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| 宝泽 AIMS<br>AIMS APAC REIT | **AIMS APAC REIT MANAGEMENT LIMITED**<br><br>As Manager of AIMS APAC REIT<br>1 George Street, #23-03 One George Street<br>Singapore 049145 |

**Media Release**

## AIMS APAC REIT announces DPU of 2.75 cents for 4Q FY2019

**Singapore, 24 April 2019** – AIMS APAC REIT Management Limited (the Manager) as Manager of AIMS APAC REIT (AA REIT), today announced its final quarter and full year financial results, which saw a 10.0% quarter-on-quarter increase in Distribution Per Unit (DPU) to 2.75 cents for the quarter ended 31 March 2019 (4Q FY2019).

This brings the total DPU for FY2019 to 10.25 cents, with total distributable income amounting to S$70.5 million, up 4.6% compared to FY2018. The increase was mainly due to higher net property income in FY2019.

Gross revenue achieved for FY2019 was S$118.1 million, up 1.0% or S$1.2 million compared to the prior year. This was primarily due to the maiden rental contribution from 51 Marsiling Road beginning from 27 April 2018, and higher rental contribution and occupancy rates at 8 Tuas Avenue 20. This was partially offset by lower rental and occupancies at 20 Gul Way, as six phases of the master leases reverted to multi-tenancy leases; lower rental and recoveries at 27 Penjuru Lane; as well as the loss of revenue from 10 Soon Lee Road following the divestment of the property on 29 March 2018.

Net property income was S$78.5 million for the full year, 2.7% or S$2.1 million higher compared to FY2018.

The Manager's Chief Executive Officer, Mr Koh Wee Lih said, "We are pleased to deliver another resilient performance in FY2019, with an increase in total distributions to our Unitholders. Although challenges remain in the operating environment, there are signs that the industrial market is stabilising. Combined with our proactive approach to asset and lease management and strong capital structure, we are well positioned to capitalise on future growth opportunities to drive long-term, sustainable returns."

During the quarter, the Manager successfully executed 11 new and renewal leases representing 21,388 sqm (3.4% of total lettable area). Portfolio occupancy remained stable at 94.0%, compared to 93.9% in the preceding quarter, and above the industrial average of 89.3%.

For the full year, the Manager successfully executed a total of 60 new and renewal leases, representing 119,381 sqm (18.8% of total net lettable area).

Mr Koh added, "We continue to strengthen the quality and returns of our portfolio to ensure we remain ahead of changes in market conditions. Our redevelopment at 3 Tuas Avenue 2 and asset enhancement initiative at NorthTech are both on track for completion in the second half of the year and will further future-proof AA REIT as we work to adapt to changing tenant needs."

"We have also maintained our focus on prudent capital management throughout the year, by hedging 85.8% of our portfolio's interest rate exposure and maintaining our aggregate leverage at 33.7%. In addition, we established a S$750 million Multicurrency Debt Issuance Programme in November 2018 to provide further flexibility in managing our capital structure."

Key highlights for 4Q FY2019 include:

- DPU of 2.75 cents per Unit for the quarter;
- Gross revenue increased marginally by S$0.1 million to S$29.9 million from the preceding quarter mainly due to higher rental contribution and occupancy rates at 20 Gul Way;
- Net property income increased by S$0.9 million from the preceding quarter to S$20.3 million;
- Executed 11 new and renewal leases in 4Q FY2019, representing 21,388 sqm (3.4% of total net lettable area);
- Distribution reinvestment plan (DRP) take-up rate of 18.1% for 3Q FY2019; and
- Portfolio occupancy remained stable at 94.0%, compared to 93.9% in the preceding quarter, and above industrial average of 89.3%.

For 4Q FY2019, the Manager achieved the following financial performance metrics:

- 85.8% of the portfolio's interest rate is fixed, taking into account interest rate swaps and fixed rate notes;
- Weighted average debt maturity of 2.4 years. AA REIT has undrawn committed facilities to fully repay the fixed rate notes maturing in FY2020. Post-repayment, weighted average debt maturity (on a proforma basis) will increase to 2.8 years;
- Aggregate leverage as at 31 March 2019 is at 33.7%; and
- Overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.6%.

**Outlook**

Singapore's economy grew by 3.2% in 2018, largely supported by the manufacturing sector, which continued to deliver a solid performance. However, the pace of growth in 2019 is expected to moderate, in line with a slower pace of growth across global economies. The growth outlook of Singapore's key final demand markets, including the US, Eurozone and regional economies are projected to ease in 2019, however strong domestic demand is expected to offset this. In tandem, the forecast for growth in Singapore's economy in 2019 is estimated in the range of 1.5% to 3.5%, with the manufacturing sector likely to see a moderation in growth.

At the same time, uncertainties and downside risks in the global economy have increased. Trade conflicts between the US and its key trading partners are escalating, while China's economy is experiencing a sharper-than-expected slowdown. There is also increasing uncertainty about the UK's Brexit.

If trade tensions between the US and China remain uncertain, there may be further disruptions to global supply chains, suppressing global trade and investment growth. ASEAN economies may have varying degrees of impact, however Singapore's position as a regional hub could still provide the country with potential opportunities to capitalise on businesses reassessing their supply chains and sourcing locations.

As the global and Singapore economies continue to evolve, the Manager remains focused on anticipating and adapting to these changes by building a diversified and resilient portfolio through unlocking organic growth and strategic acquisitions to ensure the creation of sustainable, long-term value for Unitholders.

## Summary of AIMS APAC REIT Group results

| | 4Q FY2019 | 3Q FY2019 | +/(-) | 4Q FY2018 | +/(-) | FY2019 | FY2018 | +/(-) |
|---|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | % | S$'000 | % | S$'000 | S$'000 | % |
| Gross revenue | 29,918 | 29,819 | 0.3 | 28,032 | 6.7 | 118,078 | 116,916 | 1.0 |
| Net property income | 20,323 | 19,447 | 4.5 | 17,669 | 15.0 | 78,493 | 76,417 | 2.7 |
| Share of results of joint venture (net of tax) | 13,402 | 3,471 | >100.0 | 6,363 | >100.0 | 23,761 | 17,418 | 36.4 |
| Distributions to Unitholders(1) | 19,000 | 17,218 | 10.3 | 17,975 | 5.7 | 70,496 | 67,370 | 4.6 |
| Distribution per Unit ("DPU") (cents) | 2.75 | 2.50 | 10.0 | 2.63 | 4.6 | 10.25 | 10.30 | (0.5) |

**Note:**

(1) The Manager resolved to distribute S$19.0 million for 4Q FY2019, comprising (i) taxable income of S$17.1 million from Singapore operations; and (ii) tax-exempt income distribution of S$1.2 million and capital distribution of S$0.7 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 FY2019, the Manager has resolved to distribute 100.0% of the Singapore taxable income available for distribution to the Unitholders.

## Distribution and Books Closure Date

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| Distribution | For 1 January 2019 to 31 March 2019 | |
| Distribution Type | (a) Taxable Income<br>(b) Tax-Exempt Income<br>(c) Capital Distribution[1] | |
| Distribution Rate | (a) Taxable Income Distribution: | 2.474 cents per Unit |
| | (b) Tax-Exempt Income Distribution: | 0.180 cents per Unit |
| | (c) Capital Distribution[1]: | 0.096 cents per Unit |
| | | 2.750 cents per Unit |
| Books Closure Date | 6 May 2019 | |
| Payment Date | 20 June 2019 | |

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[1] This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

**Important Notice**

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

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

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

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

**About AIMS APAC REIT** (www.aimsapacreit.com)

Managed by the Manager, AA REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate located throughout the Asia Pacific that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. AA REIT's existing portfolio consists of 26 industrial properties, 25 of which are located throughout Singapore and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia with a total value of S$1.46 billion as at 31 March 2019.

**About AIMS Financial Group** (www.aims.com.au)

AIMS Financial Group ("**AIMS**") is the sole sponsor of AA REIT. Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, venture capital, stock broking and high-tech investment. AIMS is also a strategic investor in the Sydney Stock Exchange.

AIMS has raised funds from capital markets and issued residential mortgage-backed securities, predominantly rated AAA by both Standard & Poor's and Fitch Ratings. AIMS has also attracted a number of international investors into the Australian markets and is the investment manager for various funds.

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