



AIMS APAC REIT MANAGEMENT LIMITED

As Manager of AIMS APAC REIT
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(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 December 2006 (as amended and restated))

Media Release

AIMS APAC REIT achieves 15.3% increase in distribution to S\$16.7 million to Unitholders for 3Q FY2022

Key highlights for 3Q FY2022:

- DPU of 2.35 cents for 3Q FY2022, a 14.6% increase from 3Q FY2021
 - Supported by the transformative acquisition of fully-leased Woolworths Headquarters in New South Wales, Australia
- Healthy portfolio committed occupancy of 97.6% and long WALE of 4.85 years
- Proactive asset and lease management – successfully executed 10 new and 8 renewal leases in 3Q FY2022, representing 48,067 sqm or 6.1% of total NLA of the portfolio
- Aggregate leverage at 37.3% (31 March 2021: 33.9%), with undrawn committed facilities and cash and bank balances of S\$237.2 million and blended funding cost of 2.8%
- Completed acquisition of Woolworths Headquarters, thereby strengthening AA REIT’s foothold in Sydney’s resilient business park market and providing long-term income security for the portfolio

	3Q FY2022	3Q FY2021	+/(-) %	YTD FY2022	YTD FY2021	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	36,807	32,142	14.5	102,053	89,874	13.6
Net property income	27,070	23,579	14.8	74,779	63,532	17.7
Distributions to Unitholders	16,709	14,486	15.3	50,312	42,754	17.7
Distribution per Unit (DPU) (cents)	2.35	2.05	14.6	7.10	6.05	17.4

Singapore, 27 January 2022 – AIMS APAC REIT Management Limited (the Manager) as manager of AIMS APAC REIT (AA REIT) today announced its Business Update for the third quarter (3Q FY2022) ended 31 December 2021.

Distributions to Unitholders for 3Q FY2022 was S\$16.7 million, an increase of 15.3% from the previous corresponding period ended 31 December 2020 (3Q FY2021). The DPU of 2.35 cents for 3Q FY2022 represents a 14.6% increase from the DPU of 2.05 cents in 3Q FY2021.

The 3Q FY2022 gross revenue of S\$36.8 million was 14.5% higher compared to 3Q FY2021. This was mainly attributable to the rental contribution from Woolworths Headquarters which commenced on 15 November 2021 and higher gross revenue from 20 Gul Way, 27 Penjuru Lane and 541 Yishun Industrial Park A (rental contribution from the new master tenant commenced on January 2021).

For the nine months ended 31 December 2021 (9M FY2022), distributions to Unitholders was S\$50.3 million, an increase of 17.7% from the previous corresponding period ended 31 December 2020 (9M FY2021). The DPU of 7.10 cents for 9M FY2022 represents a 17.4% increase from the DPU of 6.05 cents in 9M FY2021.

Commenting on AA REIT's 3Q FY2022 performance, the Manager's CEO, Mr Russell Ng, said, "AA REIT continued to deliver a strong set of results, on the back of the gradual global economic recovery from COVID-19 and the resilient industrial market. The portfolio maintained a high occupancy rate of 97.6%, above JTC's industry average for 3Q 2021 of 90.1%, and recorded a positive rental reversion of 0.2%. In addition, our quality portfolio was strengthened by the addition of Woolworths Headquarters this quarter, which is anchored by Woolworths Group for 10 years. Looking ahead, we will continue to seek out similar opportunities and focus on delivering greater value for our Unitholders."

The Manager's Chairman, Mr George Wang, added, "We remain firmly focused on executing our strategy of seeking strategic investments, active asset and leasing management, prudent capital and risk management, as well as capital and business partnerships to generate attractive long-term total returns. Following the transformative acquisition of the Woolworths Headquarters, we will continue to pursue opportunities in our key markets of Singapore and Australia that are a strategic fit to our current portfolio, and provide stable growing income for Unitholders."

Portfolio Update

In 3Q FY2022, the Manager successfully executed 10 new and 8 renewal leases representing 48,067 sqm or 6.1% of total net lettable area (NLA). The healthy committed occupancy is expected to be sustained, as strong demand for logistics and warehouse facilities continue to be underpinned by the resilient e-commerce and logistics sectors. As at 31 December 2021, AA REIT's portfolio occupancy stood at 97.6%, while weighted average lease expiry (WALE) stood at 4.85 years.

On 15 November 2021, AA REIT announced that it had completed the acquisition of Woolworths Headquarters for a purchase consideration of A\$463.25 million (approximately S\$454.0 million¹).

Capital Management

The Manager continues to adopt a disciplined approach to capital management.

As at 31 December 2021, AA REIT's aggregate leverage was 37.3%, well within the aggregate leverage limit of 50% set by the Monetary Authority of Singapore. Together with AA REIT's undrawn committed facilities and cash and bank balances of S\$237.2 million, AA REIT has the financial flexibility to pursue new acquisition opportunities and asset enhancement initiatives as and when they arise. AA REIT's adjusted interest coverage ratio of 3.3 times is

¹ Using an illustrative exchange rate of A\$1.00 : S\$0.98.

also well above the minimum requirement of 2.5 times². The Manager continues to monitor AA REIT's cash flow position and remains focused on maintaining adequate liquidity.

AA REIT's overall blended funding cost of 2.8% for 3Q FY2022 is lower compared to the 3.0% for 3Q FY2021 mainly due to lower overall cost of funding.

Outlook

The global economic recovery is continuing, even as the pandemic resurges, with the rapid spread of Delta and Omicron variants increasing uncertainty. The International Monetary Fund has retained its global growth forecast for 2022 at 4.9%.

On 3 January 2022, the Ministry of Trade and Industry (MTI) announced that Singapore's economy grew by 7.2% for the whole of 2021, rebounding from the 5.4% contraction in 2020. The Singapore economy grew by 5.9% on a year-on-year basis in the fourth quarter of 2021. Barring the materialisation of downside risks, the Singapore economy is expected to grow by "3.0% to 5.0%" in 2022.

Based on JTC Corporation's market report for 3Q 2021 released on 28 October 2021, the occupancy rate for the overall industrial property market remained unchanged from the previous quarter at 90.1% as delays in completion continue to persist. In line with the broad recovery of the economy, rentals and prices of industrial space have continued to rebound.

The Australian economy is recovering from the setback caused by the Delta outbreak with high rates of vaccination and substantial policy support underpinning this recovery. At the most recent December meeting, the Reserve Bank of Australia (RBA) announced that it is maintaining the target cash rate of 10 basis points until actual inflation is sustainably within the target range.

The broad recovery in the Singapore and Australia economies has provided support for the industrial sector. Furthermore, factors such as rising rentals and prices of industrial space underpinned by the manufacturing sector and business park demand driven by office decentralisation have continued to reinforce the resilience of the industrial sector.

Overall, including Woolworths Headquarters, AA REIT's robust portfolio consists of 29 properties in Singapore and Australia, backed by 198 tenants across its multi-tenanted and master leased properties and diversified over a broad range of business industries.

Amidst the current macroeconomic environment, the Manager will continue to proactively manage its portfolio to deliver sustainable distributions and create long-term value for Unitholders.

Distribution and Record Date

² The Monetary Authority of Singapore has deferred the new 2.5 times adjusted interest coverage ratio (Adjusted ICR) requirement to 1 January 2022 in light of the current COVID-19 pandemic situation. For the purpose of the computation, interest expense excluded borrowing costs on lease liabilities and the interest expense for Adjusted ICR further included the amount reserved for distribution to Perpetual Securities holders.

Distribution	For 1 October 2021 to 31 December 2021	
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	1.74 cents per Unit 0.18 cents per Unit 0.43 cents per Unit <hr/> 2.35 cents per Unit
Record Date	10 February 2022	
Payment Date	25 March 2022	

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³ This relates to the tax deferred component arising from the distributions remitted from the Group's investments in 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, 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 29 properties, of which 26 properties are located throughout Singapore, and 3 properties located in Australia, including a property located in Gold Coast, Queensland, a 49.0% interest in Optus Centre located in Macquarie Park, New South Wales and Woolworths Headquarters located in Bella Vista, New South Wales.

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 funds management, mortgage lending, investment banking and property investment. AIMS is also the owner of the Sydney Stock Exchange.

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.