AIMS 宝泽 | AMPCAPITAL AIMS AMP CAPITAL INDUSTRIAL REIT	**AIMS AMP CAPITAL INDUSTRIAL REIT MANAGEMENT LIMITED** As Manager of AIMS AMP Capital Industrial REIT One George Street, #23-03 Singapore 049145

Media Release

AIMS AMP Capital Industrial REIT announces DPU of 2.50 cents in 1Q FY2018

Singapore, 27 July 2017 – AIMS AMP Capital Industrial REIT Management Limited (the Manager) as manager of AIMS AMP Capital Industrial REIT (AA REIT) today announced a Distribution Per Unit (DPU) of 2.50 cents for the first quarter ended 30 June 2017.

Gross revenue and net property income remained stable compared to the last quarter, at S$30.5 million and S$20.1 million respectively.

Amidst the challenging market condition, the Manager successfully executed 23 new and renewal leases representing 46,068.2 sqm (7.4 per cent of net lettable area) at a weighted average rental decrease of 4.3 per cent on the renewals during the quarter. Portfolio occupancy of 91.0 per cent remained above the industry average despite decrease from last quarter of 94.6 per cent.

The third phase of master lease at 20 Gul Way, AA REIT's largest asset, which expired in May 2017, is currently 80.0 per cent leased out, bringing the property occupancy to 94.0 per cent.

The Manager's Chief Executive Officer, Koh Wee Lih, said, "The industrial leasing market remains challenging as supply continues to outpace demand in a soft market environment. This is likely to exert further downward pressure on rentals and occupancy."

"To strengthen our position against ongoing headwinds in the industry, we remain focused on retaining existing tenants and improving occupancy while looking for opportunities to enhance portfolio value through asset enhancement initiatives and acquisitions," Mr Koh said.

AA REIT is gearing up to deliver the completion of two ongoing development projects in the second half of 2017. The redevelopment at 8 Tuas Avenue 20 will increase the gross floor area of the property from 117,521 square feet to approximately 158,853 square feet while the greenfield build-to-suit development at 51 Marsiling Road, is pre-committed to a 10-year master lease term with Beyonics International with rent escalations.

In this quarter, AA REIT also continues to maintain a strong financial position with a well staggered debt maturity profile through prudent capital management. As at 30 June 2017, 83.3 per cent of the portfolio's interest rate is fixed taking into account interest rate swap contracts and fixed rate notes. Overall blended funding cost decreased to 3.6 per cent from 3.7 per cent a quarter ago. Aggregate leverage is at 36.3 per cent while weighted average debt maturity is at 2.0 years (2.5 years on a pro forma basis[1]).

[1] In April 2017, AA REIT received commitment from a syndicate of financial institutions to refinance the secured facilities due in November 2017 with a new four-year revolving credit facility and three-year Australian dollar term loan.

AA REIT's stable performance reflects its focused strategy which has seen the REIT deliver a decade of excellent results for Unitholders.

"This year marks a significant milestone for AA REIT as we celebrate AA REIT's 10-year anniversary. AA REIT has grown from strength-to-strength on the back of an outstanding team, and the support of our tenants and partners. Since listing on the Singapore bourse a decade ago, we've steadily grown to a fund with close to S$1.5 billion worth of assets across a diversified portfolio of 27 high-performing properties in Singapore and Australia."

"We remain dedicated and focused on delivering long-term sustainable returns for our Unitholders, and look forward to the next 10 years of growth," said Mr Koh.

Click here for more information on AA REIT's 10-year anniversary.

Key highlights for 1Q FY2018 are:

- DPU of 2.50 cents for the quarter;
- Achieved stable gross revenue and net property income for 1Q FY2018 compared to preceding quarter;
- Executed 23 new and renewal leases in 1Q FY2018, representing 46,068.2 sqm (7.4 per cent of net lettable area) at a weighted average rental decrease of 4.3 per cent on the renewals;
- Decrease in portfolio occupancy to 91.0 per cent from 94.6 per cent a quarter ago, mainly due to the expiry of master lease at 3 Tuas Avenue 2 and decrease in occupancy for the logistics portfolio. However, portfolio occupancy continue to be above the industrial average of 89.4 per cent;
- Third phase of master lease at 20 Gul Way (27,640 sqm of net lettable area), AA REIT's largest asset, which expired in May 2017 is currently 80.0 per cent leased out. The occupancy of the whole property is currently 94.0 per cent.

For the first quarter of FY2018, the Manager achieved the following financial performance metrics:

- 83.3 per cent of the portfolio's interest rate is fixed taking into account interest rate swap contracts and fixed rate notes;
- Reduced overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.6 per cent from 3.7 per cent a quarter ago;
- Aggregate leverage as at 30 June 2017 is at 36.3 per cent;
- Weighted average debt maturity of 2.0 years (2.5 years on a pro forma basis[1]).

Outlook

The outlook for the global economy has improved slightly since early 2017 on the back of an improvement in the growth outlook for the advanced economies. Despite the improved growth prospects for the global economy, uncertainties and downside risks remain (e.g. rising anti-globalisation sentiments, political risks and economic uncertainties in Europe and Brexit, and monetary conditions may tighten further in China). Against this external backdrop and the industrial oversupply situation in Singapore, there is likely further downward pressure on rentals and occupancy. AA REIT remains focused on active asset and lease management, and unlocking organic value within the portfolio through asset enhancement initiatives and redevelopments. AA REIT currently has two ongoing development projects (namely: 8 Tuas Avenue 20 and the greenfield development at 51 Marsiling Road) which are targeted to complete in the second half of 2017.

The current capital structure of the Group is well positioned with a weighted average debt maturity of 2.0 years as at 30 June 2017 (2.5 years on a pro forma basis[1]). Furthermore, 83.3 per cent of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes. AA REIT will continue to remain focused on managing risks through prudent capital management and to optimise the portfolio through sector and tenant diversification across its portfolio of 27 properties.

Summary of AIMS AMP Capital Industrial REIT Group results

	Note	1Q FY2018	4Q FY2017	+/(-)	1Q FY2017	+/(-)
		S$'000	S$'000	%	S$'000	%
Gross revenue	(a)	30,503	30,606	(0.3)	29,234	4.3
Net property income	(a)	20,119	19,973	0.7	20,405	(1.4)
Share of results of joint venture (net of tax)	(a)	3,661	4,119	(11.1)	3,605	1.6
Distribution to Unitholders	(b)	15,999	17,755	(9.9)	17,525	(8.7)
Distribution per Unit ("DPU") (cents)		2.50	2.78	(10.1)	2.75	(9.1)

Notes:

(a) Please refer to section 8 of AA REIT's unaudited financial statement on "Review of the performance" for explanation of the variances.

(b) The Manager resolved to distribute S$16.0 million for 1Q FY2018, comprising (i) taxable income of S$15.4 million from Singapore operations; and (ii) tax-exempt income distribution of S$0.3 million and capital distribution of S$0.3 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, New South Wales (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 1Q FY2018, the Manager has resolved to distribute 94.4% of the Singapore taxable income available for distribution to the Unitholders.

Distribution and Books Closure Date

Distribution	For 1 April 2017 to 30 June 2017
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution[2]
Distribution Rate	(a) Taxable Income Distribution: 2.40 cents per Unit (b) Tax-Exempt Income Distribution: 0.05 cents per Unit (c) Capital Distribution[2]: 0.05 cents per Unit 2.50 cents per Unit
Books Closure Date	8 August 2017
Payment Date	21 September 2017

[2] 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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Important Notice

The value of units of AIMS AMP Capital Industrial REIT ("**AA REIT**") ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, AIMS AMP Capital Industrial REIT Management Limited ("**Manager**"), or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of AA REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of AA REIT is not necessarily indicative of the future performance of AA REIT.

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

About AIMS AMP Capital Industrial REIT

Managed by the Manager, AA REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate located throughout the Asia Pacific that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The principal sponsors of AA REIT are the AIMS Financial Group ("**AIMS**") and AMP Capital, part of the AMP Group, one of Australia's largest retail and corporate pension providers and one of the region's most significant investment managers. AA REIT's existing portfolio consists of 27 industrial properties, 26 of which are located throughout Singapore (including 1 greenfield development at Marsiling) with a total value of S$1.21 billion based on valuations obtained as at 31 March 2017. AA REIT also has 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia, and is valued at A$445.0 million as at 31 March 2017.

About AIMS Financial Group

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

Since 1999, AIMS has raised more than A$4.0 billion in funds from the capital markets. AIMS has issued approximately A$3.0 billion of residential mortgage-backed securities, predominantly rated AAA by both Standard & Poor's and Fitch Ratings and has originated over A$8.0 billion mortgages since 1991.

AIMS has actively introduced a number of international investors into the Australian market and to date has attracted in excess of A$1.0 billion of investment funding into Australia from overseas investors. AIMS is the investment manager for AIMS' funds, which amount to circa A$2.0 billion as at 30 November 2016.

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

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

AIMS' head office is in Sydney and it has businesses across Australia, China, Hong Kong and Singapore. Its highly qualified, professional and experienced cross-cultural teams enable AIMS to bridge the gap between Australia and Asia across various sectors.

About AMP Capital

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

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

AMP Capital's asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why AMP Capital's clients trust AMP Capital to invest over A$165.4 billion (as at 31 December 2016) on their behalf, across a range of single sector and diversified funds.