



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT  
ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015  
("3Q 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 Group<sup>1</sup> 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"), Australia<sup>2</sup>.

**Summary of AIMS AMP Capital Industrial REIT Group results**

	Note	3Q FY2016	2Q FY2016	+ / (-)	3Q FY2015	+ / (-)	YTD FY2016	YTD FY2015	+ / (-)
		S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	32,547	31,259	4.1	29,720	9.5	94,102	85,341	10.3
Net property income	(a)	21,055	20,697	1.7	20,494	2.7	61,957	59,701	3.8
Share of results of joint venture (net of tax)	(a)	3,539	18,855	(81.2)	15,230	(76.8)	26,049	22,850	14.0
Distribution to Unitholders	(b)	18,108	17,770	1.9	17,725	2.2	53,319	50,832	4.9
Distribution per Unit ("DPU") (cents)		2.85	2.80	1.8	2.83	0.7	8.40	8.15	3.1

**Notes:**

- (a) Please refer to section 8 on "Review of the performance" for explanation of the variances.
- (b) The Manager resolved to distribute S\$18.1 million for 3Q FY2016, comprising (i) taxable income of S\$16.8 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.5 million and capital distribution of S\$0.8 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 3Q FY2016, the Manager has resolved to distribute 97.0% of the Singapore taxable income available for distribution to the Unitholders. Please refer to details in section 1(a)(ii) for the distribution statement.

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

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

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

**Distribution and Books Closure Date**

Distribution	For 1 October 2015 to 31 December 2015
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution <sup>3</sup>
Distribution Rate	(a) Taxable Income Distribution: 2.65 cents per Unit (b) Tax-Exempt Income Distribution: 0.08 cents per Unit (b) Capital Distribution <sup>3</sup> : <u>0.12 cents per Unit</u> <u>2.85 cents per Unit</u>
Books Closure Date	10 February 2016
Payment Date	23 March 2016

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

		Group 3Q FY2016 S\$'000	Group 3Q FY2015 S\$'000	+/(-) %	Group YTD FY2016 S\$'000	Group YTD FY2015 S\$'000	+/(-) %
Note							
Gross revenue	(a)	32,547	29,720	9.5	94,102	85,341	10.3
Property operating expenses	(a)	(11,492)	(9,226)	24.6	(32,145)	(25,640)	25.4
<b>Net property income</b>	(a)	21,055	20,494	2.7	61,957	59,701	3.8
Foreign exchange gain		32	9	>100.0	9	2	>100.0
Interest and other income	(b)	314	17	>100.0	373	43	>100.0
Borrowing costs	(a)	(5,033)	(6,803)	(26.0)	(15,134)	(17,570)	(13.9)
Manager's management fees		(1,844)	(1,842)	0.1	(5,500)	(5,425)	1.4
Other trust expenses		(417)	(536)	(22.2)	(1,439)	(1,500)	(4.1)
Non-property expenses		(7,294)	(9,181)	(20.6)	(22,073)	(24,495)	(9.9)
<b>Net income before joint venture's results</b>		14,107	11,339	24.4	40,266	35,251	14.2
Share of results of joint venture (net of tax)	(a),(c)	3,539	15,230	(76.8)	26,049	22,850	14.0
<b>Net income</b>		17,646	26,569	(33.6)	66,315	58,101	14.1
Net change in fair value of investment properties and investment properties under development	(d)	(2,752)	-	NM	(13,828)	36,441	>(100.0)
Net change in fair value of derivative financial instruments	(e)	499	280	78.2	506	231	>100.0
<b>Total return before income tax</b>		15,393	26,849	(42.7)	52,993	94,773	(44.1)
Income tax expense	(f)	(557)	(150)	>100.0	(3,481)	(438)	>100.0
<b>Total return after income tax</b>		14,836	26,699	(44.4)	49,512	94,335	(47.5)

NM: not meaningful.

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

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

**Notes:**

- (a) Please refer to section 8 on “Review of the performance” for explanation of the variances.
- (b) Interest and other income included an interim claim of S\$0.3 million received from the insurance company for certain reinstatement works carried out at the property located at 8 & 10 Tuas Avenue 20 due to a fire incident.
- (c) 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 lower contribution in this quarter was mainly due to the share of revaluation surplus of S\$11.2 million recognised from the valuation of Optus Centre included in 3Q FY2015. The independent valuation was carried out by Savills Valuations Pty Ltd as at 31 December 2014.
- (d) The net change in fair value of investment properties of S\$2.8 million for 3Q FY2016 was in relation to the partial write-off of the property at 8 & 10 Tuas Avenue 20 due to a fire incident. The damage is not expected to have a material impact on the net asset value or earnings per unit of AA REIT as the Trust has an Industrial All Risk and Business Interruption insurance coverage for the property damage as well as loss of income.

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.

- (e) 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.

- (f) 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT**  
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**  
**THIRD QUARTER ENDED 31 DECEMBER 2015**

**1(a)(ii) Distribution Statement**

		<b>Group 3Q FY2016 S\$'000</b>	<b>Group 3Q FY2015 S\$'000</b>	<b>+/(-) %</b>	<b>Group YTD FY2016 S\$'000</b>	<b>Group YTD FY2015 S\$'000</b>	<b>+/(-) %</b>
	<b>Note</b>						
Total return before income tax		15,393	26,849	(42.7)	52,993	94,773	(44.1)
Net effect of tax adjustments	(a)	3,990	3,761	6.1	18,724	(27,930)	>(100.0)
Other adjustments	(b)	(2,029)	(13,497)	(85.0)	(21,453)	(17,599)	21.9
Amount available for distribution from Singapore taxable income		17,354	17,113	1.4	50,264	49,244	2.1
Distribution from Singapore taxable income	(c)	16,837	16,598	1.4	49,447	47,838	3.4
Distribution from tax-exempt income	(d)	508	250	>100.0	1,111	561	98.0
Capital distribution	(e)	763	877	(13.0)	2,761	2,433	13.5
Distribution to Unitholders		18,108	17,725	2.2	53,319	50,832	4.9

**Notes:**

(a) Net effect of tax adjustments

	<b>Group 3Q FY2016 S\$'000</b>	<b>Group 3Q FY2015 S\$'000</b>	<b>+/(-) %</b>	<b>Group YTD FY2016 S\$'000</b>	<b>Group YTD FY2015 S\$'000</b>	<b>+/(-) %</b>
Amortisation and write-off of borrowing transaction costs	225	1,469	(84.7)	673	2,122	(68.3)
Foreign exchange gain	(29)	(7)	>100.0	(7)	-	NM
Manager's management fees in Units	459	917	(49.9)	1,651	2,717	(39.2)
Net change in fair value of investment properties and investment properties under development	2,752	-	NM	13,828	(36,441)	>(100.0)
Net change in fair value of derivative financial instruments	(499)	(280)	78.2	(506)	(231)	>100.0
Prepayment fee on borrowings	-	-	-	-	66	(100.0)
Net tax adjustment on foreign sourced income	593	784	(24.4)	1,783	2,522	(29.3)
Temporary differences and other tax adjustments	489	878	(44.3)	1,302	1,315	(1.0)
Net effect of tax adjustments	3,990	3,761	6.1	18,724	(27,930)	>(100.0)

NM: not meaningful.

- (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 3Q FY2016, the Manager has resolved to distribute 97.0% 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT**  
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**  
**THIRD QUARTER ENDED 31 DECEMBER 2015**

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

	Note	Group 31 Dec 2015 S\$'000	Group 31 Mar 2015 S\$'000	+/(-) %	Trust 31 Dec 2015 S\$'000	Trust 31 Mar 2015 S\$'000	+/(-) %
<b>Non-current assets</b>							
Investment properties	(a)	1,208,817	1,233,470	(2.0)	1,208,817	1,233,470	(2.0)
Investment properties under development	(b)	20,354	-	NM	20,354	-	NM
Subsidiaries	(c)	-	-	-	85,200	85,051	0.2
Joint venture	(d)	217,909	204,894	6.4	-	-	-
Trade and other receivables		2,777	3,464	(19.8)	2,777	3,464	(19.8)
Derivative financial instruments	(e)	840	213	>100.0	840	213	>100.0
		<b>1,450,697</b>	<b>1,442,041</b>	<b>0.6</b>	<b>1,317,988</b>	<b>1,322,198</b>	<b>(0.3)</b>
<b>Current assets</b>							
Trade and other receivables	(f)	7,755	6,183	25.4	6,788	5,775	17.5
Cash and cash equivalents	(g)	7,439	10,111	(26.4)	6,713	9,216	(27.2)
		<b>15,194</b>	<b>16,294</b>	<b>(6.8)</b>	<b>13,501</b>	<b>14,991</b>	<b>(9.9)</b>
<b>Total assets</b>		<b>1,465,891</b>	<b>1,458,335</b>	<b>0.5</b>	<b>1,331,489</b>	<b>1,337,189</b>	<b>(0.4)</b>
<b>Non-current liabilities</b>							
Trade and other payables	(h)	7,104	6,276	13.2	7,104	6,276	13.2
Interest-bearing borrowings	(i)	360,252	454,237	(20.7)	246,517	338,793	(27.2)
Derivative financial instruments	(e)	3,064	4,314	(29.0)	170	48	>100.0
Deferred tax liabilities	(j)	4,066	1,134	>100.0	-	-	-
		<b>374,486</b>	<b>465,961</b>	<b>(19.6)</b>	<b>253,791</b>	<b>345,117</b>	<b>(26.5)</b>
<b>Current liabilities</b>							
Trade and other payables	(k)	25,657	30,279	(15.3)	24,124	28,999	(16.8)
Interest-bearing borrowings	(i)	99,838	-	NM	99,838	-	NM
Derivative financial instruments	(e)	-	-*	(100.0)	-	-*	(100.0)
		<b>125,495</b>	<b>30,279</b>	<b>&gt;100.0</b>	<b>123,962</b>	<b>28,999</b>	<b>&gt;100.0</b>
<b>Total liabilities</b>		<b>499,981</b>	<b>496,240</b>	<b>0.8</b>	<b>377,753</b>	<b>374,116</b>	<b>1.0</b>
<b>Net assets</b>		<b>965,910</b>	<b>962,095</b>	<b>0.4</b>	<b>953,736</b>	<b>963,073</b>	<b>(1.0)</b>
Represented by:							
Unitholders' funds		965,910	962,095	0.4	953,736	963,073	(1.0)
		<b>965,910</b>	<b>962,095</b>	<b>0.4</b>	<b>953,736</b>	<b>963,073</b>	<b>(1.0)</b>

\* : 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\$13.8 million recognised during the financial period. This was partially offset by capital expenditure capitalised on asset enhancement work of S\$3.3 million.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

- (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\$2.9 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\$2.9 million (see note 1(b)(i)(i) below).
- (e) The derivative financial instruments as at 31 December 2015 were in relation to interest rate swap contracts with a total notional amount of S\$256.6 million. As at 31 December 2015, approximately 94.4% 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) Trade and other receivables as at 31 December 2015 was S\$7.8 million which was S\$1.6 million higher compared to balances as at 31 March 2015. The increase was mainly due to the timing of the billing and collection of receivables from tenants.
- (g) Cash and cash equivalents as at 31 December 2015 of S\$7.4 million was S\$2.7 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 20 Gul Way.
- (h) Non-current trade and other payables comprised rental deposits received from tenants with tenors of more than one year and retention sum of S\$0.6 million relating to the redevelopment of 30 & 32 Tuas West Road.
- (i) The increase in interest-bearing borrowings of the Group by S\$5.9 million as at 31 December 2015 was mainly due to the drawdown of S\$8.0 million of the Trust's facilities to fund the redevelopment of 30 & 32 Tuas West Road and retention sum paid for the redevelopment of 20 Gul Way and 103 Defu Lane 10, offset by a decrease in the Australian dollar denominated borrowings of S\$2.9 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).
- (j) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

- (k) Trade and other payables as at 31 December 2015 included retention sum of S\$1.7 million relating to the redevelopment of 20 Gul Way. (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 31 December 2015, the Group and the Trust have undrawn committed facilities of S\$144.3 million to fulfil their liabilities as and when they fall due.

**1(b)(ii) Aggregate amount of borrowings**

	<b>Group 31 Dec 2015 S\$'000</b>	<b>Group 31 Mar 2015 S\$'000</b>	<b>Trust 31 Dec 2015 S\$'000</b>	<b>Trust 31 Mar 2015 S\$'000</b>
<b>Interest-bearing borrowings</b>				
Amount repayable within one year				
<b>Unsecured</b>				
Medium Term Notes	100,000	-	100,000	-
Less: Unamortised borrowing transaction costs	(162)	-	(162)	-
	<u>99,838</u>	<u>-</u>	<u>99,838</u>	<u>-</u>
Amount repayable after one year				
<b>Secured</b>				
Term loans	282,290	277,234	168,009	161,100
<b>Unsecured</b>				
Medium Term Notes	80,000	180,000	80,000	180,000
	<u>362,290</u>	<u>457,234</u>	<u>248,009</u>	<u>341,100</u>
Less: Unamortised borrowing transaction costs	(2,038)	(2,997)	(1,492)	(2,307)
	<u>360,252</u>	<u>454,237</u>	<u>246,517</u>	<u>338,793</u>
<b>Total</b>	<u>460,090</u>	<u>454,237</u>	<u>346,355</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

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

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
- 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 31 December 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 31 December 2015, the Group and the Trust have undrawn committed facilities of S\$144.3 million to fulfil their liabilities as and when they fall due.



**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

**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:

	<b>2013 Placement S\$ million</b>	<b>2014 Rights Issue S\$ million</b>
Gross Proceeds	110.0	99.9
Use of proceeds		
Development costs at 103 Defu Lane 10 and 20 Gul Way	96.8	-
Development costs at 30 & 32 Tuas West Road	-	5.7
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	8.5	3.8
	<u>108.3</u>	<u>29.2</u>

As at 31 December 2015, the balance proceeds of the 2013 Placement was approximately S\$1.7 million.

As at 31 December 2015, the balance proceeds of the 2014 Rights Issue was approximately S\$70.7 million, of which S\$52.7 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT**  
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**  
**THIRD QUARTER ENDED 31 DECEMBER 2015**

**1(c) Consolidated Statement of Cash Flows**

	<b>Group 3Q FY2016 S\$'000</b>	<b>Group 3Q FY2015 S\$'000</b>	<b>Group YTD FY2016 S\$'000</b>	<b>Group YTD FY2015 S\$'000</b>
<b>Cash flows from operating activities</b>				
Total return after income tax	14,836	26,699	49,512	94,335
<b>Adjustments for:</b>				
Share of results of joint venture (net of tax)	(3,539)	(15,230)	(26,049)	(22,850)
Borrowing costs	5,033	6,803	15,134	17,570
Depreciation	-	6	-	20
Foreign exchange gain	(32)	(9)	(9)	(2)
Manager's management fees in Units	459	917	1,651	2,717
Net change in fair value of derivative financial instruments	(499)	(280)	(506)	(231)
Net change in fair value of investment properties	2,752	-	13,828	(36,441)
Income tax expense	557	150	3,481	438
<b>Operating income before working capital changes</b>	<b>19,567</b>	<b>19,056</b>	<b>57,042</b>	<b>55,556</b>
<b>Changes in working capital</b>				
Trade and other receivables	(947)	221	(1,032)	2,343
Trade and other payables	422	(1,449)	173	(4,879)
Income tax paid	(174)	(150)	(549)	(438)
<b>Net cash from operating activities</b>	<b>18,868</b>	<b>17,678</b>	<b>55,634</b>	<b>52,582</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on investment properties and investment properties under development	(8,351)	(847)	(12,697)	(43,777)
Proceeds from divestment of investment property <sup>4</sup>	-	98	-	98
Investment in a joint venture	(432)	-	(432)	-
Distributions from a joint venture	3,507	3,999	10,715	10,301
<b>Net cash (used in)/from investing activities</b>	<b>(5,276)</b>	<b>3,250</b>	<b>(2,414)</b>	<b>(33,378)</b>
<b>Cash flows from financing activities</b>				
Borrowing costs paid	(4,394)	(6,558)	(14,004)	(17,265)
Distributions to Unitholders	(17,634)	(14,595)	(49,836)	(43,871)
Proceeds from interest-bearing borrowings	8,000	165,889	8,000	247,467
Repayments of interest-bearing borrowings	-	(165,889)	-	(215,889)
Issue expenses paid	-	-	(30)	(2,334)
<b>Net cash used in financing activities</b>	<b>(14,028)</b>	<b>(21,153)</b>	<b>(55,870)</b>	<b>(31,892)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(436)</b>	<b>(225)</b>	<b>(2,650)</b>	<b>(12,688)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>7,814</b>	<b>9,299</b>	<b>10,111</b>	<b>21,809</b>
Effect of exchange rate fluctuation	61	(10)	(22)	(57)
<b>Cash and cash equivalents at end of the period</b>	<b>7,439</b>	<b>9,064</b>	<b>7,439</b>	<b>9,064</b>

<sup>4</sup> The proceeds pertain to the compulsory acquisition by Singapore Land Authority of a strip of land with an area of 410.4 sq m at 29 Woodlands Industrial Park E1 for the purpose of constructing a dual 3-lane expressway.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

**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 (3Q FY2016 vs. 3Q FY2015)**

	<b>Group 3Q FY2016 S\$'000</b>	<b>Group 3Q FY2015 S\$'000</b>	<b>Trust 3Q FY2016 S\$'000</b>	<b>Trust 3Q FY2015 S\$'000</b>
<b>Balance at beginning of the period</b>	966,462	950,334	958,061	955,229
<b>Operations</b>				
Total return after income tax	14,836	26,699	12,986	16,226
<b>Foreign currency translation reserve</b>				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	1,084	(470)	-	-
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	839	(1,427)	-	-
<b>Unitholders' transactions</b>				
Issuance of Units (including units to be issued):				
- Manager's management fees	459	917	459	917
- Distribution Reinvestment Plan	-	2,583	-	2,583
Distributions to Unitholders	(17,770)	(17,258)	(17,770)	(17,258)
Change in Unitholders' funds resulting from Unitholders' transactions	(17,311)	(13,758)	(17,311)	(13,758)
Total (decrease)/increase in Unitholders' funds	(552)	11,044	(4,325)	2,468
<b>Balance at end of the period</b>	<b>965,910</b>	<b>961,378</b>	<b>953,736</b>	<b>957,697</b>

**AIMS AMP CAPITAL INDUSTRIAL REIT**  
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**  
**THIRD QUARTER ENDED 31 DECEMBER 2015**

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

	<b>Group YTD FY2016 S\$'000</b>	<b>Group YTD FY2015 S\$'000</b>	<b>Trust YTD FY2016 S\$'000</b>	<b>Trust YTD FY2015 S\$'000</b>
<b>Balance at beginning of the period</b>	962,095	911,888	963,073	912,743
<b>Operations</b>				
Total return after income tax	49,512	94,335	37,754	86,187
<b>Foreign currency translation reserve</b>				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	63	(976)	-	-
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	1,331	(2,636)	-	-
<b>Unitholders' transactions</b>				
Issuance of Units (including units to be issued):				
- Manager's management fees	1,651	2,717	1,651	2,717
- Property Manager's fees	1,232	-	1,232	-
- Distribution Reinvestment Plan	3,632	4,784	3,632	4,784
Distributions to Unitholders	(53,576)	(48,698)	(53,576)	(48,698)
Issue expenses	(30)	(36)	(30)	(36)
Change in Unitholders' fund resulting from Unitholders' transactions	(47,091)	(41,233)	(47,091)	(41,233)
Total increase/(decrease) in Unitholders' funds	3,815	49,490	(9,337)	44,954
<b>Balance at end of the period</b>	<b>965,910</b>	<b>961,378</b>	<b>953,736</b>	<b>957,697</b>

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

	<b>Note</b>	<b>Trust 3Q FY2016 Units '000</b>	<b>Trust 3Q FY2015 Units '000</b>	<b>Trust YTD FY2016 Units '000</b>	<b>Trust YTD FY2015 Units '000</b>
Units in issue at beginning of the period		634,642	623,049	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
- Property Manager's fees	(c)	-	-	824	-
- Distribution Reinvestment Plan	(d)	-	1,785	2,463	3,308
Units in issue at end of the period		634,642	624,834	634,642	624,834
<u>Units to be issued:</u>					
Manager's management fees	(e)	724	1,504	724	1,504
<b>Total Units in issue and to be issued at end of the period</b>		<b>635,366</b>	<b>626,338</b>	<b>635,366</b>	<b>626,338</b>

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

- (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 31 December 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

- 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.

	<b>Group 3Q FY2016</b>	<b>Group 3Q FY2015</b>	<b>Group YTD FY2016</b>	<b>Group YTD FY2015</b>
Weighted average number of Units ('000)	634,650	623,241	633,032	621,982
<b>Earnings per Unit (cents) - basic and diluted</b>	<b>2.34</b>	<b>4.28</b>	<b>7.82</b>	<b>15.17</b>

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

	<b>Group 3Q FY 2016</b>	<b>Group 3Q FY 2015</b>	<b>Group YTD FY2016</b>	<b>Group YTD FY2015</b>
Number of Units in issue at end of period ('000)	634,642	624,834	634,642	624,834
Number of Units to be issued before the Books Closure Date ('000)	724	1,504	724	1,504
Applicable number of Units for calculation of DPU ('000)	635,366	626,338	635,366	626,338
<b>Distribution per Unit (cents)</b>	<b>2.85</b>	<b>2.83</b>	<b>8.40</b>	<b>8.15</b>

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

	<b>Group 31 Dec 2015 S\$</b>	<b>Group 31 Mar 2015 S\$</b>	<b>Trust 31 Dec 2015 S\$</b>	<b>Trust 31 Mar 2015 S\$</b>
Net asset value per Unit <sup>5</sup>	1.5202	1.5249	1.5011	1.5264

<sup>5</sup> Based on Units in issue and to be issued at the end of the period.

**AIMS AMP CAPITAL INDUSTRIAL REIT**  
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**  
**THIRD QUARTER ENDED 31 DECEMBER 2015**

**8 Review of the performance**

	<b>Group 3Q FY2016 S\$'000</b>	<b>Group 2Q FY2016 S\$'000</b>	<b>Group 3Q FY2015 S\$'000</b>	<b>Group YTD FY2016 S\$'000</b>	<b>Group YTD FY2015 S\$'000</b>
Gross revenue	32,547	31,259	29,720	94,102	85,341
Property operating expenses	(11,492)	(10,562)	(9,226)	(32,145)	(25,640)
<b>Net property income</b>	<b>21,055</b>	<b>20,697</b>	<b>20,494</b>	<b>61,957</b>	<b>59,701</b>
Foreign exchange gain/(loss)	32	(9)	9	9	2
Interest and other income	314	26	17	373	43
Borrowing costs	(5,033)	(5,039)	(6,803)	(15,134)	(17,570)
Manager's management fees	(1,844)	(1,836)	(1,842)	(5,500)	(5,425)
Other trust expenses	(417)	(458)	(536)	(1,439)	(1,500)
Non-property expenses	(7,294)	(7,333)	(9,181)	(22,073)	(24,495)
<b>Net income before joint venture's results</b>	<b>14,107</b>	<b>13,381</b>	<b>11,339</b>	<b>40,266</b>	<b>35,251</b>
Share of results of joint venture (net of tax)	3,539	18,855	15,230	26,049	22,850
<b>Net income</b>	<b>17,646</b>	<b>32,236</b>	<b>26,569</b>	<b>66,315</b>	<b>58,101</b>
<b>Distribution to the Unitholders</b>	<b>18,108</b>	<b>17,770</b>	<b>17,725</b>	<b>53,319</b>	<b>50,832</b>

**Review of the performance for 3Q FY2016 vs. 2Q FY2016**

Gross revenue for 3Q FY2016 of S\$31.2 million (excluding property tax of S\$1.3 million<sup>6</sup>) was broadly in line with 2Q FY2016.

Net property income for 3Q FY2016 stood at S\$21.1 million, which was S\$0.4 million higher than the net property income for 2Q FY2016 of S\$20.7 million, mainly due to lower expenditure incurred for the Group's portfolio of properties.

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. In 2Q FY2016, the share of results of joint venture (net of tax) included 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 3Q FY2016 stood at S\$18.1 million, an increase of S\$0.3 million compared to 2Q FY2016. This was mainly in line with the increase in the net property income.

**Review of the performance for 3Q FY2016 vs. 3Q FY2015**

The gross revenue achieved for 3Q FY2016 of S\$31.2 million (excluding additional property tax recovery<sup>6</sup>) was S\$1.5 million higher than the corresponding quarter in the previous year of S\$29.7 million mainly due to:

- (i) rental contribution from Phase Three of 20 Gul Way as it became income-producing from 9 November 2014; and
- (ii) higher recoveries from 29 Woodlands Industrial Park E1 and 8 & 10 Pandan Crescent.

<sup>6</sup> For 3Q FY2016, the gross revenue of S\$32.5 million included an additional property tax of S\$1.3 million for 20 Gul Way for the period from 14 June 2014 to 31 December 2015. The additional property tax was due to the change in annual value of property assessed by Inland Revenue Authority of Singapore ("IRAS") which was fully recoverable from the master tenant, CWT Limited. Excluding this additional recovery, the gross revenue and property operating expenses would have been S\$31.2 million and S\$10.2 million respectively.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

This was partially offset by lower rental contribution due to slower take-up rate at 1 Kallang Way 2A as the property reverted to multi-tenancy leases upon expiration of the master lease on 29 January 2015 and loss in revenue due to the redevelopment of 30 & 32 Tuas West Road.

Property expenses for 3Q FY2016 of S\$10.2 million (excluding additional property tax expense<sup>6</sup>) was S\$1.0 million higher than 3Q FY2015 of S\$9.2 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 3Q FY2016 stood at S\$21.1 million, which was S\$0.6 million higher compared to 3Q FY2015.

Borrowing costs for 3Q FY2016 of S\$5.0 million was S\$1.8 million lower than the borrowing costs for the corresponding quarter in the previous financial year. This was mainly attributed to:

- (i) the accelerated recognition of unamortised loan transaction costs of S\$1.2 million in 3Q FY2015 as a result of the early refinancing of the secured borrowing of the Trust, and
- (ii) lower borrowing costs on the Australian denominated loans for the quarter due to lower interest rates and the strengthening of the Singapore dollar against the Australian dollar.

The share of results of joint venture (net of tax) in 3Q FY2015 included the share of revaluation surplus of S\$11.2 million recognised from the revaluation of Optus Centre. The independent valuation of the property was carried out by Savills Valuations Pty Ltd as at 31 December 2014.

The distribution to the Unitholders for 3Q FY2016 stood at S\$18.1 million, an increase of S\$0.4 million compared to 3Q 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 YTD FY2016 of S\$92.8 million<sup>7</sup> was S\$7.4 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 :

- (i) lower rental contribution due to slower take-up 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; and
- (ii) loss in revenue due to the redevelopment of 30 & 32 Tuas West Road.

---

<sup>7</sup> For YTD FY2016, the gross revenue of S\$94.1 million included an additional property tax of S\$1.3 million for 20 Gul Way for the period from 14 June 2014 to 31 December 2015. The additional property tax was due to the change in annual value of property assessed by IRAS which was fully recoverable from the master tenant, CWT Limited. Excluding this additional recovery, the gross revenue and property operating expenses for YTD FY2016 would have been S\$92.8 million and S\$30.8 million respectively.



**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

Property expenses for YTD FY2016 of S\$30.8 million<sup>7</sup> was S\$5.2 million higher than YTD FY2015 of S\$25.6 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 YTD FY2016 stood at S\$62.0 million, which was S\$2.3 million higher compared to YTD FY2015.

Borrowing costs for YTD FY2016 of S\$15.1 million was S\$2.4 million lower than the borrowing costs for the corresponding period in the previous financial year mainly attributed to

- (i) the accelerated recognition of unamortised loan transaction costs of S\$1.2 million in YTD FY2015 as a result of the early refinancing of the secured borrowing of the Trust; and
- (ii) lower borrowing costs on the Australian denominated loans for the current period 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 higher share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre in YTD FY2016 compared to S\$11.2 million recognised in YTD FY2015.

The distribution to the Unitholders for YTD FY2016 stood at S\$53.3 million, an increase of S\$2.5 million compared to YTD 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 4 January 2016<sup>8</sup> that the Singapore economy grew by 2.0% on a year-on-year basis in the fourth quarter of 2015, slightly faster than the 1.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a faster pace of 5.7% compared to the 1.7% growth in the preceding quarter. For the whole of 2015, the economy grew by 2.1%. This is in line with MTI's earlier GDP growth forecast of "close to 2.0%".

On a year-on-year basis, the manufacturing sector contracted by 6.0%, extending the 5.9% decline in the previous quarter. The contraction was largely due to a decline in the output of the electronics, transport engineering and precision engineering clusters. The construction sector expanded by 2.2% on a year-on-year basis in the fourth quarter, an improvement from the 1.1% growth recorded in the previous quarter. The growth was supported by a pick-up in public sector construction activities. The services producing industries grew by 3.2% on a year-on-year basis in the fourth quarter, easing slightly from the 3.4% growth in the previous quarter. The growth was mainly supported by the wholesale & retail trade and finance & insurance sectors.

---

<sup>8</sup> Source: [www.mti.gov.sg](http://www.mti.gov.sg).

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

Based on JTC 3Q 2015 statistics released on 22 October 2015<sup>9</sup>, 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.

The Group's portfolio occupancy remained healthy at 93.4% as at 31 December 2015 and continued to be above the industry average.

**Outlook for financial year ending 31 March 2016**

The Federal Reserve raised interest rates for the first time in nearly a decade in December 2015. Expectations of further increases in US interest rates, further weakness in the Singapore dollar against the US dollar and further weakness in the yuan has led to volatility in the Singapore dollar. The Singapore dollar has fallen 1.8% against the US dollar since the start of the year. This follows a 7% depreciation in 2015. Volatility in the Singapore dollar amid worries about China's economy and further depreciation of the yuan has caused interest rates in Singapore to rise, adding to the already volatile financial market. The current capital structure of the Group is well positioned with a weighted average debt maturity of 2.4 years and 94.4% of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes. In addition, AA REIT's Australian investment, Optus Centre is substantially hedged using Australian dollar denominated loans with a weighted debt maturity of 2.6 years where 100% of the interest rates on the funding is fixed.

In addition, oil prices have weakened further as fears that the lifting of Iranian sanctions could flood an already oversupplied markets for crude. Given the economic headwinds and the strong industrial supply pipeline in Singapore, rents continued to be under pressure. The industrial property market is expected to continue to remain challenging and 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 expected to maintain a stable performance for the remaining quarter of FY2016.

---

<sup>9</sup> Source: [www.jtc.gov.sg](http://www.jtc.gov.sg).

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

**11 Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period: Yes

Name of distribution: Thirty-eighth distribution, for the period from 1 October 2015 to 31 December 2015

Distribution Type: Taxable Income  
Tax-Exempt Income  
Capital Distribution

Distribution Rate:	Taxable Income	2.65 cents per Unit
	Tax-Exempt Income	0.08 cents per Unit
	Capital Distribution	<u>0.12 cents per Unit</u>
	Total	<u>2.85 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

**(b) Corresponding period of the immediately preceding period**

Any distributions declared for the previous corresponding financial period:	Yes								
Name of distribution:	Thirty-fourth distribution, for the period from 1 October 2014 to 31 December 2014								
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution								
Distribution Rate:	<table> <tr> <td>Taxable Income</td><td>2.65 cents per Unit</td></tr> <tr> <td>Tax-Exempt Income</td><td>0.04 cents per Unit</td></tr> <tr> <td>Capital Distribution</td><td><u>0.14 cents per Unit</u></td></tr> <tr> <td>Total</td><td><u>2.83 cents per Unit</u></td></tr> </table>	Taxable Income	2.65 cents per Unit	Tax-Exempt Income	0.04 cents per Unit	Capital Distribution	<u>0.14 cents per Unit</u>	Total	<u>2.83 cents per Unit</u>
Taxable Income	2.65 cents per Unit								
Tax-Exempt Income	0.04 cents per Unit								
Capital Distribution	<u>0.14 cents per Unit</u>								
Total	<u>2.83 cents per Unit</u>								
Par value of units:	Not applicable								
Tax Rate:	<b><u>Taxable Income Distributions</u></b>								

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.

<b>(c) Books closure date:</b>	10 February 2016
<b>(d) Date payable:</b>	23 March 2016

**AIMS AMP CAPITAL INDUSTRIAL REIT  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT  
THIRD QUARTER ENDED 31 DECEMBER 2015**

---

**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  
28 January 2016