AIMS AMP CAPITAL INDUSTRIAL REIT	**AIMS AMP CAPITAL INDUSTRIAL REIT UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT THIRD QUARTER ENDED 31 DECEMBER 2017 ("3Q 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	3Q FY2018	2Q FY2018	+/(-)	3Q FY2017	+/(-)	YTD FY2018	YTD FY2017	+/(-)
		S$'000	S$'000	%	S$'000	%	S$'000	S$'000	%
Gross revenue	(a)	28,867	29,514	(2.2)	30,369	(4.9)	88,884	89,513	(0.7)
Net property income	(a)	19,233	19,396	(0.8)	19,789	(2.8)	58,748	59,460	(1.2)
Share of results of joint venture (net of tax)	(a)	3,654	3,740	(2.3)	3,714	(1.6)	11,055	10,639	3.9
Distributions to Unitholders	(b)	17,076	16,320	4.6	17,691	(3.5)	49,395	52,742	(6.3)
Distribution per Unit ("DPU") (cents)	(c)	2.62	2.55	2.7	2.77	(5.4)	7.67	8.27	(7.3)

Notes:

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

(b) The Manager resolved to distribute S$17.1 million for 3Q FY2018, comprising (i) taxable income of S$15.2 million from Singapore operations; and (ii) tax-exempt income distribution of S$0.7 million and capital distribution of S$1.2 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 3Q FY2018, the Manager has resolved to distribute 94.5% 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.

(c) Distribution to Unitholders for 3Q FY2018 comprises the following :-

	DPU (Cents)	S$'000
Advanced distribution for the period from 1 October 2017 to 30 November 2017	1.91	12,224
Distribution for the period from 1 December 2017 to 31 December 2017	0.71	4,852
	2.62	17,076

Distribution and Books Closure Date

Distribution	For 1 October 2017 to 30 November 2017	For 1 December 2017 to 31 December 2017
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution[3]	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution[3]
Distribution Rate (a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution[3]	 (a) 1.67 cents per Unit (b) 0.09 cents per Unit (c) 0.15 cents per Unit 1.91 cents per Unit	 (a) 0.66 cents per Unit (b) 0.02 cents per Unit (c) 0.03 cents per Unit 0.71 cents per Unit
Books Closure Date	30 November 2017	9 February 2018
Payment Date	17 January 2018	22 March 2018

[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.

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

	Note	Group 3Q FY2018 S$'000	Group 3Q FY2017 S$'000	+/(-) %	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000	+/(-) %
Gross revenue	(a)	28,867	30,369	(4.9)	88,884	89,513	(0.7)
Property operating expenses	(a)	(9,634)	(10,580)	(8.9)	(30,136)	(30,053)	0.3
Net property income	(a)	19,233	19,789	(2.8)	58,748	59,460	(1.2)
Foreign exchange (loss)/gain		(27)	2	>(100.0)	(39)	7	>(100.0)
Interest and other income	(b)	20	15	33.3	171	2,371	(92.8)
Borrowing costs	(a)	(4,920)	(4,426)	11.2	(14,563)	(13,928)	4.6
Manager's management fees		(1,881)	(1,885)	(0.2)	(5,563)	(5,562)	<0.1
Other trust expenses	(a)	(520)	(488)	6.6	(1,385)	(1,285)	7.8
Non-property expenses		(7,321)	(6,799)	7.7	(21,511)	(20,775)	3.5
Net income before joint venture's results		11,905	13,007	(8.5)	37,369	41,063	(9.0)
Share of results of joint venture (net of tax)	(a),(c)	3,654	3,714	(1.6)	11,055	10,639	3.9
Net income		15,559	16,721	(6.9)	48,424	51,702	(6.3)
Net change in fair value of investment properties and investment properties under development	(d)	8,000	5,147	55.4	(6,761)	300	>(100.0)
Net change in fair value of derivative financial instruments	(e)	330	2,191	(84.9)	(336)	1,635	>(100.0)
Total return before income tax		23,889	24,059	(0.7)	41,327	53,637	(23.0)
Income tax expense	(f)	(226)	(562)	(59.8)	(844)	(1,002)	(15.8)
Total return after income tax		23,663	23,497	0.7	40,483	52,635	(23.1)

Notes:

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

(b) Interest and other income in YTD 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 YTD 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$8.0 million for 3Q FY2018 relates to the surplus on revaluation of 51 Marsiling Road development upon obtaining Temporary Occupation Permit ("TOP") on 27 October 2017. The independent valuation of the property was carried out by CBRE Pte. Ltd. as at 27 October 2017.

For 3Q FY2017, the net change in fair value of investment properties of S$5.1 million was in relation to the surplus on revaluation of 30 Tuas West Road development upon obtaining TOP on 27 December 2016. The independent valuation of the property was carried out by Savills Valuation and Professional Services (S) Pte Ltd as at 27 December 2016.

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 Singapore dollar interest rate swap contracts in accordance with Financial Reporting Standard ("FRS") 39. Please refer to note (e) of section 1(b)(i) for further details of the swap contracts.

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

(f) Income tax expense relates to withholding tax paid / payable by the Trust on the distribution 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 3Q FY2018 S$'000	Group 3Q FY2017 S$'000	+/(-) %	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000	+/(-) %
Total return before income tax		23,889	24,059	(0.7)	41,327	53,637	(23.0)
Net effect of tax adjustments	(a)	(5,757)	(5,119)	12.5	12,513	1,935	>100.0
Other adjustments	(b)	(2,053)	(2,139)	(4.0)	(6,295)	(6,019)	4.6
Amount available for distribution from Singapore taxable income		16,079	16,801	(4.3)	47,545	49,553	(4.1)
Distribution from Singapore taxable income	(c)	15,198	16,605	(8.5)	45,597	49,139	(7.2)
Distribution from tax-exempt income	(d)	713	639	11.6	1,673	2,041	(18.0)
Capital distribution	(e)	1,165	447	>100.0	2,125	1,562	36.0
Distributions to Unitholders		17,076	17,691	(3.5)	49,395	52,742	(6.3)

Notes:

(a) Net effect of tax adjustments

	Group 3Q FY2018 S$'000	Group 3Q FY2017 S$'000	+/(-) %	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000	+/(-) %
Amortisation and write-off of borrowing transaction costs	193	192	0.5	598	619	(3.4)
Foreign exchange loss/(gain)	44	(4)	>(100.0)	50	(12)	>(100.0)
Manager's management fees in Units	940	943	(0.3)	2,781	2,779	0.1
Net change in fair value of investment properties and investment properties under development	(8,000)	(5,147)	55.4	6,761	(300)	>(100.0)
Net change in fair value of derivative financial instruments	(330)	(2,191)	(84.9)	336	(1,635)	>(100.0)
Net tax adjustment on foreign sourced income	575	617	(6.8)	1,807	1,802	0.3
Proceeds from insurance claims	-	-	-	(114)	(2,330)	(95.1)
Temporary differences and other tax adjustments	821	471	74.3	294	1,012	(70.9)
Net effect of tax adjustments	(5,757)	(5,119)	12.5	12,513	1,935	>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 3Q FY2018, the Manager has resolved to distribute 94.5% 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 31 December 2017 vs. 31 March 2017

	Note	Group 31 Dec 2017 S$'000	Group 31 Mar 2017 S$'000	+/(-) %	Trust 31 Dec 2017 S$'000	Trust 31 Mar 2017 S$'000	+/(-) %
Non-current assets							
Investment properties	(a)	1,224,175	1,175,100	4.2	1,224,175	1,175,100	4.2
Investment properties under development	(a)	-	37,600	(100.0)	-	37,600	(100.0)
Subsidiaries	(b)	-	-	-	85,200	85,200	-
Joint venture	(c)	226,620	232,113	(2.4)	-	-	-
Trade and other receivables	(d)	3,305	2,599	27.2	3,305	2,599	27.2
Derivative financial instruments	(e)	23	408	(94.4)	23	408	(94.4)
		1,454,123	1,447,820	0.4	1,312,703	1,300,907	0.9
Current assets							
Asset held for sale	(f)	6,400	-	NM	6,400	-	NM
Trade and other receivables	(d)	6,994	5,928	18.0	6,766	5,307	27.5
Cash and cash equivalents	(g)	9,702	11,727	(17.3)	8,342	10,819	(22.9)
		23,096	17,655	30.8	21,508	16,126	33.4
Total assets		**1,477,219**	**1,465,475**	0.8	**1,334,211**	**1,317,033**	1.3
Non-current liabilities							
Trade and other payables	(h)	8,394	7,424	13.1	8,394	7,424	13.1
Interest-bearing borrowings	(i)	420,325	444,921	(5.5)	304,884	327,201	(6.8)
Derivative financial instruments	(e)	1,937	2,760	(29.8)	393	247	59.1
Deferred tax liabilities	(j)	6,097	5,849	4.2	-	-	-
		436,753	460,954	(5.3)	313,671	334,872	(6.3)
Current liabilities							
Trade and other payables	(k)	40,145	33,271	20.7	39,083	32,138	21.6
Interest-bearing borrowings	(i)	76,836	82,585	(7.0)	76,836	82,585	(7.0)
Derivative financial instruments	(e)	-	218	(100.0)	-	218	(100.0)
		116,981	116,074	0.8	115,919	114,941	0.9
Total liabilities		**553,734**	**577,028**	(4.0)	**429,590**	**449,813**	(4.5)
Net assets		**923,485**	**888,447**	3.9	**904,621**	**867,220**	4.3
Represented by:							
Unitholders' funds		923,485	888,447	3.9	904,621	867,220	4.3
		923,485	**888,447**	3.9	**904,621**	**867,220**	4.3

NM: not meaningful.

Notes:

(a) The increase in investment properties was primarily due to the transfer of S$67.1 million (which included net revaluation gain of S$5.7 million recognised in FY2018) from investment properties under development for 8 Tuas Avenue 20 and 51 Marsiling Road upon obtaining TOP on 29 August 2017 and 27 October 2017 respectively. This was partially offset by revaluation loss of S$12.5 million recognised in September 2017 and transfer of property at 10 Soon Lee Road to asset held for sale. On 15 January 2018, the Trust announced the sale of the property at 10 Soon Lee Road for a consideration of S$8.17 million. Investment properties under development as at 31 March 2017 comprised 8 Tuas Avenue 20 and 51 Marsiling Road which were completed during the current financial year and transferred to investment properties.

(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 31 December 2017 of S$7.0 million was S$1.1 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 31 December 2017 were in relation to interest rate swap contracts with a total notional amount of S$312.7 million. As at 31 December 2017, approximately 88.7% 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.

(f) Asset held for sale refers to the property at 10 Soon Lee Road. The sale is expected to be completed by the end of the current financial year.

(g) Cash and cash equivalents as at 31 December 2017 of S$9.7 million was S$2.0 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.

(i) The borrowings of the Group as at 31 December 2017 of S$497.2 million was S$30.3 million lower compared to balances as at 31 March 2017 mainly due to the utilisation of net proceeds from the private placement in this quarter to repay borrowings offset by 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. During the quarter, the Trust refinanced its existing Australian Dollar secured term loan facility and revolving credit facility (both originally due in November 2017) with its syndicate of financial institutions and extended the loan maturity period to November 2020 and November 2021 respectively.

The current interest-bearing borrowings relate to the Trust's secured term loan facility which is due to mature in November 2018. The Trust is currently working with its lenders to assess the refinancing options for borrowings due within one year.

(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 31 December 2017 included retention sum of S$2.9 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$1.8 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). Current trade and other payables as at 31 December 2017 also included distribution payable and withholding tax payable of S$12.2 million for the advanced distribution declared for the period from 1 October 2017 to 30 November 2017. As at 31 December 2017, the Group and the Trust have undrawn committed facilities of S$134.8 million to fulfil their liabilities as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Group 31 Dec 2017 S$'000	Group 31 Mar 2017 S$'000	Trust 31 Dec 2017 S$'000	Trust 31 Mar 2017 S$'000
Interest-bearing borrowings				
Amount repayable within one year				
Secured				
Term loans	77,000	69,492	77,000	69,492
Revolving credit facility	-	13,300	-	13,300
	77,000	82,792	77,000	82,792
Less: Unamortised borrowing transaction costs	(164)	(207)	(164)	(207)
	76,836	82,585	76,836	82,585
Amount repayable after one year				
Secured				
Term loans	283,561	316,495	167,925	198,439
Revolving credit facility	8,500	-	8,500	-
	292,061	316,495	176,425	198,439
Unsecured				
Medium Term Notes	130,000	130,000	130,000	130,000
	422,061	446,495	306,425	328,439
Less: Unamortised borrowing transaction costs	(1,736)	(1,574)	(1,541)	(1,238)
	420,325	444,921	304,884	327,201
Total	497,161	527,506	381,720	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 four-year term loan facility of S$100.3 million maturing in November 2018, to fund real estate development and/or acquisitions;
- a four-year term loan facility of S$100.0 million maturing in August 2020;
- a three-year term loan facility of A$65.0 million maturing in November 2020, to partially fund the 49.0% interest in Optus Centre, Macquarie Park, NSW, Australia; and
- a four-year revolving credit facility of S$120.0 million maturing in November 2021.

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 31 December 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 2017 Private Placement

On 1 December 2017, AA REIT issued 42,145,000 Units at an issue price of S$1.305 per Unit by way of private placement ("2017 Placement"), raising gross proceeds of approximately S$55.0 million.

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

	2017 Placement S$ million
Gross Proceeds	55.0
Use of proceeds	
Repayment of outstanding borrowings	47.9
Asset enhancement initiatives and balance payments on recent development projects	0.1
Issue expenses in relation to the 2017 Placement	1.0
	49.0

As at 31 December 2017, the balance proceeds of the 2017 Placement was approximately S$6.0 million which was primarily used to temporarily repay outstanding borrowings pending the deployment of such funds for their intended use. The Trust intends to set aside the balance proceeds for asset enhancement initiatives and balance payments on AA REIT's recent development projects.

The use of proceeds from the 2017 Placement 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 3Q FY2018 S$'000	Group 3Q FY2017 S$'000	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000
Cash flows from operating activities				
Total return after income tax	23,663	23,497	40,483	52,635
Adjustments for:				
Share of results of joint venture (net of tax)	(3,654)	(3,714)	(11,055)	(10,639)
Borrowing costs	4,920	4,426	14,563	13,928
Foreign exchange loss/(gain)	27	(2)	39	(7)
Manager's management fees in Units	940	943	2,781	2,779
Net change in fair value of derivative financial instruments	(330)	(2,191)	336	(1,635)
Net change in fair value of investment properties	(8,000)	(5,147)	6,761	(300)
Income tax expense	226	562	844	1,002
Operating income before working capital changes	**17,792**	**18,374**	**54,752**	**57,763**
Changes in working capital				
Trade and other receivables	(1,047)	1,347	(1,729)	441
Trade and other payables	1,704	420	3,204	(394)
Cash generated from operations	18,449	20,141	56,227	57,810
Income tax paid	(226)	(260)	(596)	(655)
Net cash from operating activities	**18,223**	**19,881**	**55,631**	**57,155**
Cash flows from investing activities				
Capital expenditure on investment properties and investment properties under development	(8,734)	(15,138)	(31,162)	(40,584)
Distributions from a joint venture	4,026	3,803	11,769	11,067
Net cash used in investing activities	**(4,708)**	**(11,335)**	**(19,393)**	**(29,517)**
Cash flows from financing activities				
Borrowing costs paid	(6,128)	(5,122)	(15,645)	(15,361)
Distributions to Unitholders	(16,339)	(17,553)	(50,187)	(53,844)
Proceeds from interest-bearing borrowings	106,350	21,181	141,850	165,004
Repayments of interest-bearing borrowings	(151,928)	(4,681)	(168,228)	(122,004)
Proceeds from placement	54,999	-	54,999	-
Issue expenses paid	(1,005)	-	(1,005)	-
Net cash used in financing activities	**(14,051)**	**(6,175)**	**(38,216)**	**(26,205)**
Net (decrease)/increase in cash and cash equivalents	**(536)**	**2,371**	**(1,978)**	**1,433**
Cash and cash equivalents at beginning of the period	**10,277**	**6,570**	**11,727**	**7,490**
Effect of exchange rate fluctuation	(39)	(2)	(47)	16
Cash and cash equivalents at end of the period	**9,702**	**8,939**	**9,702**	**8,939**

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 (3Q FY2018 vs. 3Q FY2017)

	Group 3Q FY2018 S$'000	Group 3Q FY2017 S$'000	Trust 3Q FY2018 S$'000	Trust 3Q FY2017 S$'000
Balance at beginning of the period	873,930	935,216	853,038	917,146
Operations				
Total return after income tax	23,663	23,497	25,169	23,872
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(771)	26	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	272	1,350	23	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Private placement	54,999	-	54,999	-
- Manager's management fees	940	943	940	943
Distributions to Unitholders	(28,543)	(17,526)	(28,543)	(17,526)
Issue expenses	(1,005)	-	(1,005)	-
Change in Unitholders' funds resulting from Unitholders' transactions	26,391	(16,583)	26,391	(16,583)
Total increase in Unitholders' funds	49,555	8,290	51,583	7,289
Balance at end of the period	923,485	943,506	904,621	924,435

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

	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000	Trust YTD FY2018 S$'000	Trust YTD FY2017 S$'000
Balance at beginning of the period	888,447	940,721	867,220	922,731
Operations				
Total return after income tax	40,483	52,635	42,900	52,720
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(874)	455	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	951	711	23	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Private placement	54,999	-	54,999	-
- Manager's management fees	2,781	2,779	2,781	2,779
Distributions to Unitholders	(62,297)	(53,795)	(62,297)	(53,795)
Issue expenses	(1,005)	-	(1,005)	-
Change in Unitholders' fund resulting from Unitholders' transactions	(5,522)	(51,016)	(5,522)	(51,016)
Total increase in Unitholders' funds	35,038	2,785	37,401	1,704
Balance at end of the period	923,485	943,506	904,621	924,435

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

	Note	Trust 3Q FY2018 Units '000	Trust 3Q FY2017 Units '000	Trust YTD FY2018 Units '000	Trust YTD FY2017 Units '000
Units in issue at beginning of the period		639,980	637,290	638,658	635,366
Issue of new Units relating to:					
- Manager's performance fees		-	-	-	1,090
- Manager's management fees	(a)	-	-	1,322	834
- Placement Units	(b)	42,145	-	42,145	-
Units in issue at end of the period		682,125	637,290	682,125	637,290
Units to be issued:					
Manager's base fees	(c)	1,327	1,368	1,327	1,368
Total Units in issue and to be issued at end of the period		683,452	638,658	683,452	638,658

(a) On 28 July 2017, the Trust issued an aggregate of 1,321,199 Units at an average issue price of S$1.3869 per Unit 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) On 1 December 2017, AA REIT issued 42,145,000 Units at an issue price of S$1.305 per Unit by way of private placement, raising gross proceeds of approximately S$55.0 million.

(c) The new Units to be issued relate to 1,327,341 Units issued to the Manager on 16 January 2018 as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2017 to 31 December 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 3Q FY2018	Group 3Q FY2017	Group YTD FY2018	Group YTD FY2017
Basic EPU				
Weighted average number of Units ('000)	654,181	637,305	644,164	636,723
Earnings per Unit (cents)	**3.62**	**3.69**	**6.28**	**8.27**
Diluted EPU				
Weighted average number of Units ('000)	655,061	637,305	644,533	636,723
Earnings per Unit (cents)	**3.61**	**3.69**	**6.28**	**8.27**

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 increase in number of Units arising from the issuance of 42,145,000 Units at an issue price of S$1.305 per Unit by way of private placement on 1 December 2017.

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

	Group 3Q FY2018	**Group 3Q FY2017**	**Group YTD FY2018**	**Group YTD FY2017**
Number of Units in issue at end of period ('000)	682,125	637,290	682,125	637,290
Number of Units to be issued before the Books Closure Date ('000)	1,327	1,368	1,327	1,368
Applicable number of Units for calculation of DPU ('000)	683,452	638,658	683,452	638,658
Distribution per Unit (cents)	**2.62**	**2.77**	**7.67**	**8.27**

DPU for 3Q FY2018 comprises the following:

	DPU (Cents)
Advanced distribution for the period from 1 October 2017 to 30 November 2017	1.91
Distribution for the period from 1 December 2017 to 31 December 2017	0.71
	2.62

In connection with the private placement of new Units launched on 21 November 2017, the Manager declared an advanced distribution of 1.91 cents per Unit for the period from 1 October 2017 to 30 November 2017, being the day immediately prior to the date on which the new Units were issued. This was to ensure that the total amount available for distribution, accrued by AA REIT up to the day immediately prior to the date on which the new Units were issued, was only distributed to the existing Unitholders, as a means to ensure fairness to these Unitholders.

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

	Group 31 Dec 2017 S$	**Group 31 Mar 2017 S$**	**Trust 31 Dec 2017 S$**	**Trust 31 Mar 2017 S$**
Net asset value / net tangible asset per Unit[4]	1.3512	1.3896	1.3236	1.3564

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

8 Review of the performance

	Group 3Q FY2018 S$'000	Group 2Q FY2018 S$'000	Group 3Q FY2017 S$'000	Group YTD FY2018 S$'000	Group YTD FY2017 S$'000
Gross revenue	28,867	29,514	30,369	88,884	89,513
Property operating expenses	(9,634)	(10,118)	(10,580)	(30,136)	(30,053)
Net property income	19,233	19,396	19,789	58,748	59,460
Foreign exchange (loss)/gain	(27)	-*	2	(39)	7
Interest and other income	20	132	15	171	2,371
Borrowing costs	(4,920)	(4,882)	(4,426)	(14,563)	(13,928)
Manager's management fees	(1,881)	(1,860)	(1,885)	(5,563)	(5,562)
Other trust expenses	(520)	(524)	(488)	(1,385)	(1,285)
Non-property expenses	(7,321)	(7,266)	(6,799)	(21,511)	(20,775)
Net income before joint venture's results	11,905	12,262	13,007	37,369	41,063
Share of results of joint venture (net of tax)	3,654	3,740	3,714	11,055	10,639
Net income	15,559	16,002	16,721	48,424	51,702
Distributions to Unitholders	17,076	16,320	17,691	49,395	52,742

*: Less than S$1,000.

Review of the performance for 3Q FY2018 vs. 2Q FY2018

The gross revenue achieved for 3Q FY2018 of S$28.9 million was S$0.6 million lower than the gross revenue for 2Q FY2018. This was mainly due to lower rental and recoveries from 3 Tuas Avenue 2 as the master lease expired in FY2018.

Net property income for 3Q FY2018 stood at S$19.2 million, or S$0.2 million lower than 2Q FY2018 which was in line with the drop in gross revenue.

Distributions to Unitholders for 3Q FY2018 stood at S$17.1 million, which was S$0.8 million higher compared to the distributions to Unitholders for 2Q FY2018, mainly due to the advanced distribution which was declared in connection with the 2017 Placement.

Review of the performance for 3Q FY2018 vs. 3Q FY2017

Gross revenue for 3Q FY2018 of S$28.9 million was S$1.5 million lower than the gross revenue for 3Q FY2017. This was mainly due to lower rental and recoveries from 20 Gul Way as five phases of the property reverted to multi-tenancy leases on 28 December 2016, 13 February 2017, 8 May 2017, 6 July 2017 and 28 December 2017 respectively and the expiry of the master lease at 3 Tuas Avenue 2. This was partially offset by rental contribution from 30 Tuas West Road as it became income producing from 27 February 2017 and the maiden rental contribution from newly completed property at 8 Tuas Avenue 20 as it became income producing in the current quarter.

Property operating expenses for 3Q FY2018 of S$9.6 million were S$0.9 million lower than the property expenses for 3Q FY2017 mainly due to lower property tax and land rent expenses on certain properties offset by higher costs arising from the increase in revenue from 30 Tuas West Road and 8 Tuas Avenue 20.

Net property income for 3Q FY2018 stood at S$19.2 million, or S$0.6 million lower compared to 3Q FY2017.

Borrowing costs for 3Q FY2018 of S$4.9 million were S$0.5 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 development of 30 Tuas West Road, 8 Tuas Avenue 20 and 51 Marsiling Road which were previously capitalised whilst the properties were under development and now being expensed upon obtaining TOPs on 27 December 2016, 29 August 2017 and 27 October 2017 respectively.

Distributions to Unitholders for 3Q FY2018 stood at S$17.1 million, a decrease of S$0.6 million compared to 3Q FY2017 mainly in line with lower net property income.

Review of the performance for YTD FY2018 vs. YTD FY2017

The gross revenue achieved for YTD FY2018 of S$88.9 million was S$1.7 million lower than the gross revenue for YTD FY2017 of S$90.6 million (excluding property tax refund of S$1.1 million)[5]. This was mainly due to lower rental and recoveries from 20 Gul Way as five phases of the property reverted to multi-tenancy leases on 28 December 2016, 13 February 2017, 8 May 2017, 6 July 2017 and 28 December 2017 respectively and the expiry of the master lease at 3 Tuas Avenue 2. This was partially offset by rental contribution from 30 Tuas West Road as it became income producing from 27 February 2017 and the maiden rental contribution from 8 Tuas Avenue 20 in the current quarter.

Property operating expense for YTD FY2018 of S$30.1 million was S$1.1 million lower than the property expense for YTD FY2017 of S$31.2 million (excluding property tax refund of S$1.1 million)[5] mainly due to lower property tax and land rent expenses on certain properties offset by higher costs arising from the reversion of the five phases of 20 Gul Way to multi-tenancy leases and in line with the increase in revenue from 30 Tuas West Road and 8 Tuas Avenue 20.

Net property income for YTD FY2018 stood at S$58.7 million, or S$0.7 million lower compared to YTD FY2017.

Borrowing costs for YTD FY2018 of S$14.6 million were S$0.6 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 development of 30 Tuas West Road, 8 Tuas Avenue 20 and 51 Marsiling Road which were previously capitalised whilst the properties were under development and now being expensed upon obtaining TOPs on 27 December 2016, 29 August 2017 and 27 October 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.

Other trust expenses for YTD FY2018 of S$1.4 million were higher compared to the corresponding period in the previous financial year mainly due to higher expenses incurred on non-deal roadshows and professional fees.

[5] For YTD FY2017, the gross revenue of S$89.5 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$90.6 million and S$31.2 million respectively.

Share of results of joint venture (net of tax) for YTD FY2018 of S$11.1 million was S$0.4 million higher compared to the corresponding period in the previous financial year mainly due to the strengthening of the Australian dollar against the Singapore dollar.

Distributions to Unitholders for YTD FY2018 stood at S$49.4 million, a decrease of S$3.3 million compared to YTD FY2017. This was mainly in line with the decrease in net property income and partial retention of 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.

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 2 January 2018[6] that the Singapore economy grew by 3.1% on a year-on-year basis in the last quarter of 2017, easing from the 5.4% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 2.8% compared to the 9.4% growth in the preceding quarter.

On a year-on-year basis, the manufacturing sector expanded by 6.2% in the fourth quarter, moderating from the 19.2% growth in the previous quarter. The sector's growth was primarily supported by robust output expansions in the electronics and precision engineering clusters which outweighed output declines in the biomedical manufacturing and transport engineering clusters. The construction sector contracted by 8.5% on a year-on-year basis in the fourth quarter, extending the 7.7% decline recorded in the previous quarter. The contraction was largely due to the weakness in private sector construction activities. The services producing industries grew by 3.0% year-on-year, moderating slightly from the 3.2% growth in the previous quarter.

Based on JTC 4Q 2017 statistics released on 25 January 2018[7] overall occupancy rates of Singapore's industrial property market rebounded slightly to 88.9% from 88.6% in the preceding quarter. In 4Q 2017, the price and rental indices for the overall industrial property market fell by 1.1% and 0.1% respectively compared to the previous quarter. Compared to a year ago, the price and rental indices fell by 5.7% and 2.8%. In 2018, a total of 1.6 million sqm of industrial space, including 361,000 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. As new supply starts to taper in the coming years, prices and rentals may start to stabilise in tandem with occupancy rates.

The Group's portfolio occupancy is at 88.4% as at 31 December 2017.

---

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

Outlook for financial year ending 31 March 2019

The MTI expected the economy to grow by 3% to 3.5% in 2017 and by 1.5% to 3.5% in 2018. Alongside an electronics surge and external growth, the property sector was ranked among the top three upside factors for the economy in 2018 according to the Monetary Authority of Singapore's Survey of Professional Forecasters. However, UOB economist highlighted that 2018 is certainly more optimistic but caution remains due to some risk factors that could be potential headwinds for economic growth. These includes slowdown in China's investment, current high US equity valuations and the higher interest rates in the US from the continuation of the interest rate normalisation may result in negative wealth effects should there be a sharp pullback in the asset markets and potential risk of tax hike in the Goods & Services tax in Singapore resulting in a dampening effect on 2018 economic growth and generating higher inflation.[8] In Singapore, the industrial oversupply situation will continue into 2018 that may continue to put 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 has completed the development project at 51 Marsiling Road which achieved its temporary occupation permit on 27 October 2017 with rental income commencing in first quarter FY2019.

The Group's weighted average debt maturity is at 2.1 years as at 31 December 2017 with no debt due for refinancing until November 2018. Furthermore, 88.7% 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.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes	
Name of distribution:	Forty-sixth distribution, for the period from 1 October 2017 to 30 November 2017	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	1.67 cents per Unit
	Tax-Exempt Income	0.09 cents per Unit
	Capital Distribution	0.15 cents per Unit
	Total	1.91 cents per Unit
Par value of units:	Not applicable	

[8] The Business Times (2 January 2018): Quick takes: Singapore 2018 GDP outlook more stable, but growth likely to slow.

Name of distribution:	Forty-seventh distribution, for the period from 1 December 2017 to 31 December 2017	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	0.66 cents per Unit
	Tax-Exempt Income	0.02 cents per Unit
	Capital Distribution	0.03 cents per Unit
	Total	0.71 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-second distribution, for the period from 1 October 2016 to 31 December 2016	
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution	
Distribution Rate:	Taxable Income	2.60 cents per Unit
	Tax-Exempt Income	0.10 cents per Unit
	Capital Distribution	0.07 cents per Unit
	Total	2.77 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:

For 1 October 2017 to 30 November 2017	For 1 December 2017 to 31 December 2017
30 November 2017	9 February 2018

(d) Date paid/payable:

For 1 October 2017 to 30 November 2017	For 1 December 2017 to 31 December 2017
17 January 2018	22 March 2018

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
1 February 2018