



AIMS APAC REIT MANAGEMENT LIMITED

As Manager of AIMS APAC REIT
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Media Release

AIMS APAC REIT TO ACQUIRE SIME DARBY BUSINESS CENTRE ALONG ALEXANDRA ROAD

- **Marks AA REIT's first acquisition in a city-fringe location**
 - **Highly visible premium showroom and business space precinct located within a unique blend of prime residential, retail and business space**
 - **Proximity and accessibility to the Central Business District**
- **Property to be acquired with an anchor tenant on a partial leaseback structure**
 - **Anchor tenant, Sime Darby Property Singapore Limited, a wholly-owned unit of Sime Darby Property Berhad, Malaysia's largest property developer by landbank and developable area, will lease back 70% of the Property's total gross floor area for 10 years**
- **Uplifts overall portfolio WALE to 4.52 years and portfolio occupancy to 95.0%¹**
- **Proposed Acquisition will provide initial NPI yield of 6.2%² and is DPU accretive**

Singapore, 27 January 2021– AIMS APAC REIT Management Limited as Manager of AIMS APAC REIT (AA REIT), today announced that HSBC Institutional Trust Services (Singapore) Limited, the trustee of AA REIT, through its wholly-owned sub-trust, had on 27 January 2021, entered into a Put and Call Option Agreement to acquire 315 Alexandra Road, located along the Alexandra Road premium showroom and business space precinct in the south-central location of Singapore (the Property) for a purchase consideration of S\$102.0 million (the Proposed Acquisition) from Aster (Alexandra) Pte. Ltd.. The Property, anchored by Sime Darby Property Singapore Limited, a wholly-owned unit of Sime Darby Property Berhad, will be acquired at an initial Net Property Income (NPI) yield of 6.2%².



**315 Alexandra Road, located in South-Central Singapore,
with proximity to the CBD and surrounding prime residential estates**

¹ As at 30 September 2020 and inclusive of new lease commitment on a pro forma basis.

² Based on the Property's NPI in the first year of ownership of S\$6.3 million over the Purchase Consideration of S\$102.0 million. The initial NPI yield based on the estimated total acquisition costs of S\$106.6 million would be 5.9%.

The Manager's Chief Executive Officer, Mr Koh Wee Lih commented, "The Proposed Acquisition marks a first for AA REIT in acquiring a light industrial asset in the city-fringe area, where such assets are tightly-held amongst owners and investors. This will be a strategic fit for AA REIT, adding a centrally-located and highly coveted light industrial building to the portfolio. The acquisition will provide immediate DPU accretion, long-term income stability and diversity to the REIT".

"This also reaffirms AA REIT's growth strategy of seeking yield accretive opportunities in the industrial and light industrial market, including logistics facilities and warehouses – a resilient asset class amidst the current market conditions. Together with our recent acquisition of 7 Bulim Street and becoming the first industrial REIT to have a presence in Singapore's Jurong Innovation District, the Proposed Acquisition will be another strategic addition to AA REIT's Singapore portfolio".

"To strengthen our portfolio for the long-term, AA REIT will continue to explore new investment opportunities and focus on asset enhancement initiatives. This is aligned with our objectives of providing stable and regular distributions and achieving long-term capital growth for AA REIT's unitholders".

The purchase consideration of S\$102.0 million for the Property is in line with an independent valuation conducted by Savills Valuation And Professional Services (S) Pte Ltd, which valued the Property at S\$104.7 million as at 26 January 2021. The total cost of the Proposed Acquisition is estimated at approximately S\$106.6 million, comprising the purchase consideration of S\$102.0 million and transaction costs³ of approximately S\$4.6 million.

The Property will be acquired on a partial leaseback arrangement, where Sime Darby Property Singapore Limited will lease back 70% of the Property's total gross floor area for a period of 10 years with fixed annual rental escalation, and a 4-year lease renewal option at the prevailing market rate. The Property is also leased to nine existing tenants from various industries including IT, medical, consumer products, F&B and business services, creating income diversity and stability.

Upon completion, the Proposed Acquisition will increase AA REIT's Light Industrial exposure from 11.7% to 15.8% and increase portfolio occupancy from 94.5% to 95.0%. The Weighted Average Land Lease Expiry will decrease from 36.4 years to 35.1 years due to the Property's remaining approximately 34-year land tenure. Weighted Average Lease Expiry (WALE) will be extended from 4.23 years to 4.52 years¹.

The Proposed Acquisition is proposed to be fully funded by debt, comprising a new term loan and existing debt facilities. With the Proposed Acquisition, Aggregate Leverage will increase to 39.0%, which remains well within the MAS aggregate leverage limit of 50%. This will provide the REIT with more than adequate debt headroom to manage its capital structure. With the pro forma funding structure, the Proposed Acquisition will add 0.48 cents to the FY2020 Distribution Per Unit (DPU) of 9.50 cents to 9.98 cents on a pro forma basis.

Following the completion of the Proposed Acquisition, AA REIT will have a total of 29 properties, of which 27 properties are located throughout Singapore, a property located in Gold Coast, Queensland, Australia and a 49% interest in a property located in Macquarie Park, New South Wales, Australia.

¹ As at 30 September 2020 and inclusive of new lease commitment on a pro forma basis.

³ Includes stamp duty, acquisition fee and transaction costs.

About the Property

The 315 Alexandra Road Property is located along the Alexandra Road premium showroom precinct in the south-central location of Singapore. The light industrial facility is situated on a land area of 7,720 square metres, which has a remaining land tenure of approximately 34.2 years (as at 31 December 2020), with a gross floor area of 16,647 square metres.

The Property is 5 minutes' drive from Queenstown and Redhill MRT stations, 15 minutes' drive to the CBD and 5 minutes' drive to two major expressways – the Central Expressway (CTE) and Ayer Rajah Expressway (AYE). Due to its proximity to the CBD and surrounding prime residential estates, properties in the area are tightly held and mostly occupied.

Aside from adjoining showrooms, other nearby businesses and amenities include IKEA, Mitsubishi Electric, the recently developed 13-storey 442-room Park Hotel, Anchorpoint Shopping Centre, Alexandra Hospital and Mapletree Business City, an integrated office, business park and retail campus style development.

The site is zoned Business 1 under the URA Master Plan and is to be used for clean industry, light industry, public utilities, and telecommunication uses and other public installations.

The main 5-storey building of the Property was originally built in the 1960s and expanded to accommodate the 3-storey Annex building at the rear of the Property. The Property has recently undergone a refurbishment program, with upgrades to the entry foyer and drop off canopy, common lift lobbies, walkways and toilets on each floor. The building configuration provides for a ground floor showroom, vehicle servicing station on level 1 and 2, and B1 industrial and business space use for qualified tenants from levels 2 to 5.

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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, logistics and business park real estate, located throughout the Asia Pacific region. The real estate assets are utilised for a variety of purposes, including but not limited to warehousing and distribution activities, business park activities and manufacturing activities. AA REIT’s existing portfolio consists of 28 properties, of which 26 properties are located throughout Singapore, a property located in Gold Coast, Queensland, Australia and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia.

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, 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.