



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 delivers 5.7% increase in full year DPU of 9.46 cents in FY2022

Key highlights:

- DPU of 9.46 cents for FY2022, a 5.7% increase from FY2021
 - Performance underpinned by resilient operations of the REIT’s business park and logistics and warehouse properties, continued recovery of the industrial sector and acquisition of Woolworths HQ
- Healthy portfolio occupancy maintained at 97.6%, above the industry average of 90.1%, and long weighted average lease expiry of 5.05 years
- Successfully executed 6 new and 19 renewal leases, representing 46,626 sqm or 5.9% of total net lettable area of the portfolio in 4Q FY2022
- Aggregate leverage of 37.5%, with undrawn committed facilities of S\$160.4 million and lower blended funding cost of 2.7% for FY2022

	2H FY2022	2H FY2021	+/(-) %	FY2022	FY2021	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	77,144	64,901	18.9	142,390	122,633	16.1
Net property income	55,476	47,579	16.6	103,185	87,532	17.9
Share of profits of joint venture (net of tax)	20,876	27,730	(24.7)	48,140	35,354	36.2
Distributions to Unitholders	33,644	34,979	(3.8)	67,247	63,247	6.3
Distribution per Unit (DPU) (cents)	4.71	4.95	(4.8)	9.46	8.95	5.7

Singapore, 27 April 2022 – AIMS APAC REIT Management Limited (the Manager) as manager of AIMS APAC REIT (AA REIT) today announced a 5.7% growth in DPU to 9.46 cents for the full year ended 31 March 2022 (FY2022), from 8.95 cents in the previous corresponding period (FY2021). Total distributions to Unitholders for FY2022 were S\$67.2 million, 6.3% higher compared to FY2021.

For FY2022, AA REIT registered higher gross revenue and net property income of S\$142.4 million and S\$103.2 million, rising 16.1% and 17.9% respectively, compared to FY2021. The improvement in performance was mainly due to contributions from the recently acquired Woolworths HQ in November 2021, a full year contribution from 7 Bulim Street acquired in October 2020, as well as higher rental and recoveries at 20 Gul Way, 8 & 10 Pandan Crescent, 29 Woodlands Industrial Park, and 541 Yishun Industrial Park A.

The lower share of profits of joint venture in the second half ended 31 March 2022 (2H FY2022) was mainly due to the lower revaluation gain of Optus Centre compared to 2H FY 2021. However, the share of profits for the full year registered an overall increase for FY2022 due to the higher revaluation gain of Optus Centre as at 31 March 2022 as compared to a year ago.

Despite the year-on-year increase in gross revenue and net property income in 2H FY2022, Distributions to Unitholders and DPU decreased by 3.8% and 4.8% respectively, over the same corresponding period largely due to the distributions related to the S\$250.0 million perpetual securities issued on 1 September 2021 for the acquisition of Woolworths HQ. Full year Distribution to Unitholders and DPU however, rose by 6.3% and 5.7% compared to the previous year, underpinned by higher gross revenue and net property income.

Commenting on AA REIT's FY2022 performance, the Manager's CEO, Mr Russell Ng, said, "We have continued to experience strong leasing activities from our existing and new tenants, with full year rental reversion on the positive at 14.7%. This demonstrates the continued resilience of our well-diversified tenant base, notwithstanding macro uncertainties. Looking ahead, we are actively pursuing growth opportunities through asset enhancements and repositioning of selected properties. Additionally, our stabilised portfolio, coupled with contribution from our new Woolworths HQ acquisition, will provide AA REIT with resilient long-term income."

The Manager's Chairman, Mr George Wang, added, "Strategically, we will continue to look for opportunities that offer good investment returns and long-term capital growth, as well as consider recycling assets to generate sustainable income growth for our Unitholders."

Portfolio Update

In 4Q FY2022, the Manager successfully executed 6 new and 19 renewal leases, representing 46,626 sqm or 5.9% of total net lettable area (NLA). As at 31 March 2022, AA REIT's portfolio occupancy stood at 97.6%, while weighted average lease expiry (WALE) stood at 5.05 years. The healthy portfolio occupancy is expected to be sustained, as demand for industrial space continues to be underpinned by the resilient e-commerce and logistics sectors as well as Singapore's border and economy reopening.

On 15 November 2021, AA REIT announced that it had completed the acquisition of Woolworths HQ for a purchase consideration of A\$463.3 million (approximately S\$454.0 million¹), increasing our portfolio allocation to high quality Australian business parks leased to quality tenants on long lease terms.

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

As at 31 March 2022, the valuation for Woolworths HQ was S\$474.1 million. The valuation for Boardriders Asia Pacific HQ increased by S\$8.7 million or 19.0% from S\$45.5 million as at 31 March 2021 to S\$54.2 million as at 31 March 2022. The valuation on AA REIT's 49% share for Optus Centre rose by S\$38.4 million or 11.6%, from S\$330.9 million to S\$369.3 million over the same period.

As at 31 March 2022, AA REIT's Singapore portfolio also reported a valuation uplift of S\$22.0 million or 1.6% compared to 31 March 2021.

Capital Management

The Manager continues to adopt a financially prudent and disciplined approach to capital management.

As at 31 March 2022, AA REIT's aggregate leverage was 37.5%, well within the aggregate leverage limit of 50% set by the Monetary Authority of Singapore. Together with AA REIT's undrawn committed facilities of S\$160.4 million and cash and bank balances of S\$21.4 million, AA REIT has the financial flexibility to pursue new acquisition opportunities and asset enhancement initiatives.

AA REIT's overall blended funding cost of 2.7% for FY2022 was lower than the 3.0% for FY2021 mainly due to lower overall cost of funding.

AA REIT's balance sheet remains resilient and well-positioned to meet any financial obligations as and when they fall due. The Manager continues to proactively manage the portfolio and capital structure, whilst exploring various asset enhancement initiatives and accretive acquisitions.

Outlook

The International Monetary Fund is expecting global economic growth to slow to 3.6% in 2022 and 2023, due to rising food and energy prices, and elevated inflation exacerbated by global spillovers from the ongoing war in Ukraine. This has distorted energy markets and added further pressures to the pandemic disrupted supply chains. Amidst concerns about rising inflation, central banks have continued to tighten monetary policy.

According to advanced estimates from the Ministry of Trade and Industry released on 14 April 2022, the Singapore's economy grew by 3.4% on a year-on-year basis in the first quarter of 2022, moderating from the 6.1% growth in the preceding quarter. The manufacturing sector expanded by 6.0% year-on-year in the first quarter of 2022, supported by the electronics and precision engineering clusters which were driven by sustained global demand for semiconductors and semiconductor equipment.

Based on JTC Corporation's market report released on 27 January 2022, the occupancy rate for the overall industrial property market remained unchanged from the previous quarter at 90.1% in 4Q 2021, while rentals and prices of industrial space have continued to rise. As Singapore's economy recovers in 2022, demand for industrial space is projected to remain robust.

In addition, as Singapore's COVID-19 situation has stabilised, the government has further eased islandwide safe management and border measures as it seeks to return to pre-pandemic normalcy.

Australian Gross Domestic Product rose by 3.4% in the fourth quarter of 2021, according to statistics released by the Australian Bureau of Statistics on 2 March 2022. It was mainly driven by domestic demand with high levels of household spending, particularly in states that have emerged from COVID-19 lockdowns. The Australian economy remains resilient with spending picking up. At the most recent April meeting, the Reserve Bank of Australia announced that it is maintaining the target cash rate² of 10 basis points and that it will not increase the cash rate until actual inflation is sustainably within its target range of 2% to 3%.

With the broad recovery in the Singapore and Australia economies providing support for the industrial and business park sectors, the Manager will continue to proactively manage its portfolio of 29 properties across Singapore and Australia to deliver sustainable distributions and create long-term value for Unitholders.

Distribution and Record Date

Distribution	For 1 January 2022 to 31 March 2022	
Distribution Type	(a) Taxable Income (b) Tax Exempt Income (c) Capital Distribution ³	
Distribution Rate	(a) Taxable Income Distribution:	1.616 cents per Unit
	(b) Tax Exempt Income:	0.134 cents per Unit
	(b) Capital Distribution ³ :	<u>0.610 cents per Unit</u> <u>2.360 cents per Unit</u>
Record Date	10 May 2022	
Payment Date	24 June 2022	

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² Cash rate refers to the interest rate on unsecured overnight loans between banks. It is the risk-free benchmark rate.

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 HQ 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.