AIMS AMP CAPITAL INDUSTRIAL REIT	**AIMS AMP CAPITAL INDUSTRIAL REIT UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT SECOND QUARTER ENDED 30 SEPTEMBER 2017 ("2Q 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	2Q FY2018	1Q FY2018	+/(-)	2Q FY2017	+/(-)	1H FY2018	1H FY2017	+/(-)
		S$'000	S$'000	%	S$'000	%	S$'000	S$'000	%
Gross revenue	(a)	29,514	30,503	(3.2)	29,910	(1.3)	60,017	59,144	1.5
Net property income	(a)	19,396	20,119	(3.6)	19,266	0.7	39,515	39,671	(0.4)
Share of results of joint venture (net of tax)	(a)	3,740	3,661	2.2	3,320	12.7	7,401	6,925	6.9
Distributions to Unitholders	(b)	16,320	15,999	2.0	17,526	(6.9)	32,319	35,051	(7.8)
Distribution per Unit ("DPU") (cents)		2.55	2.50	2.0	2.75	(7.3)	5.05	5.50	(8.2)

Notes:

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

(b) The Manager resolved to distribute S$16.3 million for 2Q FY2018, comprising (i) taxable income of S$15.0 million from Singapore operations; and (ii) tax-exempt income distribution of S$0.64 million and capital distribution of S$0.64 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 2Q FY2018, the Manager has resolved to distribute 99.0% of the Singapore taxable income available for distribution to the Unitholders. Please refer to details in section 1(a)(ii) for the distribution statement.

[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 July 2017 to 30 September 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]:	2.35 cents per Unit 0.10 cents per Unit 0.10 cents per Unit 2.55 cents per Unit
Books Closure Date	6 November 2017	
Payment Date	21 December 2017	

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

	Note	Group 2Q FY2018 S$'000	Group 2Q FY2017 S$'000	+/(-) %	Group 1H FY2018 S$'000	Group 1H FY2017 S$'000	+/(-) %
Gross revenue	(a)	29,514	29,910	(1.3)	60,017	59,144	1.5
Property operating expenses	(a)	(10,118)	(10,644)	(4.9)	(20,502)	(19,473)	5.3
Net property income	(a)	19,396	19,266	0.7	39,515	39,671	(0.4)
Foreign exchange (loss)/gain		-*	30	>(100.0)	(12)	5	>(100.0)
Interest and other income	(b)	132	12	>100.0	151	2,356	(93.6)
Borrowing costs	(a)	(4,882)	(4,558)	7.1	(9,643)	(9,502)	1.5
Manager's management fees		(1,860)	(1,858)	0.1	(3,682)	(3,677)	0.1
Other trust expenses	(a)	(524)	(434)	20.7	(865)	(797)	8.5
Non-property expenses		(7,266)	(6,850)	6.1	(14,190)	(13,976)	1.5
Net income before joint venture's results		12,262	12,458	(1.6)	25,464	28,056	(9.2)
Share of results of joint venture (net of tax)	(a),(c)	3,740	3,320	12.7	7,401	6,925	6.9
Net income		16,002	15,778	1.4	32,865	34,981	(6.0)
Net change in fair value of investment properties and investment properties under development	(d)	(14,761)	(4,847)	>100.0	(14,761)	(4,847)	>100.0
Net change in fair value of derivative financial instruments	(e)	423	(91)	>(100.0)	(666)	(556)	19.8
Total return before income tax		1,664	10,840	(84.6)	17,438	29,578	(41.0)
Income tax expense	(f)	(385)	(464)	(17.0)	(618)	(440)	40.5
Total return after income tax		1,279	10,376	(87.7)	16,820	29,138	(42.3)

*: Less than S$1,000.

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.

Notes:

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

(b) Interest and other income in 2Q FY2018 included proceeds of S$0.1 million from insurance claim on capital item for the property at 1A International Business Park. Interest and other income in 1H 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 due to a fire incident in 2015.

(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) Net change in fair value of investment properties and investment properties under development of S$14.8 million for 2Q FY2018 relates to the revaluation of 8 Tuas Avenue 20 of S$2.3 million upon obtaining Temporary Occupation Permit ("TOP") on 29 August 2017 and revaluation of the Trust's 25 investment properties of S$12.5 million which were valued as at 30 September 2017. The independent valuation of these properties were carried out by CBRE Pte. Ltd. and Savills Valuation And Professional Services (S) Pte Ltd.

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 (f) 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 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 2Q FY2018 S$'000	Group 2Q FY2017 S$'000	+/(-) %	Group 1H FY2018 S$'000	Group 1H FY2017 S$'000	+/(-) %
Total return before income tax		1,664	10,840	(84.6)	17,438	29,578	(41.0)
Net effect of tax adjustments	(a)	15,671	7,334	>100.0	18,270	7,054	>100.0
Other adjustments	(b)	(2,136)	(1,782)	19.9	(4,242)	(3,880)	9.3
Amount available for distribution from Singapore taxable income		15,199	16,392	(7.3)	31,466	32,752	(3.9)
Distribution from Singapore taxable income	(c)	15,040	16,188	(7.1)	30,399	32,534	(6.6)
Distribution from tax-exempt income	(d)	640	790	(19.0)	960	1,402	(31.5)
Capital distribution	(e)	640	548	16.8	960	1,115	(13.9)
Distributions to Unitholders		16,320	17,526	(6.9)	32,319	35,051	(7.8)

Notes:

(a) Net effect of tax adjustments

	Group 2Q FY2018 S$'000	Group 2Q FY2017 S$'000	+/(-) %	Group 1H FY2018 S$'000	Group 1H FY2017 S$'000	+/(-) %
Amortisation and write-off of borrowing transaction costs	204	205	(0.5)	405	427	(5.2)
Foreign exchange (gain)/loss	(1)	(30)	(96.7)	6	(8)	>(100.0)
Manager's management fees in Units	930	929	0.1	1,841	1,836	0.3
Net change in fair value of investment properties and investment properties under development	14,761	4,847	>100.0	14,761	4,847	>100.0
Net change in fair value of derivative financial instruments	(423)	91	>(100.0)	666	556	19.8
Net tax adjustment on foreign sourced income	628	600	4.7	1,232	1,185	4.0
Proceeds from insurance claims	(114)	-	NM	(114)	(2,330)	(95.1)
Temporary differences and other tax adjustments	(314)	692	>(100.0)	(527)	541	>(100.0)
Net effect of tax adjustments	15,671	7,334	>100.0	18,270	7,054	>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 2Q FY2018, the Manager has resolved to distribute 99.0% 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.

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

	Note	Group 30 Sep 2017 S$'000	Group 31 Mar 2017 S$'000	+/(-) %	Trust 30 Sep 2017 S$'000	Trust 31 Mar 2017 S$'000	+/(-) %
Non-current assets							
Investment properties	(a)	1,187,400	1,175,100	1.0	1,187,400	1,175,100	1.0
Investment properties under development	(b)	28,709	37,600	(23.6)	28,709	37,600	(23.6)
Subsidiaries	(c)	-	-	-	85,200	85,200	-
Joint venture	(d)	231,053	232,113	(0.5)	-	-	-
Trade and other receivables	(e)	3,650	2,599	40.4	3,650	2,599	40.4
Derivative financial instruments	(f)	-	408	(100.0)	-	408	(100.0)
		1,450,812	1,447,820	0.2	1,304,959	1,300,907	0.3
Current assets							
Trade and other receivables	(e)	6,420	5,928	8.3	6,021	5,307	13.5
Cash and cash equivalents	(g)	10,277	11,727	(12.4)	9,129	10,819	(15.6)
		16,697	17,655	(5.4)	15,150	16,126	(6.1)
Total assets		**1,467,509**	**1,465,475**	0.1	**1,320,109**	**1,317,033**	0.2
Non-current liabilities							
Trade and other payables	(h)	7,846	7,424	5.7	7,846	7,424	5.7
Interest-bearing borrowings	(i)	444,967	444,921	<0.1	327,443	327,201	0.1
Derivative financial instruments	(f)	2,508	2,760	(9.1)	680	247	>100.0
Deferred tax liabilities	(j)	6,097	5,849	4.2	-	-	-
		461,418	460,954	0.1	335,969	334,872	0.3
Current liabilities							
Trade and other payables	(k)	30,342	33,271	(8.8)	29,283	32,138	(8.9)
Interest-bearing borrowings	(i)	101,776	82,585	23.2	101,776	82,585	23.2
Derivative financial instruments	(f)	43	218	(80.3)	43	218	(80.3)
		132,161	116,074	13.9	131,102	114,941	14.1
Total liabilities		**593,579**	**577,028**	2.9	**467,071**	**449,813**	3.8
Net assets		**873,930**	**888,447**	(1.6)	**853,038**	**867,220**	(1.6)
Represented by:							
Unitholders' funds		873,930	888,447	(1.6)	853,038	867,220	(1.6)
		873,930	**888,447**	(1.6)	**853,038**	**867,220**	(1.6)

Notes:

(a) The increase in investment properties was primarily due to the transfer of S$24.1 million (which included revaluation loss of S$2.3 million) from investment properties under development for 8 Tuas Avenue 20 upon obtaining TOP on 29 August 2017 which was partially offset by revaluation loss of S$12.5 million recognised in September 2017.

(b) As of 30 September 2017, investment properties under development comprised the Build-To-Suit ("BTS") greenfield development at 51 Marsiling Road.

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 development is targeted to be completed in 3Q FY2018.

(c) 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.

(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.

(e) 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 September 2017 of S$6.4 million was S$0.5 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.

(f) The derivative financial instruments as at 30 September 2017 were in relation to interest rate swap contracts with a total notional amount of S$316.2 million. As at 30 September 2017, approximately 81.4% 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 1.57% 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.

(g) Cash and cash equivalents as at 30 September 2017 of S$10.3 million was S$1.5 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 the development at 8 Tuas Avenue 20 and greenfield development at 51 Marsiling Road.

(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 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).

(i) The borrowings of the Group as at 30 September 2017 of S$546.7 million was S$19.2 million higher compared to balances as at 31 March 2017 mainly due to the net drawdown of borrowings 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$32.5 million and A$65.1 million term loan facility which are due to mature in November 2017. On 15 August 2017, the Trust executed a supplemental loan facility agreement with its syndicate of financial institutions for an additional four-year revolving credit facility and three-year Australian dollar term loan. The new facilities will be drawn down to refinance the secured facilities due in November 2017.

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

(k) Current trade and other payables as at 30 September 2017 included retention sum of S$2.4 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$4.1 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 September 2017, the Group and the Trust have undrawn committed facilities of S$114.1 million to fulfil their liabilities as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Group 30 Sep 2017 S$'000	Group 31 Mar 2017 S$'000	Trust 30 Sep 2017 S$'000	Trust 31 Mar 2017 S$'000
Interest-bearing borrowings				
Amount repayable within one year				
Secured				
Term loans	69,322	69,492	69,322	69,492
Revolving credit facility	32,500	13,300	32,500	13,300
	101,822	82,792	101,822	82,792
Less: Unamortised borrowing transaction costs	(46)	(207)	(46)	(207)
	101,776	82,585	101,776	82,585
Amount repayable after one year				
Secured				
Term loans	316,206	316,495	198,439	198,439
Unsecured				
Medium Term Notes	130,000	130,000	130,000	130,000
	446,206	446,495	328,439	328,439
Less: Unamortised borrowing transaction costs	(1,239)	(1,574)	(996)	(1,238)
	444,967	444,921	327,443	327,201
Total	546,743	527,506	429,219	409,786

Details of borrowings and collateral

(a) Secured borrowings

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

The facilities comprised:

- a three-year term loan facility of A$65.1 million maturing in November 2017, 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 maturing in November 2018, to fund real estate development and/or acquisitions;
- a three-year revolving credit facility of S$120.0 million maturing in November 2017; and
- a four-year term loan facility of S$100.0 million maturing in August 2020.

On 15 August 2017, the Trust executed a supplemental loan facility agreement with its syndicate of financial institutions for an additional three-year term loan of A$65.0 million and four-year revolving credit facility of S$120.0 million to refinance loans comprised in the existing facilities due in November 2017.

The details of the collateral for the secured debt facilities and revolving credit facility of the Trust are as follows:

- first legal mortgage over 15 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 maturing in February 2019, 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 September 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	15.3
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
	99.9

During the quarter, the remaining proceeds of the 2014 Rights Issue have been used to pay the progress payments for the redevelopment of 8 Tuas Avenue 20. Therefore, all of the net proceeds of the 2014 Rights Issue have been fully utilised.

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 2Q FY2018 S$'000	Group 2Q FY2017 S$'000	Group 1H FY2018 S$'000	Group 1H FY2017 S$'000
Cash flows from operating activities				
Total return after income tax	1,279	10,376	16,820	29,138
Adjustments for:				
Share of results of joint venture (net of tax)	(3,740)	(3,320)	(7,401)	(6,925)
Borrowing costs	4,882	4,558	9,643	9,502
Foreign exchange loss/(gain)	-*	(30)	12	(5)
Manager's management fees in Units	930	929	1,841	1,836
Net change in fair value of derivative financial instruments	(423)	91	666	556
Net change in fair value of investment properties	14,761	4,847	14,761	4,847
Income tax expense	385	464	618	440
Operating income before working capital changes	**18,074**	**17,915**	**36,960**	**39,389**
Changes in working capital				
Trade and other receivables	383	139	(682)	(906)
Trade and other payables	646	366	1,500	(814)
Cash generated from operations	19,103	18,420	37,778	37,669
Income tax paid	(231)	(246)	(370)	(395)
Net cash from operating activities	**18,872**	**18,174**	**37,408**	**37,274**
Cash flows from investing activities				
Capital expenditure on investment properties and investment properties under development	(11,940)	(13,636)	(22,428)	(25,446)
Distributions from a joint venture	3,951	3,658	7,743	7,264
Net cash used in investing activities	**(7,989)**	**(9,978)**	**(14,685)**	**(18,182)**
Cash flows from financing activities				
Borrowing costs paid	(4,455)	(5,828)	(9,517)	(10,239)
Distributions to Unitholders	(16,091)	(17,550)	(33,848)	(36,291)
Proceeds from interest-bearing borrowings	16,000	121,865	35,500	143,823
Repayments of interest-bearing borrowings	(3,500)	(110,365)	(16,300)	(117,323)
Net cash used in financing activities	**(8,046)**	**(11,878)**	**(24,165)**	**(20,030)**
Net increase/(decrease) in cash and cash equivalents	**2,837**	**(3,682)**	**(1,442)**	**(938)**
Cash and cash equivalents at beginning of the period	**7,435**	**10,209**	**11,727**	**7,490**
Effect of exchange rate fluctuation	5	43	(8)	18
Cash and cash equivalents at end of the period	**10,277**	**6,570**	**10,277**	**6,570**

*: Less than S$1,000.

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

(i) On 28 July 2017, the Trust issued an aggregate of 1,321,199 new Units amounting to S$1.8 million as partial payment of the base fee element of the Manager's management fees incurred. Please refer to details in section 1(d)(iii).

1(d)(i) Statements of Movements in Unitholders' Funds (2Q FY2018 vs. 2Q FY2017)

	Group 2Q FY2018 S$'000	Group 2Q FY2017 S$'000	Trust 2Q FY2018 S$'000	Trust 2Q FY2017 S$'000
Balance at beginning of the period	886,983	939,800	866,812	925,463
Operations				
Total return after income tax	1,279	10,376	1,295	8,280
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	308	1,616	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	429	21	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	930	929	930	929
Distributions to Unitholders	(15,999)	(17,526)	(15,999)	(17,526)
Change in Unitholders' funds resulting from Unitholders' transactions	(15,069)	(16,597)	(15,069)	(16,597)
Total decrease in Unitholders' funds	(13,053)	(4,584)	(13,774)	(8,317)
Balance at end of the period	873,930	935,216	853,038	917,146

1(d)(ii) Statements of Movements in Unitholders' Funds (1H FY2018 vs. 1H FY2017)

	Group 1H FY2018 S$'000	Group 1H FY2017 S$'000	Trust 1H FY2018 S$'000	Trust 1H FY2017 S$'000
Balance at beginning of the period	888,447	940,721	867,220	922,731
Operations				
Total return after income tax	16,820	29,138	17,731	28,848
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(103)	429	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	679	(639)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	1,841	1,836	1,841	1,836
Distributions to Unitholders	(33,754)	(36,269)	(33,754)	(36,269)
Change in Unitholders' fund resulting from Unitholders' transactions	(31,913)	(34,433)	(31,913)	(34,433)
Total decrease in Unitholders' funds	(14,517)	(5,505)	(14,182)	(5,585)
Balance at end of the period	873,930	935,216	853,038	917,146

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

	Note	Trust 2Q FY2018 Units '000	Trust 2Q FY2017 Units '000	Trust 1H FY2018 Units '000	Trust 1H FY2017 Units '000
Units in issue at beginning of the period		638,658	636,456	638,658	635,366
Issue of new Units relating to:					
- Manager's performance fees		-	-	-	1,090
- Manager's management fees	(a)	1,322	834	1,322	834
Units in issue at end of the period		639,980	637,290	639,980	637,290
Units to be issued:					
Manager's base fees	(b)	652	650	652	650
Total Units in issue and to be issued at end of the period		640,632	637,940	640,632	637,940

(a) On 28 July 2017, the Trust issued an aggregate of 1,321,199 Units at an average issue price of S$1.3869 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.

(b) The new Units to be issued relate to 652,889 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 2017 to 30 September 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 2Q FY2018	Group 2Q FY2017	Group 1H FY2018	Group 1H FY2017
Basic EPU				
Weighted average number of Units ('000)	639,592	637,052	639,128	636,434
Earnings per Unit (cents)	0.20	1.63	2.63	4.58
Diluted EPU				
Weighted average number of Units ('000)	639,815	637,052	639,240	636,434
Earnings per Unit (cents)	0.20	1.63	2.63	4.58

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 net change in fair value of investment properties and investment properties under development. 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.

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

	Group 2Q FY2018	**Group 2Q FY2017**	**Group 1H FY2018**	**Group 1H FY2017**
Number of Units in issue at end of period (‘000)	639,980	637,290	639,980	637,290
Distribution per Unit (cents)	**2.55**	**2.75**	**5.05**	**5.50**

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

	Group 30 Sep 2017 S$	**Group 31 Mar 2017 S$**	**Trust 30 Sep 2017 S$**	**Trust 31 Mar 2017 S$**
Net asset value / net tangible asset per Unit[4]	1.3642	1.3896	1.3316	1.3564

8 Review of the performance

	Group 2Q FY2018 S$'000	**Group 1Q FY2018 S$'000**	**Group 2Q FY2017 S$'000**	**Group 1H FY2018 S$'000**	**Group 1H FY2017 S$'000**
Gross revenue	29,514	30,503	29,910	60,017	59,144
Property operating expenses	(10,118)	(10,384)	(10,644)	(20,502)	(19,473)
Net property income	19,396	20,119	19,266	39,515	39,671
Foreign exchange (loss)/gain	-*	(12)	30	(12)	5
Interest and other income	132	19	12	151	2,356
Borrowing costs	(4,882)	(4,761)	(4,558)	(9,643)	(9,502)
Manager's management fees	(1,860)	(1,822)	(1,858)	(3,682)	(3,677)
Other trust expenses	(524)	(341)	(434)	(865)	(797)
Non-property expenses	(7,266)	(6,924)	(6,850)	(14,190)	(13,976)
Net income before joint venture’s results	12,262	13,202	12,458	25,464	28,056
Share of results of joint venture (net of tax)	3,740	3,661	3,320	7,401	6,925
Net income	16,002	16,863	15,778	32,865	34,981
Distributions to Unitholders	16,320	15,999	17,526	32,319	35,051

*: Less than S$1,000.

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

Review of the performance for 2Q FY2018 vs. 1Q FY2018

The gross revenue achieved for 2Q FY2018 of S$29.5 million was S$1.0 million lower than the gross revenue for 1Q FY2018. This was mainly due to lower rental and recoveries from 20 Gul Way as one additional phase of the property reverted to multi-tenancy leases on 6 July 2017.

Net property income for 2Q FY2018 stood at S$19.4 million, or S$0.7 million lower than 1Q FY2018 which was in line with the drop in gross revenue.

Other trust expenses for 2Q FY2018 of S$0.5 million were S$0.2 million higher compared to 1Q FY2018 mainly due to timing on expenditure incurred on expenses such as professional fees and valuation fees.

Distributions to Unitholders for 2Q FY2018 stood at S$16.3 million, which was S$0.3 million higher compared to the distributions to Unitholders for 1Q FY2018.

Review of the performance for 2Q FY2018 vs. 2Q FY2017

Gross revenue for 2Q FY2018 of S$29.5 million was S$0.4 million lower than the gross revenue for 2Q FY2017. This was mainly due to lower rental and recoveries from 20 Gul Way as four phases of the property reverted to multi-tenancy leases on 28 December 2016, 13 February 2017, 8 May 2017 and 6 July 2017 respectively. This was partially offset by rental contribution from 30 Tuas West Road as it became income producing from 27 February 2017.

Property operating expenses for 2Q FY2018 of S$10.1 million were S$0.5 million lower than the property expenses for 2Q FY2017 of S$10.6 million mainly due to lower property tax and land rent expenses on certain properties offset by higher costs arising from the reversion of the four 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 2Q FY2018 stood at S$19.4 million, or S$0.1 million higher compared to 2Q FY2017.

Borrowing costs for 2Q FY2018 of S$4.9 million were S$0.3 million higher than the borrowing costs for the corresponding quarter in the previous year. This was mainly due to interest costs incurred on the borrowings in relation to the redevelopment of 30 Tuas West Road and 8 Tuas Avenue 20 which were previously capitalised whilst the properties were under redevelopment and now expensed upon obtaining TOPs on 27 December 2016 and 29 August 2017 respectively, as well as higher interest costs incurred on the Australian dollar denominated loans due to the strengthening of Australian dollar against Singapore dollar. This was partially offset by 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 Medium Term Notes that matured in August 2016.

Other trust expenses for 2Q FY2018 of S$0.5 million were S$0.1 million higher compared to the corresponding period in the previous financial year mainly due to timing on expenditure incurred on expenses such as professional fees.

Share of results of joint venture (net of tax) comprised contribution from AA REIT'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) of S$3.7 million was S$0.4 million higher compared to the corresponding period in the previous financial year mainly due to strengthening of Australian dollar against Singapore dollar.

Distributions to Unitholders for 2Q FY2018 stood at S$16.3 million, a decrease of S$1.2 million compared to 2Q FY2017 mainly due to temporary differences and other tax adjustments which resulted in lower Singapore taxable income.

Review of the performance for YTD FY2018 vs. YTD FY2017

The gross revenue achieved for YTD FY2018 of S$60.0 million was comparable to the gross revenue for YTD FY2017 of S$60.2 million (excluding property tax refund of S$1.1 million)[5]. Property expense for YTD FY2018 of S$20.5 million was comparable to the property expense for YTD FY2017 of S$20.6 million (excluding property tax refund of S$1.1 million)[5].

Net property income for YTD FY2018 stood at S$39.5 million, or S$0.2 million lower compared to YTD FY2017.

Borrowing costs for YTD FY2018 of S$9.6 million were S$0.1 million higher than the borrowing costs for the corresponding period in the previous year. This was mainly due to interest costs incurred on the borrowings in relation to the redevelopment of 30 Tuas West Road and 8 Tuas Avenue 20 which were previously capitalised whilst the properties were under redevelopment and now expensed upon obtaining TOPs on 27 December 2016 and 29 August 2017 respectively, as well as higher interest costs incurred on the Australian dollar denominated loans due to the strengthening of Australian dollar against Singapore dollar. This was partially offset by 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 Medium Term Notes that matured in August 2016.

Other trust expenses for YTD FY2018 of S$0.1 million were higher compared to the corresponding period in the previous financial year mainly due to timing on expenditure incurred on expenses such as professional fees.

Share of results of joint venture (net of tax) for YTD FY2018 of S$7.4 million was S$0.5 million higher compared to the corresponding period in the previous financial year mainly due to strengthening of Australian dollar against Singapore dollar.

Distributions to Unitholders for YTD FY2018 stood at S$32.3 million, a decrease of S$2.7 million compared to YTD FY2017. This was mainly due to the partial retention of distribution to fund the working capital and/or capital expenditure requirements of the Trust as well as temporary differences and other tax adjustments which resulted in lower Singapore taxable income.

9 Variance between Forecast / Prospect Statement

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

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 13 October 2017[6] that the Singapore economy grew by 4.6% on a year-on-year basis in the third quarter of 2017, higher than the 2.9% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 6.3%, an improvement from the 2.4% growth in the preceding quarter.

[5] For YTD FY2017, the gross revenue of S$59.1 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 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$60.2 million and S$20.6 million respectively.

[6] Source: www.mti.gov.sg.

On a year-on-year basis, the manufacturing sector expanded by 15.5% in the third quarter, faster than the 8.2% growth in the previous quarter. The sector's growth was primarily supported by robust expansions in the electronics, biomedical manufacturing and precision engineering clusters. The construction sector contracted by 6.3% on a year-on-year basis in the third quarter, extending the 6.8% decline recorded in the previous quarter. The sector was weighed down primarily by continued weakness in private sector construction activities. The services producing industries grew by 2.6% year-on-year, similar to the 2.5% growth in the previous quarter.

Based on JTC 2Q 2017 statistics released on 27 July 2017[7] overall occupancy rates of Singapore's industrial property market fell to 88.7% from 89.4% in the preceding quarter. In 2Q 2017, the price and rental indices for the overall industrial property market fell by 1.6% and 0.8% respectively compared to the previous quarter. Compared to a year ago, the price and rental indices fell by 8.2% and 4.1%. In the second half of 2017, about 1.4 million sqm of industrial space, including 311,000 sqm of multiple-user factory space, is estimated to come on-stream. As a comparison, the average annual supply and demand of industrial space in the past 3 years were around 1.8 million sqm and 1.3 million sqm respectively.

The Group's portfolio occupancy remained healthy at 88.8% as at 30 September 2017 and is currently in line with the Singapore industrial average of 88.7%.

Outlook for financial year ending 31 March 2018

The Singapore Government narrowed upwards its forecast for economic growth in 2017 to 2% to 3%, from an earlier estimate of 1% to 3%, after the economy grew by a better-than-expected 2.9% in the second quarter. However, economists maintain Singapore's 2017 economic growth forecast at 2.5% due to deepening gulf between trade-driven sectors and those dependent on local demand. Manufacturing, which makes up a fifth of the economy and has been a key growth driver this year, is being lifted by strong global demand for semiconductors and related equipment. However, weaker sectors like construction and accommodation and food services continue to languish.[8] In Singapore, the industrial oversupply situation this year is likely to exert 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 one ongoing development project at 51 Marsiling Road which is targeted to complete in 3Q FY2018.

The Group's weighted average debt maturity is at 1.7 years as at 30 September 2017 (2.3 years on a pro forma basis[9]) with no debt due for refinancing until November 2018. Furthermore, 81.4% 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.

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[7] Source: www.jtc.gov.sg.
[8] The Straits Times (6 September 2017): Economists maintain Singapore's 2017 GDP forecast at 2.5% but uneven growth still a challenge.
[9] On 15 August 2017, AA REIT executed a supplemental loan facility agreement with its syndicate of financial institution for an additional four-year revolving credit facility and three-year Australian dollar term loan. The new facilities will be drawn down to refinance the secured facilities due in November 2017.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes	
Name of distribution:	Forty-fifth distribution, for the period from 1 July 2017 to 30 September 2017	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	2.35 cents per Unit
	Tax-Exempt Income	0.10 cents per Unit
	Capital Distribution	0.10 cents per Unit
	Total	2.55 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:	Forty-first distribution, for the period from 1 July 2016 to 30 September 2016	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	2.540 cents per Unit
	Tax-Exempt Income	0.124 cents per Unit
	Capital Distribution	0.086 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.

Tax-Exempt Income Distributions

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

Capital Distributions

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

(c) Books closure date: 6 November 2017

(d) Date payable: 21 December 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.

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
26 October 2017