of industrial REIT sector have fixed rates on their debt which will support the sector's resilience in a downturn.⁸ The current capital structure of the Group is well positioned with a weighted average debt maturity of 2.7 years and 96.0% of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes.

China's slowdown, and questions about the Chinese government's ability to manage it, have spurred concerns about the health of the world's second-largest economy that have rattled financial markets in recent months.⁹ In addition, oil prices have plunged to six-year lows, amid concerns about waning demand for commodities from China.¹⁰ China being Singapore's largest trading partner, Singapore businesses dealing with China are feeling the effects of the slowdown at least in the short term.¹¹ Singapore's central bank, Monetary Authority of Singapore moved to slow the appreciation of the Singapore dollar for the second time this year over concerns of the slowdown.¹² Against this backdrop, the industrial property market is expected to continue to remain challenging due to falling demand and increasing supply. Moving forward, AA REIT remains cautious on the outlook of the industrial market and will continue to proactively manage the Trust's lease expiries.

The Trust has built a diversified and high quality asset portfolio that is bolstered by a well-balanced leasing strategy. Barring any unforeseen event, the Trust is well positioned to maintain a stable performance for the second half of FY2016.

⁷ Source: www.marketwatch.com published on 8 October 2015.

⁸ "Singapore industrial REIT sector will be resilient in slowdown" by Fitch published on 22 September 2015 and "Outlook for Singapore REITs positive despite soft demand and oversupply" by Moody's published on 7 October 2015.

⁹ Source: www.sg.news.yahoo.com published on 23 September 2015.

¹⁰ Source: www.bbc.com published on 24 August 2015.

¹¹ Source: www.straitstimes.com published on 29 July 2015.

¹² Source: The Straits Times published on 15 October 2015.

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Thirty-seventh distribution, for the period from 1 July 2015 to 30 September 2015

Distribution Type: Taxable Income
Tax-Exempt Income
Capital Distribution

| | | |
|--------------------|----------------------|----------------------------|
| Distribution Rate: | Taxable Income | 2.60 cents per Unit |
| | Tax-Exempt Income | 0.02 cents per Unit |
| | Capital Distribution | <u>0.18 cents per Unit</u> |
| | Total | <u>2.80 cents per Unit</u> |

Par value of units: Not applicable

Tax Rate:

Taxable Income Distributions

Taxable Income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions

Capital Distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

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(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Thirty-third distribution, for the period from 1 July 2014 to 30 September 2014

Distribution Type: Taxable Income
Tax-Exempt Income
Capital Distribution

| | | |
|--------------------|----------------------|----------------------------|
| Distribution Rate: | Taxable Income | 2.60 cents per Unit |
| | Tax-Exempt Income | 0.05 cents per Unit |
| | Capital Distribution | <u>0.12 cents per Unit</u> |
| | Total | <u>2.77 cents per Unit</u> |

Par value of units: Not applicable

Tax Rate: Taxable Income Distributions

Taxable Income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions

Capital Distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

(c) Books closure date: 6 November 2015

(d) Date payable: 23 December 2015

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12 If no distribution has been declared (recommended), a statement to that effect

Not applicable

13 Interested Person Transactions

The Trust has not required nor obtained a general mandate from Unitholders for Interested Person Transactions.

14 Confirmation by the board pursuant to Rule 705(5) of the Listing Manual

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of AIMS AMP Capital Industrial REIT Management Limited (as Manager of AA REIT) which may render these interim financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors of
AIMS AMP Capital Industrial REIT Management Limited
(as Manager of AIMS AMP Capital Industrial REIT)

George Wang
Chairman and Director

Koh Wee Lih
Director

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

By Order of the Board

AIMS AMP Capital Industrial REIT Management Limited
(Company Registration No. 200615904N)
(as Manager of AIMS AMP Capital Industrial REIT)

Koh Wee Lih
Chief Executive Officer
29 October 2015