AIMS AMP CAPITAL INDUSTRIAL REIT	**AIMS AMP CAPITAL INDUSTRIAL REIT UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FIRST QUARTER ENDED 30 JUNE 2017 ("1Q FY2018")**

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[1] has a portfolio of 27 industrial properties, 26 of which are located throughout Singapore and one business park property in Macquarie Park, New South Wales ("NSW"), Australia[2].

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 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, 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. 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.

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[3]	
Distribution Rate	(a) Taxable Income Distribution: (b) Tax-Exempt Income Distribution: (c) Capital Distribution[3]:	2.40 cents per Unit 0.05 cents per Unit 0.05 cents per Unit 2.50 cents per Unit
Books Closure Date	8 August 2017	
Payment Date	21 September 2017	

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

	Note	Group 1Q FY2018 S$'000	Group 1Q FY2017 S$'000	+/(-) %
Gross revenue	(a)	30,503	29,234	4.3
Property operating expenses	(a)	(10,384)	(8,829)	17.6
Net property income	(a)	20,119	20,405	(1.4)
Foreign exchange loss		(12)	(25)	(52.0)
Interest and other income	(b)	19	2,344	(99.2)
Borrowing costs	(a)	(4,761)	(4,944)	(3.7)
Manager's management fees	(a)	(1,822)	(1,819)	0.2
Other trust expenses	(a)	(341)	(363)	(6.1)
Non-property expenses		(6,924)	(7,126)	(2.8)
Net income before joint venture's results		13,202	15,598	(15.4)
Share of results of joint venture (net of tax)	(a),(c)	3,661	3,605	1.6
Net income		16,863	19,203	(12.2)
Net change in fair value of derivative financial instruments	(d)	(1,089)	(465)	>100.0
Total return before income tax		15,774	18,738	(15.8)
Income tax (expense)/credit	(e)	(233)	24	>(100.0)
Total return after income tax		15,541	18,762	(17.2)

Notes:

(a) Please refer to section 8 on "Review of the performance" for explanation of the variances.

(b) Interest and other income in 1Q FY2017 included proceeds of S$2.3 million from the full and final settlement received from the insurance company for the property at 8 Tuas Avenue 20[4] due to a fire incident in 2015.

[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.

[4] The land parcels at 8 & 10 Tuas Avenue 20 were amalgamated and the property is now known as 8 Tuas Avenue 20.

(c) 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.

(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 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.

1(a)(ii) Distribution Statement

	Note	Group 1Q FY2018 S$'000	Group 1Q FY2017 S$'000	+/(-) %
Total return before income tax		15,774	18,738	(15.8)
Net effect of tax adjustments	(a)	2,599	(280)	>(100.0)
Other adjustments	(b)	(2,106)	(2,098)	0.4
Amount available for distribution from Singapore taxable income		16,267	16,360	(0.6)
Distribution from Singapore taxable income	(c)	15,359	16,346	(6.0)
Distribution from tax-exempt income	(d)	320	612	(47.7)
Capital distribution	(e)	320	567	(43.6)
Distribution to Unitholders		15,999	17,525	(8.7)

Notes:

(a) Net effect of tax adjustments

	Group 1Q FY2018 S$'000	Group 1Q FY2017 S$'000	+/(-) %
Amortisation and write-off of borrowing transaction costs	201	222	(9.5)
Foreign exchange loss	7	22	(68.2)
Manager's management fees in Units	911	907	0.4
Net change in fair value of derivative financial instruments	1,089	465	>100.0
Net tax adjustment on foreign sourced income	604	585	3.2
Proceeds from insurance claims	-	(2,330)	(100.0)
Temporary differences and other tax adjustments	(213)	(151)	41.1
Net effect of tax adjustments	2,599	(280)	>(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 1Q FY2018, the Manager has resolved to distribute 94.4% 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.

1(b)(i) Statements of Financial Position as at 30 June 2017 vs. 31 March 2017

	Note	Group 30 Jun 2017 S$'000	Group 31 Mar 2017 S$'000	+/(-) %	Trust 30 Jun 2017 S$'000	Trust 31 Mar 2017 S$'000	+/(-) %
Non-current assets							
Investment properties		1,175,225	1,175,100	<0.1	1,175,225	1,175,100	<0.1
Investment properties under development	(a)	50,208	37,600	33.5	50,208	37,600	33.5
Subsidiaries	(b)	-	-	-	85,200	85,200	-
Joint venture	(c)	229,749	232,113	(1.0)	-	-	-
Trade and other receivables	(d)	2,960	2,599	13.9	2,960	2,599	13.9
Derivative financial instruments	(e)	-	408	(100.0)	-	408	(100.0)
		1,458,142	1,447,820	0.7	1,313,593	1,300,907	1.0
Current assets							
Trade and other receivables	(d)	6,634	5,928	11.9	6,129	5,307	15.5
Cash and cash equivalents	(f)	7,435	11,727	(36.6)	6,448	10,819	(40.4)
		14,069	17,655	(20.3)	12,577	16,126	(22.0)
Total assets		**1,472,211**	**1,465,475**	0.5	**1,326,170**	**1,317,033**	0.7
Non-current liabilities							
Trade and other payables	(g)	6,812	7,424	(8.2)	6,812	7,424	(8.2)
Interest-bearing borrowings	(h)	443,955	444,921	(0.2)	327,321	327,201	<0.1
Derivative financial instruments	(e)	3,244	2,760	17.5	1,005	247	>100.0
Deferred tax liabilities	(i)	5,943	5,849	1.6	-	-	-
		459,954	460,954	(0.2)	335,138	334,872	0.1
Current liabilities							
Trade and other payables	(j)	36,436	33,271	9.5	35,382	32,138	10.1
Interest-bearing borrowings	(h)	88,697	82,585	7.4	88,697	82,585	7.4
Derivative financial instruments	(e)	141	218	(35.3)	141	218	(35.3)
		125,274	116,074	7.9	124,220	114,941	8.1
Total liabilities		**585,228**	**577,028**	1.4	**459,358**	**449,813**	2.1
Net assets		**886,983**	**888,447**	(0.2)	**866,812**	**867,220**	<(0.1)
Represented by:							
Unitholders' funds		886,983	888,447	(0.2)	866,812	867,220	<(0.1)
		886,983	**888,447**	(0.2)	**866,812**	**867,220**	<(0.1)

Notes:

(a) As of 30 June 2017, investment properties under development relates to the redevelopment of 8 Tuas Avenue 20 and a Build-To-Suit ("BTS") greenfield development at 51 Marsiling Road.

On 14 April 2016, the Manager announced plans for the Trust's fourth redevelopment project which would transform two adjoining two-storey detached industrial spaces at 8 Tuas Avenue 20 into a versatile industrial facility with ramp and cargo lift access. This redevelopment would increase the gross floor area of the property by around 41,332 square feet from 117,521 square feet to approximately 158,853 square feet.

On 4 August 2016, the Manager announced plans for the Trust's first third-party greenfield BTS development facility for leading manufacturer, Beyonics International Pte Ltd at 51 Marsiling Road. The five-storey BTS production facility with an estimated gross floor area of approximately 231,738 square feet will cost around S$39.4 million, including land and associated costs.

The two developments are targeted to be completed in the second half of 2017.

(b) This relates to the Trust's interest in its wholly-owned subsidiaries, AACI REIT MTN Pte. Ltd., AIMS AMP Capital Industrial REIT (Australia) Trust and AACI REIT Opera Pte. Ltd.

(c) 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.

(d) Non-current trade and other receivables relate to the unamortised portion of the marketing services commission for leases with tenors of more than one year. Current trade and other receivables as at 30 June 2017 of S$6.6 million was S$0.7 million higher compared to balances as at 31 March 2017. The increase was mainly due to the timing of billing and collection of receivables from tenants.

(e) The derivative financial instruments as at 30 June 2017 were in relation to interest rate swap contracts with a total notional amount of S$314.9 million. As at 30 June 2017, approximately 83.3% of the Group's borrowings were on fixed rates taking into account (i) the interest rate swap contracts entered into and (ii) the medium term notes ("Medium Term Notes"). Under the interest rate swap contracts, the Group pays fixed interest rates of between 1.570% 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 changes in fair value were mainly due to the revaluation of the interest rate swap contracts in accordance with FRS 39.

(f) Cash and cash equivalents as at 30 June 2017 of S$7.4 million was S$4.3 million lower compared to balances as at 31 March 2017. This was partly attributable to the timing of borrowings and payment for capital expenditure on investment properties under development at 8 Tuas Avenue 20 and 51 Marsiling Road.

(g) 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 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road (31 March 2017: retention sum of S$0.2 million relating to the development of 8 Tuas Avenue 20).

(h) The borrowings of the Group as at 30 June 2017 of S$532.7 million was S$5.1 million higher compared to balances as at 31 March 2017 mainly due to the net drawdown of S$6.7 million which was primarily used to fund the development of 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road.

The current interest-bearing borrowings relate to the Trust's revolving credit facility of S$20.0 million and A$65.1 million term loan facility which are due to mature in November 2017. In April 2017, the Trust 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.

(i) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.

(j) Current trade and other payables as at 30 June 2017 included retention sum of S$1.9 million relating to the development of 30 Tuas West Road, 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road as well as development cost payable of S$11.3 million relating to 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road (31 March 2017: included retention sum of S$2.6 million relating to the development of 30 Tuas West Road, 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road as well as development cost payable of S$8.8 million relating to 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road). These costs will be funded by the committed loan facilities of the Trust. As at 30 June 2017, the Group and the Trust have undrawn committed facilities of S$126.6 million to fulfil their liabilities as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Group 30 Jun 2017 S$'000	Group 31 Mar 2017 S$'000	Trust 30 Jun 2017 S$'000	Trust 31 Mar 2017 S$'000
Interest-bearing borrowings				
Amount repayable within one year				
Secured				
Term loans	68,824	69,492	68,824	69,492
Revolving credit facility	20,000	13,300	20,000	13,300
	88,824	82,792	88,824	82,792
Less: Unamortised borrowing transaction costs	(127)	(207)	(127)	(207)
	88,697	82,585	88,697	82,585
Amount repayable after one year				
Secured				
Term loans	315,361	316,495	198,439	198,439
Unsecured				
Medium Term Notes	130,000	130,000	130,000	130,000
	445,361	446,495	328,439	328,439
Less: Unamortised borrowing transaction costs	(1,406)	(1,574)	(1,118)	(1,238)
	443,955	444,921	327,321	327,201
Total	532,652	527,506	416,018	409,786

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;
- a three-year revolving credit facility of S$120.0 million; and
- a four-year term loan facility of S$100.0 million.

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

- first legal mortgage over 13 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

The syndicated debt facility comprised a A$110,655,000 five-year term loan 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 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"), 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 MTN Programme.

As at 30 June 2017, S$130.0 million Medium Term Notes had been issued comprising:

(i) 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;

(ii) 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; and

(iii) S$50.0 million five-year Medium Term Notes with a fixed rate of 3.60% per annum, payable semi-annually in arrears and will mature on 22 March 2022.

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

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:

	2014 Rights Issue S$ million
Gross Proceeds	99.9
Use of proceeds	
Development costs at 30 Tuas West Road	38.6
Development costs at 8 Tuas Avenue 20	10.3
Land and development costs for greenfield development at 51 Marsiling Road	18.6
Repayment of outstanding borrowings	17.2
Issue expenses in relation to the 2014 Rights Issue	2.5
Asset enhancement initiatives	7.7
	94.9

As at 30 June 2017, the balance proceeds of the 2014 Rights Issue was approximately S$5.0 million.

The use of proceeds from the 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.

1(c) Consolidated Statements of Cash Flows

	Group 1Q FY2018 S$'000	Group 1Q FY2017 S$'000
Cash flows from operating activities		
Total return after income tax	15,541	18,762
Adjustments for:		
Share of results of joint venture (net of tax)	(3,661)	(3,605)
Borrowing costs	4,761	4,944
Foreign exchange loss	12	25
Manager's management fees in Units	911	907
Net change in fair value of derivative financial instruments	1,089	465
Income tax expense / (credit)	233	(24)
Operating income before working capital changes	**18,886**	**21,474**
Changes in working capital		
Trade and other receivables	(1,065)	(1,045)
Trade and other payables	854	(1,180)
Cash generated from operations	18,675	19,249
Income tax paid	(139)	(149)
Net cash from operating activities	**18,536**	**19,100**
Cash flows from investing activities		
Capital expenditure on investment properties and investment properties under development	(10,488)	(11,810)
Distributions from a joint venture	3,792	3,606
Net cash used in investing activities	**(6,696)**	**(8,204)**
Cash flows from financing activities		
Borrowing costs paid	(5,062)	(4,411)
Distributions to Unitholders	(17,757)	(18,741)
Proceeds from interest-bearing borrowings	19,500	21,958
Repayments of interest-bearing borrowings	(12,800)	(6,958)
Net cash used in financing activities	**(16,119)**	**(8,152)**
Net (decrease) / increase in cash and cash equivalents	**(4,279)**	**2,744**
Cash and cash equivalents at beginning of the period	**11,727**	**7,490**
Effect of exchange rate fluctuation	(13)	(25)
Cash and cash equivalents at end of the period	**7,435**	**10,209**

1(d)(i) Statements of Movements in Unitholders' Funds (1Q FY2018 vs. 1Q FY2017)

	Group 1Q FY2018 S$'000	Group 1Q FY2017 S$'000	Trust 1Q FY2018 S$'000	Trust 1Q FY2017 S$'000
Balance at beginning of the period	888,447	940,721	867,220	922,731
Operations				
Total return after income tax	15,541	18,762	16,436	20,568
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(411)	(1,187)	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	250	(660)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	911	907	911	907
Distributions to Unitholders	(17,755)	(18,743)	(17,755)	(18,743)
Change in Unitholders' funds resulting from Unitholders' transactions	(16,844)	(17,836)	(16,844)	(17,836)
Total decrease in Unitholders' funds	(1,464)	(921)	(408)	2,732
Balance at end of the period	886,983	939,800	866,812	925,463

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

	Note	Trust 1Q FY2018 Units '000	Trust 1Q FY2017 Units '000
Units in issue at beginning of the period		638,658	635,366
Issue of new Units relating to:			
- Manager's performance fees		-	1,090
Units in issue at end of the period		638,658	636,456
Units to be issued:			
Manager's base fees	(a)	1,322	834
Total Units in issue and to be issued at end of the period		639,980	637,290

(a) The new Units to be issued relate to 1,321,199 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 January 2017 to 30 June 2017.

The issue price for management 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 2017.

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

	Group 1Q FY2018	**Group 1Q FY2017**
Basic EPU		
Weighted average number of Units ('000)	638,658	635,818
Earnings per Unit (cents)	2.43	2.95
Diluted EPU		
Weighted average number of Units ('000)	639,561	635,818
Earnings per Unit (cents)	2.43	2.95

The basic EPU is computed using total return after tax over the weighted average number of Units issued for the period. The diluted EPU is computed using total return after tax over the weighted average number of Units issued for the period and adjusted for the effects of Units to be issued to the Manager as partial payment of the Manager's management fees incurred for the period.

The decrease in the EPU for the current period was mainly due to the proceeds of S$2.3 million received in 1Q FY2017 from the full and final settlement received from the insurance company for the property at 8 Tuas Avenue 20 due to a fire incident in 2015.

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

	Group 1Q FY2018	**Group 1Q FY2017**
Number of Units in issue at end of period ('000)	638,658	636,456
Number of Units to be issued before the Books Closure Date ('000)	1,322	834
Applicable number of Units for calculation of DPU ('000)	639,980	637,290
Distribution per Unit (cents)	**2.50**	**2.75**

7 Net asset value / Net tangible asset per Unit based on issued Units at the end of the period

	Group 30 Jun 2017 S$	Group 31 Mar 2017 S$	Trust 30 Jun 2017 S$	Trust 31 Mar 2017 S$
Net asset value / net tangible asset per Unit[5]	1.3860	1.3896	1.3544	1.3564

8 Review of the performance

	Group 1Q FY2018 S$'000	Group 4Q FY2017 S$'000	Group 1Q FY2017 S$'000
Gross revenue	30,503	30,606	29,234
Property operating expenses	(10,384)	(10,633)	(8,829)
Net property income	20,119	19,973	20,405
Foreign exchange (loss)/gain	(12)	32	(25)
Interest and other income	19	16	2,344
Borrowing costs	(4,761)	(4,674)	(4,944)
Manager's management fees	(1,822)	(1,843)	(1,819)
Other trust expenses	(341)	(470)	(363)
Non-property expenses	(6,924)	(6,987)	(7,126)
Net income before joint venture's results	13,202	13,034	15,598
Share of results of joint venture (net of tax)	3,661	4,119	3,605
Net income	16,863	17,153	19,203
Distribution to Unitholders	15,999	17,755	17,525

Review of the performance for 1Q FY2018 vs. 4Q FY2017

The gross revenue achieved for 1Q FY2018 of S$30.5 million was S$0.1 million lower than the gross revenue for 4Q FY2017. This was mainly due to the expiry of the master lease at 3 Tuas Avenue 2 and lower rental and recoveries from 20 Gul Way as one additional phase of the property reverted to multi-tenancy leases on 8 May 2017. The drop in revenue was mainly offset by the full quarter rental contribution from 30 Tuas West Road as it became income producing from 27 February 2017.

Net property income for 1Q FY2018 stood at S$20.1 million, or S$0.1 million higher than 4Q FY2017 due to lower property operating expenses.

Borrowing costs for 1Q FY2018 of S$4.8 million were comparable to the borrowing costs for 4Q FY2017.

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 share of results of joint venture (net of tax) for 4Q FY2017 included the share of revaluation surplus of S$0.3 million from the valuation of Optus Centre (after adjusting for the straight-lining of rental

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

income and capitalised capital expenditure). As at 31 March 2017, the valuation of property was maintained at A$445 million based on the independent valuation carried out by CBRE Valuations Pty Limited as at 31 March 2017.

The distribution to Unitholders for 1Q FY2018 stood at S$16.0 million, which was S$1.8 million lower compared to the distribution to Unitholders for 4Q FY2017. This was mainly due to the 4Q FY2017 distribution which included retained distributions from the previous three quarters of FY2017 and partial retention of the current quarter's distribution to fund the working capital and/or capital expenditure requirements of the Trust.

Review of the performance for 1Q FY2018 vs. 1Q FY2017

Gross revenue for 1Q FY2018 of S$30.5 million was S$0.2 million higher than the gross revenue for 1Q FY2017 of S$30.3 million (excluding property tax refund of S$1.1 million)[6]. This was mainly due to the rental contribution from 30 Tuas West Road as it became income producing from 27 February 2017, partially offset by the expiry of the master lease at 3 Tuas Avenue 2 and lower rental and recoveries from 20 Gul Way as three phases of the property reverted to multi-tenancy leases on 28 December 2016, 13 February 2017 and 8 May 2017 respectively.

Property operating expenses for 1Q FY2018 of S$10.4 million were S$0.5 million higher than the property expenses for 1Q FY2017 of S$9.9 million (excluding property tax refund of S$1.1 million)[6] mainly due to higher costs arising from the reversion of the three phases of 20 Gul Way to multi-tenancy leases and in line with the increase in revenue from 30 Tuas West Road.

Net property income for 1Q FY2018 stood at S$20.1 million, or S$0.3 million lower compared to 1Q FY2017.

Borrowing costs for 1Q FY2018 of S$4.8 million were S$0.1 million lower than the borrowing costs for the corresponding quarter in the previous year. This was mainly due to lower interest costs incurred on the new S$100.0 million four-year term loan facility which was drawn down to redeem the S$100.0 million unsecured Medium Term Notes that matured in August 2016 and partially offset by interest expense incurred on the borrowings in relation to the redevelopment of 30 Tuas West Road which was previously capitalised whilst the property was under redevelopment and now expensed upon its completion on 27 December 2016.

The distribution to Unitholders for 1Q FY2018 stood at S$16.0 million, a decrease of S$1.5 million compared to 1Q FY2017 mainly due to the partial retention of the current quarter's distribution to fund the working capital and/or capital expenditure requirements of the Trust.

9 Variance between Forecast / Prospect Statement

The Trust has not disclosed to the market any forecast in relation to the current financial period.

[6] For 1Q FY2017, the gross revenue of S$29.2 million included a property tax refund of S$1.1 million for 23 Tai Seng Drive for the period from 1 January 2012 to 31 March 2016. The property tax refund was due to the change in annual value of property assessed by Inland Revenue Authority of Singapore ("IRAS") which was refunded to two tenants of the property. Excluding this additional property tax refund, the gross revenue and property operating expenses would have been S$30.3 million and S$9.9 million respectively.

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 July 2017[7] that the Singapore economy grew by 2.5% on a year-on-year basis in the second quarter of 2017, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.4%, in contrast to the 1.9% contraction in the preceding quarter.

On a year-on-year basis, the manufacturing sector expanded by 8.0% in the second quarter, extending the 8.5% growth in the previous quarter. The sector's growth was primarily supported by the electronics and precision engineering clusters, which expanded on the back of robust external demand for semiconductors and semiconductor manufacturing equipment. The construction sector contracted by 5.6% on a year-on-year basis in the second quarter, following the 6.1% decline recorded in the previous quarter, due to weakness in both private and public sector construction activities. The services producing industries grew by 1.7% year-on-year, faster than the 1.4% growth in the previous quarter.

Based on JTC 1Q 2017 statistics released on 26 July 2017[8] overall occupancy rates of Singapore's industrial property market fell slightly to 89.4% from 89.5% in the preceding quarter. In 1Q 2017, the price and rental indices for the overall industrial property market fell by 2.2% and 0.9% respectively compared to the previous quarter. Compared to a year ago, the price and rental indices fell by 8.9% and 5.0%. For the next three quarters of 2017, about 2.0 million sqm of industrial space, including 421,000 sqm of multiple-user factory space, is estimated to come on-stream. This is higher than the average annual supply and demand of around 1.8 million sqm and 1.3 million sqm respectively in the past 3 years.

The Group's portfolio occupancy remained healthy at 91.0% as at 30 June 2017 and continued to be above the industry average.

Outlook for financial year ending 31 March 2018

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 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[9]). Furthermore, 83.3% of the Group's borrowings were on fixed rates taking into account

[7] Source: www.mti.gov.sg.
[8] Source: www.jtc.gov.sg.
[9] 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.

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.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes	
Name of distribution:	Forty-fourth distribution, for the period from 1 April 2017 to 30 June 2017	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	2.40 cents per Unit
	Tax-Exempt Income	0.05 cents per Unit
	Capital Distribution	0.05 cents per Unit
	Total	2.50 cents per Unit
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.

(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding financial period:	Yes	
Name of distribution:	Fortieth distribution, for the period from 1 April 2016 to 30 June 2016	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	2.565 cents per Unit
	Tax-Exempt Income	0.096 cents per Unit
	Capital Distribution	0.089 cents per Unit
	Total	2.750 cents per Unit
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.

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(c) Books closure date: 8 August 2017

(d) Date payable: 21 September 2017

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

15 Confirmation by the board pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of Listing Manual.

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
27 July 2017