AIMS APAC REIT MANAGEMENT LIMITED

As Manager of AIMS APAC REIT
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Media Release

AIMS APAC REIT achieves distributions to Unitholders of S$14.5 million for 3Q FY2021

Key highlights for 3Q FY2021:

- Achieved DPU of 2.05 cents for the quarter, a 2.5% increase from 2Q FY2021
- Healthy committed portfolio occupancy of 95.7% and long WALE of 3.94 years
- Successfully executed 21 new and renewal leases in 3Q FY2021, representing 107,871 sqm (14.6% of total net lettable area), including the acquisition of 7 Bulim Street and a master tenant for 541 Yishun Industrial Park A
- Subsequent to 3Q FY2021, announced the proposed acquisition of 315 Alexandra Road, on a partial leaseback structure
- Conservative leverage at 34.1% (as at 31 December 2020) provides ample debt headroom, well below the MAS limit of 50%
- Weighted average debt maturity stood at 2.6 years, with no debt due for refinancing till November 2021
- Included into FTSE Russell ST Singapore Shariah Index on 21 December 2020, following earlier inclusion in the MSCI Singapore Small Cap Index in May 2020
- Awarded Gold Award at The Asset ESG Corporate Awards 2020 for fourth consecutive year

AIMS APAC REIT Group Financial Results

	3Q FY2021	2Q FY2021	+/(-)	3Q FY2020	+/(-)	YTD FY2021	YTD FY2020	+/(-)
	S$'000	S$'000	%	S$'000	%	S$'000	S$'000	%
Gross revenue	32,142	30,492	5.4	29,458	9.1	89,874	90,642	(0.8)
Net property income	23,579	21,324	10.6	23,110	2.0	63,532	68,541	(7.3)
Share of profits of joint venture (net of tax)(1)	3,438	4,309	(20.2)	47,367	(92.7)	11,062	56,776	(80.5)
Distributions to Unitholders(2)	14,486	14,134	2.5	17,586	(17.6)	42,754	52,379	(18.4)
Distribution per Unit ("DPU") (cents)	2.05	2.00	2.5	2.50	(18.0)	6.05	7.50	(19.3)

Notes:

(1) The share of profits of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre. The higher contribution in 3Q FY2020 was mainly due to the share of revaluation surplus of S$44.1 million recognised from the valuation of the underlying property following the execution of a new agreement for lease with the existing tenant, Optus Administration Pty Limited in November 2019.

(2) The Manager resolved to distribute S$14.5 million to Unitholders for 3Q FY2021, comprising (i) taxable income of S$13.8 million from Singapore operations; and (ii) tax-exempt income and capital distribution of S$0.7 million remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia and Boardriders Asia Pacific HQ in Gold Coast, Queensland, 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 FY2021, the Manager has resolved to distribute 95.6% of the Singapore taxable income available for distribution to the Unitholders.

Singapore, 28 January 2021 – AIMS APAC REIT Management Limited (the Manager) as manager of AIMS APAC REIT (AA REIT or the REIT) today announced total distributions to Unitholders of S$14.5 million for the third quarter ended 31 December 2020 (3Q FY2021), with a Distribution Per Unit (DPU) of 2.05 cents, a 2.5% increase from the DPU of 2.00 cents in the previous quarter ended 30 September 2020 (2Q FY2021), mainly due to the net contributions from 7 Bulim Street.

AA REIT registered gross revenue of S$32.1 million and net property income (NPI) of S$23.6 million for 3Q FY2021, representing a year-on-year increase of 9.1% and 2.0% respectively. The growth in gross revenue was mainly due to the maiden rental contribution from the newly acquired property at 7 Bulim Street, and higher rental and recoveries at the properties at 3 Tuas Avenue 2 and 20 Gul Way. This was partially offset by lower contributions from the property at 1A International Business Park arising from the conversion from master lease to multi-tenancy leases, the expiry of the master lease at 541 Yishun Industrial Park A, and lower rental and recoveries from the property at 103 Defu Lane 10.

The Manager's Chief Executive Officer, Mr Koh Wee Lih, said, "The REIT has continued to maintain a stable performance, underpinned by the portfolio's diversity in tenant and asset mix, with over 50% in the resilient logistics and warehouse sector. With a gradual global economic recovery from the COVID-19 pandemic expected in 2021, backed by concerted vaccination campaigns and government support worldwide, we remain steadfast in our focus on proactive lease management, tenant retention, maintaining a healthy balance sheet and prudent financial discipline. We are pleased to note that the REIT's focus on proactive leasing efforts has translated into the completion of 21 leasing deals during the quarter, with above-industry portfolio occupancy rate at 95.7%."

Separately, on 21 December 2020, AA REIT was included into the FTSE Russell ST Singapore Shariah Index. The Index is designed to be used as the basis of Shariah compliant investment products that focus on Shariah-compliant listed companies on the Singapore Exchange. This follows from AA REIT's inclusion in the MSCI Singapore Small Cap Index in May 2020, and both mark important milestones for the REIT as it would increase overall awareness of the REIT, and boost trading liquidity and visibility among global institutional investors.

Additionally, in recognition of AA REIT's efforts and achievements in building a sustainable business, the REIT was awarded the Gold Award at The Asset ESG Corporate Awards 2020 for the fourth consecutive year in December 2020.

Portfolio Update

In 3Q FY2021, the Manager successfully executed 21 new and renewal leases representing 107,871 sqm (14.6% of total net lettable area). The strong demand for logistics and warehouse facilities continue to be underpinned by high e-commerce activities, as well as construction slippages which delayed delivery of new supply of industrial assets, thereby supporting rental rates. As at 31 December 2020, AA REIT's portfolio occupancy stood at 95.7%, considerably above the industry average of 89.6%, backed by a long weighted average lease expiry (WALE) of 3.94 years.

In December 2020, AA REIT secured a new master tenant for 541 Yishun Industrial Park A. The new master tenant of the four-storey factory building is a subsidiary of a major Japanese energy and environment group. The master lease commenced in January 2021 for a term of three years.

Subsequent to the financial quarter end, AA REIT had announced the acquisition of a property at 315 Alexandra Road on 27 January 2021, for a purchase consideration of S$102.0 million. The Property, to be acquired on a partial leaseback arrangement, will be acquired at an initial Net Property Income (NPI) yield of 6.2%[1].

Mr Koh added, "This acquisition reaffirms AA REIT's growth strategy of seeking yield-accretive opportunities. This is our first asset in the city fringe area, which is typically tightly held amongst owners and investors. With a 10-year lease to a strong anchor tenant, the Sime Darby group, as well as nine existing sublet leases, this yield-accretive acquisition will immediately start contributing to our topline, providing greater income stability and diversity to the REIT. We will continue to prudently seek out opportunities for asset enhancements, to strengthen our portfolio for the long term, as well as to deliver greater value to our Unitholders."

Including the new master tenant at 541 Yishun Industrial Park A, as well as the newly acquired property at 7 Bulim Street, strategically located within the Jurong Innovation District, AA REIT's enlarged portfolio is backed by a diversified tenant base, with 196 tenants across 28 properties in Singapore and Australia operating in a broad range of industries, and a well-balanced mix of both multi-tenanted and master leased properties.

Capital Management

The Manager remains steadfast on its prudent and disciplined approach to capital management.

As at 31 December 2020, AA REIT's aggregate leverage was 34.1%, which is well within the aggregate leverage limit of 50% set by the Monetary Authority of Singapore, providing the REIT with more than adequate debt headroom to manage its capital structure. AA REIT's adjusted interest coverage ratio of approximately 3.4 times is also well above the minimum requirement of 2.5 times[2]. The Manager continues to keep a close watch on the REIT's cash flows and has taken steps to maintain adequate cash reserves through prioritising crucial asset enhancements, deferring uncommitted capital expenditure and minimising costs, where possible.

As at 31 December 2020, AA REIT had cash balances of approximately S$14.8 million and undrawn committed facilities of S$139.5 million.

[1] 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%.

[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 included borrowing costs on lease liabilities and interest expense for Adjusted ICR which further included the amount reserved for distribution to perpetual Securities holders.

Outlook

Globally, news on the COVID-19 situation continues to be mixed. The number of infected COVID-19 cases has increased rapidly across the world, from Asia to Europe and the United States. Global vaccination campaigns, concerted health policies and government financial programmes are expected to lift the global economy in 2021, after a contraction in 2020. The signing in November 2020 of the Regional Comprehensive Economic Partnership (RCEP) Agreement, a regional trade deal between 15 Asia-Pacific countries, will further energise intra-regional trade and investment flows.

As Singapore moved into Phase 3 of re-opening on 28 December 2020, business activity is anticipated to increase and shed a positive light on the recovery of the overall economy.

Based on advance estimates for the fourth quarter of 2020 (4Q 2020) by the Ministry of Trade and Industry (MTI), the Singapore economy contracted by 3.8% on a year-on-year basis, an improvement from the 5.6% contraction recorded in the third quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 2.1% in 4Q 2020 following the 9.5% expansion in the third quarter. For the whole of 2020, the Singapore economy contracted by 5.8%[3]. MTI also recently announced a new 10-year plan to grow Singapore's manufacturing sector by 50% in the next decade and maintain its share of about 20% of GDP.

Additionally, based on JTC Corporation's market report for 3Q 2020 released earlier on 22 October 2020, the occupancy rate of Singapore's overall industrial property market rose marginally by 0.2 percentage points to 89.6%, compared to the previous quarter, driven by an increase in demand for storage amid a delay in new completions. Looking further ahead, between 2021 and 2022, around 4.4 million sqm of industrial space is expected to be completed. Due to the impact of COVID-19 on the construction sector, the completion of 0.7 million sqm of new industrial spaces has been delayed from 2020, to 2021 and 2022.

In Australia, the Reserve Bank of Australia (RBA) has maintained its policy setting after its most recent meeting in December 2020 with official interest rates at 0.10%, which marks the lowest rate in the monetary policy history of Australia's central bank. Given the outlook for employment and inflation, the RBA has stated that interest rates will not be expected to increase for at least three years as monetary and fiscal support will be required for some time.

Overall, the industrial outlook for Singapore and Australia continues to be supported by shifts in consumer behaviour towards e-commerce and increased business activities in the advanced manufacturing and ICT industries.

The Manager remains vigilant and will continue to proactively manage the portfolio to protect its long-term value for Unitholders.

3 Ministry of Trade and Industry, 4 January 2021, Singapore's GDP Contracted by 3.8 Per Cent in the Fourth Quarter of 2020.

Distribution and Record Date

Distribution	For 1 October 2020 to 31 December 2020	
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution[4]	
Distribution Rate	(a) Taxable Income Distribution: (b) Tax-Exempt Income Distribution: (c) Capital Distribution[4]:	1.95 cents per Unit 0.05 cents per Unit 0.05 cents per Unit 2.05 cents per Unit
Record Date	5 February 2021	
Payment Date	19 March 2021	

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[4] 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 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.