







AIMS APAC REIT

10th Annual General Meeting

25 July 2019

Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial periods from 1 April 2018 to 31 March 2019 (“FY2019”) and from 1 April 2019 to 30 June 2019 (“1Q FY2020”) versus actual results year-on-year (“y-o-y”) and quarter-on-quarter (“q-o-q”). This Presentation shall be read in conjunction with AIMS APAC REIT’s (“AA REIT” or the “Trust”) results for 1Q FY2020 as per the SGXNet Announcement.

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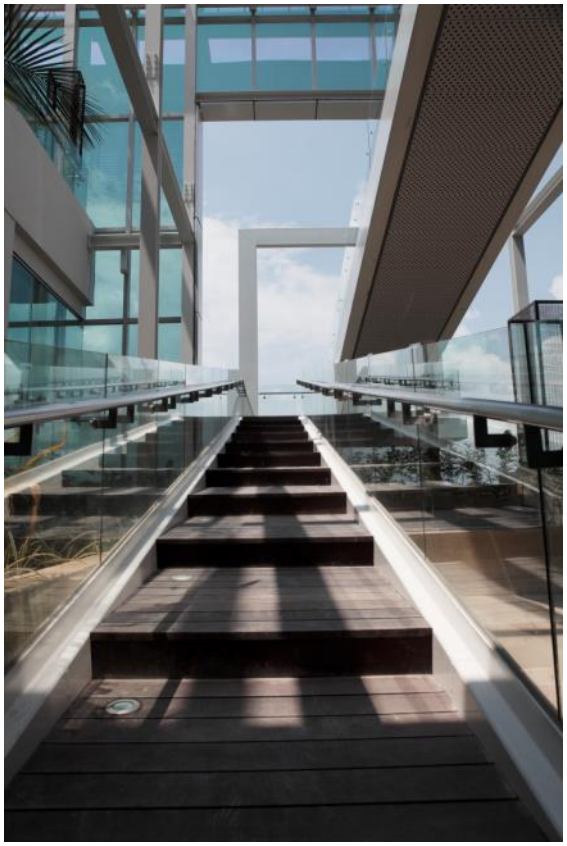
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CONTENTS



Highlights for FY2019	**4**
1Q FY2020 Financial Results	**8**
Portfolio Performance	**20**
Market Outlook & Strategy	**28**

> 1 HIGHLIGHTS FOR FY2019

Highlights for FY2019

> 1

AIMS Financial Group proposed acquisition of AMP Capital's stake in AA REIT and the REIT Manager

- In November 2018, AIMS Financial Group announced the acquisition of AMP Capital's 50% shareholding in the management entities of AA REIT and its principal stake in AA REIT, to result in AIMS (upon completion):
  - ✓ Being 100% owner in the REIT Manager and Property Manager
  - ✓ Holding approximately an aggregate of approx. 17.9% in AA REIT

- Completion of the acquisition in the management entities of AA REIT in March 2019.
  - ✓ Reflects commitment of AIMS by the consolidation of its interests
  - ✓ Sole sponsor of AA REIT

REIT renamed **AIMS APAC REIT** in March 2019

宝泽 AIMS

AIMS APAC REIT

Highlights for FY2019

> 1

Continued focus on active asset and lease management, and delivering on our strategy to build a high-quality and diversified portfolio located throughout Asia Pacific that will deliver consistent and sustainable returns to Unitholders

- Developing a higher quality portfolio
  - ✓ Redevelopment of **3 Tuas Ave 2 –** The new facility will be a contemporary four-storey ramp-up industrial facility suitable for both production and storage use. Upon completion, gross floor area will increase by 52% to approximately 24,890 sqm, improving the plot ratio to 1.40.
  - ✓ AEI for **NorthTech at Woodlands –** The AEI will further enhance NorthTech as a modern and energy efficient hi-tech industrial facility. The building remains operational and income producing while the AEI is being carried out.

- Expanding the portfolio
  - ✓ Execute on the acquisition of **Boardriders Asia Pacific HQ** in Gold Coast, Queensland, Australia (completed in July 2019) by carrying out due diligence on the property and master tenant, negotiating on the 12-year master lease and securing financing.

- Securing new tenancy for the redevelopment at 3 Tuas Avenue 2
  - ✓ Negotiate with the **master tenant** for a 10-year triple net lease for the property to eliminate leasing risk (announced in July 2019).

Highlights for FY2019

> 1

Continued focus on active asset and lease management, and delivering on our strategy (cont'd)

- Executed a total of 60 new and renewal leases in FY2019, representing 119,381 sqm (18.8% of respective total net lettable area).

- Achieved high occupancy rate of 94.0% despite challenging leasing market conditions, above JTC industrial average of 89.3% as at 31 March 2019.

Prudent capital management

- Established a S$750 million Multicurrency Debt Issuance Programme in November 2018, for further financial flexibility.

- Raised S$5.0 million through two quarters of the distribution reinvestment plan ("DRP") to strengthen working capital reserves.

> 2 1Q FY2020 FINANCIAL RESULTS

Highlights for 1Q FY2020

> 2

Focusing on active asset management

- DPU performance: 2.50 cents per Unit for the quarter[1].
- Gross revenue increased by S$0.7 million to S$30.6 million from the preceding quarter mainly due to higher rental and recoveries at 20 Gul Way and 27 Penjuru Lane.
- Property operating expenses were lower by S$1.9 million from the preceding quarter mainly due to land rent payments that were excluded pursuant to the adoption of Financial Reporting Standard 116 Leases (FRS 116).
- Net property income increased by S$2.6 million from the preceding quarter to S$22.9 million.

Active lease management

- Executed 16 new and renewal leases in 1Q FY2020, representing 13,630 sqm (or 2.2% of total net lettable area).
- Portfolio occupancy increased slightly to 94.4%, as compared to 94.0% in the preceding quarter, above JTC industrial average of 89.3%.

1 DPU unchanged y-o-y compared to 1Q FY2019

Proactive asset and lease management

> 2

Continued focus on active asset and lease management

- Developing a higher quality portfolio
  - ✓ Redevelopment of **3 Tuas Ave 2 –** Secured a master tenant, a global medical device company with headquarters in USA, on 18 July 2019 for the entire premises of 268,000 sq ft.
  - ✓ The master tenant committed to a 10-year master lease on a triple net lease basis, with rental escalations every two years during the initial term, and options to renew the lease for up to a further 20 years after the expiry of the initial ten-year term.
    - – Approximately 60% of the development has been completed.
    - – Originally projected to be completed in the second half of 2019, it is now expected to be completed in the first half of 2020 due to redesigning of the property's base-build to cater for the master tenant's operational requirements.
  - ✓ AEI for **NorthTech at Woodlands –** The AEI will further enhance NorthTech as a modern and energy efficient hi-tech industrial facility. The building remains operational and income producing while the AEI is being carried out.
    - – Approximately 67% of the AEI at NorthTech has been completed.
    - – The AEI is on track to be completed in the second half of 2019.

3 Tuas Ave 2 redevelopment – Secured master tenant for 10 years

> 2

Artist's Impression of Redevelopment





Factsheet

	Prior to redevelopment	Post redevelopment
Property	Purpose-built production and warehouse facility with an under-utilised plot ratio	Four-storey ramp-up industrial facility suitable for both production and storage use
Valuation	S$18.6 million[1]	S$51.8 million[2]
Plot ratio	0.92	1.4
Gross floor area	16,334 sqm	24,890 sqm[3]
Project development cost (including land cost)[4]		S$48.2 million
Net property income yield (based on estimated project development cost)		7.3%

[1] Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018 on an "as-is" basis.
[2] Based on Savills Valuation And Professional Services (S) Pte Ltd's valuation as at 31 March 2019 on an "as-if-completed" basis.
[3] Subject to final survey.
[4] Estimated project development cost as announced on 17 May 2018.

Photo update on NorthTech's AEI

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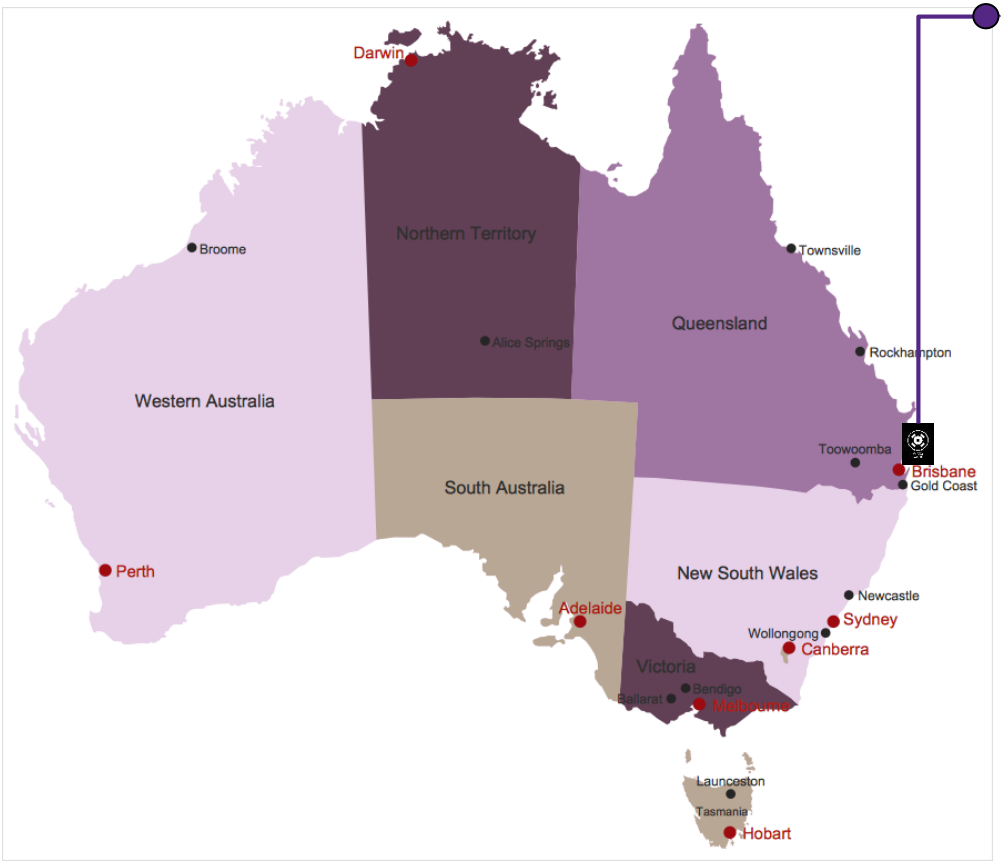
NorthTech







Expand the portfolio by acquiring Boardriders Asia Pacific HQ in Gold Coast, Australia – 7.8% headline yield



Location of Property	Gold Coast, Australia - within the established Burleigh Heads suburb and close to Southport CBD.
Purchase Consideration	A$38.46 million (S$36.92 million[1])
Year 1 Net Property Income[2]	A$3.0 million
Headline Yield[3]	7.8%
Initial Lease Term	12 years
Rental Escalation	3.0% pa
Transaction Costs[4]	A$3.04 million (S$2.92 million[1])
Total Acquisition Cost[5]	A$41.50 million (S$39.84 million[1])
Independent Valuation[6]	A$38.46 million (S$36.92 million[1])
Property Occupancy Rate	100%

1 Based on an exchange rate of A$1.00/S$0.96.
2 The lease is on a triple net lease structure, i.e. master tenant is responsible for the outgoings at the property.
3 Based on first year net property income of A$3 million over the Purchase Consideration.
4 Transaction costs include an acquisition fee of A$0.38 million to the Manager; and stamp duty and other transaction costs of A$2.66 million.
5 The transaction will be predominantly funded with A$ debt to create natural currency hedge on the capital.
6 Based on valuation by CBRE Valuations Pty Limited, Australia.

Rationale and key benefits of Boardriders acquisition

Attractive investment in Australian industrial market

- The Australian and Gold Coast economies are expected to continue to sustain positive growth, supported by rising business investment, infrastructure spending and increased employment.
- Strategic addition of a Queensland asset to the portfolio.

Freehold industrial facility with quality tenant and long lease

- Modern and with high specifications.
- Fully leased to Boardriders for a 12-year lease with option by tenant to renew for five years.
- Built-in annual rental escalation of 3% pa, with rent review at Year 7.

Positive impact on strengthened enlarged portfolio

- Increases diversification of existing portfolio tenant mix and geographical base.
- Improves WALE and land lease expiry profiles.

Consistent with the Manager's Investment Strategy

- Reaffirms portfolio growth strategy to pursue accretive investment opportunities in Singapore and Australia.
- The acquisition will be DPU accretive.
- Maintains prudent capital management - acquisition predominantly funded with AUD debt.
- Remains focused on anticipating and adapting to the evolving markets by creating sustainable, long-term value for Unitholders.



Prudent capital management

> 2

- **Aggregate leverage as at 30 June 2019 is at 33.8% (proforma 35.4% with the completion of the Boardriders acquisition, predominantly funded with AUD debt).**
- **80.9% 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, with sufficient facility to meet maturing debt obligations in FY2020.**
- **Overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.6%.**
- **Issued new Units amounting to S$3.6 million pursuant to the distribution reinvestment plan ("DRP") for 4Q FY2019.**

Results for 1Q FY2020

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	1Q FY2020 S$'000	4Q FY2019 S$'000	Q-o-Q %	1Q FY2019 S$'000	Y-o-Y %
Gross Revenue[1]	30,589	29,918	2.2	28,925	5.8
Net Property Income[1]	22,941[2]	20,323	12.9	19,431	18.1
Share of results of joint venture (net of tax)[1,3]	3,374	13,402	(74.8)	3,339	1.0
Distributions to Unitholders[4]	17,371	19,000	(8.6)	17,139	1.4
DPU (cents)	2.50	2.75	(9.1)	2.50	-
DPU yield[5] (%)	6.80				

1 Please refer to section 8 of the unaudited financial statement for explanation of the variances.

2 Pursuant to the adoption of FRS 116 on 1 April 2019, land rent payments to JTC Corporation and Ascendas Land (Singapore) Ltd for certain properties in AA REIT's portfolio were excluded from property operating expenses in 1Q FY2020. Accordingly, NPI increased in line with the lower property operating expenses.

3 The share of results of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre, which is located in Macquarie Park, NSW, Australia. The share of results of joint venture in 4Q FY2019 included the share of revaluation surplus recognised from the valuation of Optus Centre.

4 The Manager resolved to distribute S$17.4 million for 1Q FY2020, comprising (i) taxable income of S$16.7 million from Singapore operations; and (ii) tax-exempt income distribution 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 1Q FY2020, the Manager has resolved to distribute 96.5% of the Singapore taxable income available for distribution to the Unitholders.

5 Based on closing price of S$1.47 on 24 July 2019 and annualised DPU of 10.00 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2020 and annualised to the full year.

Stable and sustainable DPU

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1 The number of Units used to calculate the Distribution per Unit has been adjusted for the effect of the Unit Consolidation to allow for comparison.

Key financial metrics

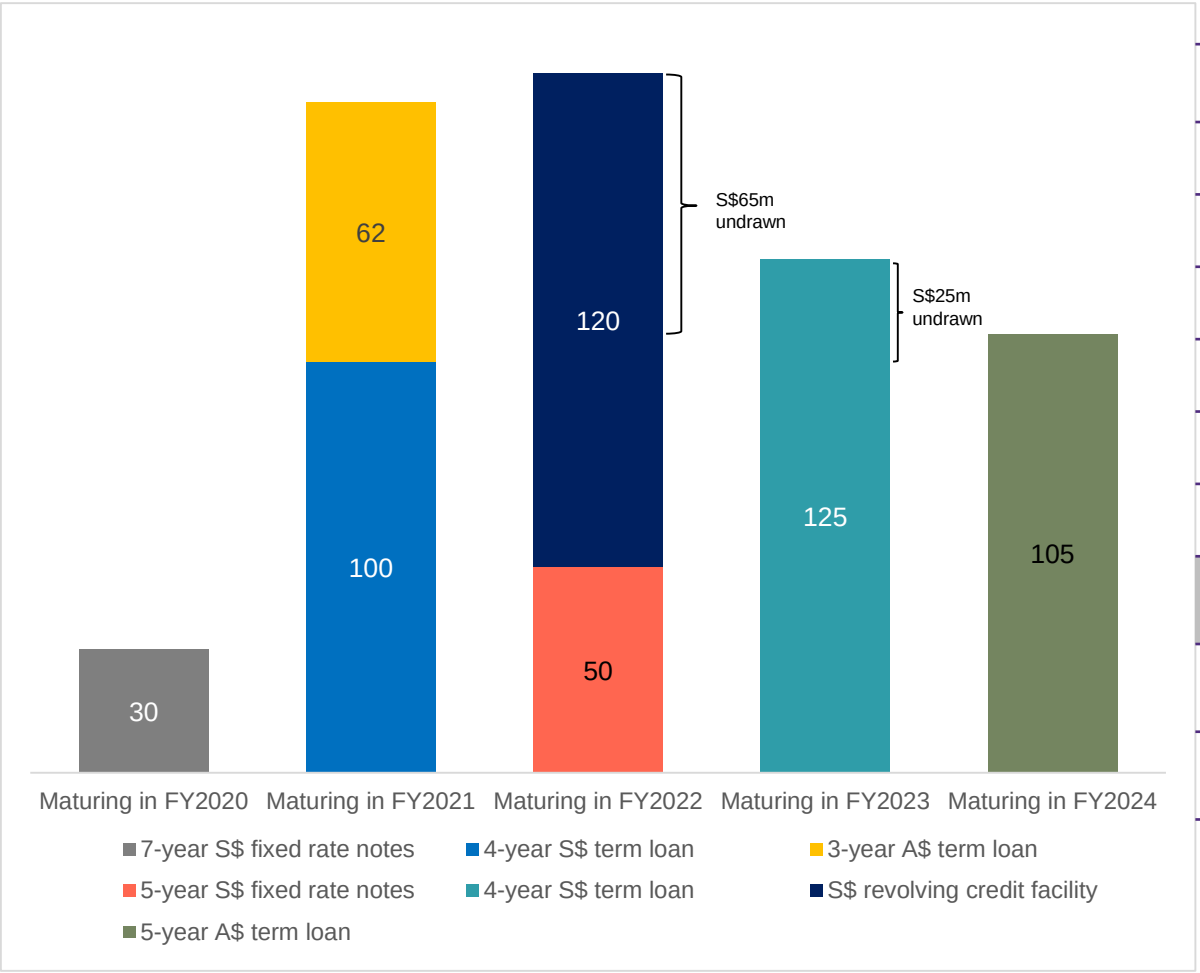
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	1Q FY2020	4Q FY2019
Portfolio Value[1]	S$1,457.1 million	S$1,458.3 million
Market Capitalisation[2]	S$1,021.4 million	S$967.3 million
NAV per Unit	S$1.34	S$1.34
Share Price[2]	S$1.47	S$1.40
Premium over NAV[2]	9.7%	4.5%
Aggregate Leverage[3]	33.8%	33.7%
Interest Cover Ratio[4]	5.7 times	5.0 times
Weighted Average Debt Maturity	2.4 years	2.4 years

1 Based on the book value of investment properties and investment property under development as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets.
2 Based on the units outstanding and closing price of S$1.47 on 24 July 2019 and S$1.40 on 23 April 2019.
3 Total debt as a % of total assets. In line with the circular issued by the Monetary Authority of Singapore, the calculation of Aggregate Leverage excluded AA REIT's right-of-use assets and lease liabilities for operating leases entered into before 1 January 2019 pursuant to FRS 116.
4 Bank covenant of at least 2.0 times. The increase in 1Q FY2020 was mainly due to the exclusion of land rent payments from EBITDA pursuant to FRS 116.

Debt facilities as at 30 June 2019

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Maturity date	S$'m
Due in December 2019 (FY2020)*	30.0
Due in August 2020 (FY2021)	100.0
Due in November 2020 (FY2021)	61.8
Due in November 2021 (FY2022)	55.0
Due in March 2022 (FY2022)	50.0
Due in July 2022 (FY2023)	100.0
Due in July 2023 (FY2024)	104.5
Total debt drawn down	**501.3**
Undrawn available facilities	**90.0**
Total committed facilities	**591.3**

* AA REIT has sufficient undrawn committed facilities to refinance the MTN due in FY2020.

- In July 2019, AA REIT secured a 3-year A$65 million revolving credit facilities and a 5-year A$21 million term loan which were partially utilised to fund the Boardriders acquisition in Australia.

> 3 PORTFOLIO PERFORMANCE

Key portfolio statistics

> 3

	As at 30 June 2019	As at 31 March 2019
Number of Properties	26[1]	26
Portfolio Value (S$ million)[2]	1,457.1	1,458.3
Net Lettable Area (sq m)	633,301	633,552
Number of Tenants	169	167
Portfolio Occupancy (%)	94.4	94.0
Weighted Average Lease Expiry (WALE) (years)[3]	2.38	2.59
Weighted Average Land Lease Expiry (years)[4]	36.2	36.4
Location of Properties	Singapore, Australia	Singapore, Australia

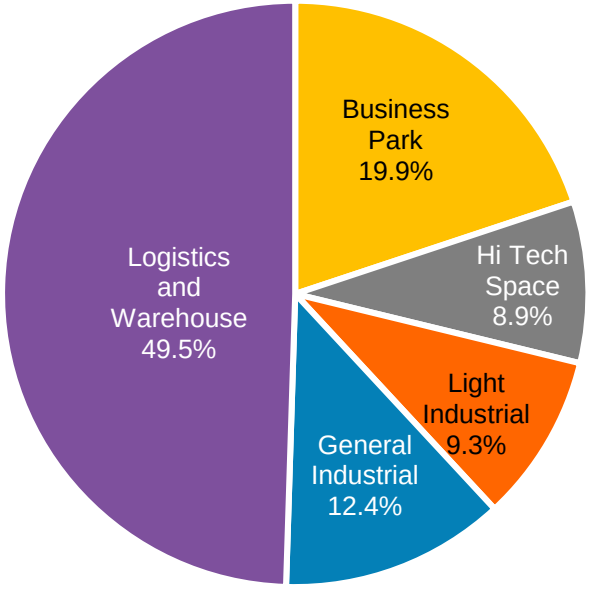
1 As at 15 July 2019, AA REIT portfolio consisted of 27 properties with the completion of the Boardriders acquisition.
2 Based on the book value of investment properties and investment property under development as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets.
3 Computation included forward committed leases. Excluding forward committed leases, the WALE is 2.28 years as at 30 June 2019 and 2.50 years as at 31 March 2019.
4 For the calculation of the weighted average land lease, AA REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest and excludes the redevelopment of 3 Tuas Avenue 2.

Proforma portfolio breakdown

By 1Q FY2020 gross rental income

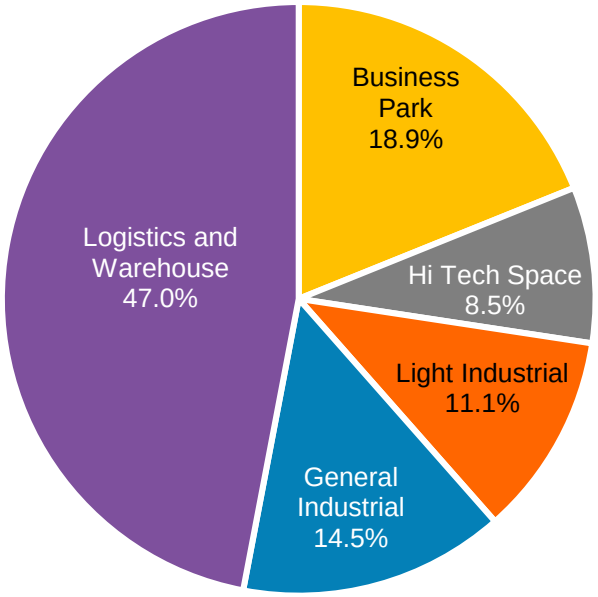
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- Further diversify the portfolio by increasing AA REIT's "**Light Industrial**" (Boardriders) and "**General Industrial**" (3 Tuas Master Lease) segments



Portfolio breakdown as at 30 June 2019

Proforma with Boardriders Acquisition and 3 Tuas Master Lease



Proforma portfolio breakdown

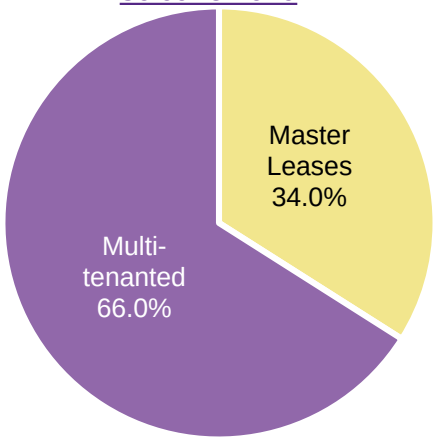
Proforma portfolio breakdown (cont'd)

By 1Q FY2020 gross rental income

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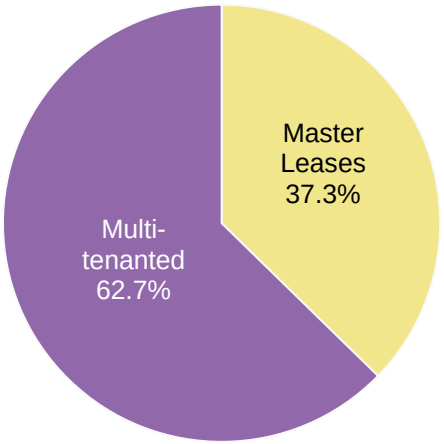
- Increase Portfolio Occupancy from 94.4% to **94.7%**
- Increase Master Lease component from 34.0% to **37.3%**

30 June 2019



Proforma with Boardriders Acquisition and 3 Tuas Master Lease

Proforma



	Occupancy (%)
Total Portfolio[1] (25 properties)	94.4
Master Leases[2] (9 properties)	100.0
Multi-tenanted[1,2] (17 properties)	92.8

1 Excludes 3 Tuas Avenue 2 which is undergoing redevelopment.
2 20 Gul Way is partially under master lease and partially multi-tenanted.

	Occupancy (%)
Total Portfolio (27 properties)	94.7
Master Leases[1] (11 properties)	100.0
Multi-tenanted[1] (17 properties)	92.8

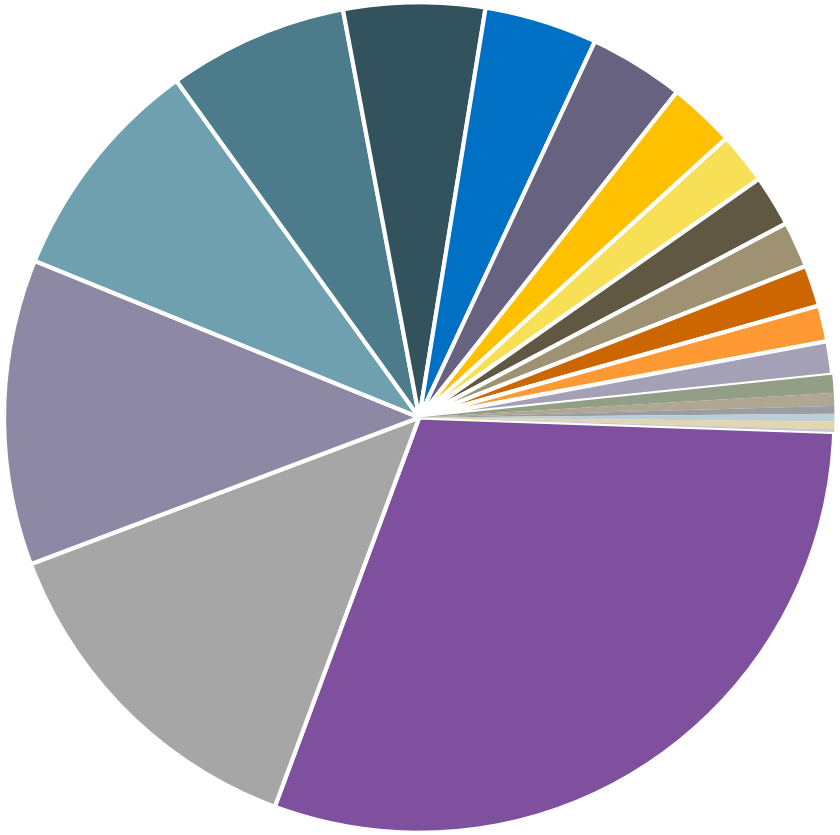
1 20 Gul Way is partially under master lease and partially multi-tenanted.

Diversified tenant / industry base[1]

> 3

- Logistics, 30.1%
- Telecommunication, 13.6%
- Engineering, 11.9%
- Biotech / Life Sciences, 8.9%
- Infrastructure, 7.0%
- Consumer products, 5.5%
- FMCG, 4.4%
- IT & Electronics, 3.7%
- Furniture, 2.6%
- Pharmaceutical/Healthcare/Cosmetics, 2.0%
- Self-storage, 2.0%
- Data Centre, 1.8%
- Plastic Products and Distribution, 1.6%
- Testing and certification, 1.4%
- Fashion and Apparels, 1.3%
- F&B, 0.7%
- Paper & Printing, 0.5%
- Metal Recycling, 0.3%
- Others / Services, 0.3%
- Education, 0.3%
- Energy, 0.1%

(By 1Q FY2020 Gross Rental Income)



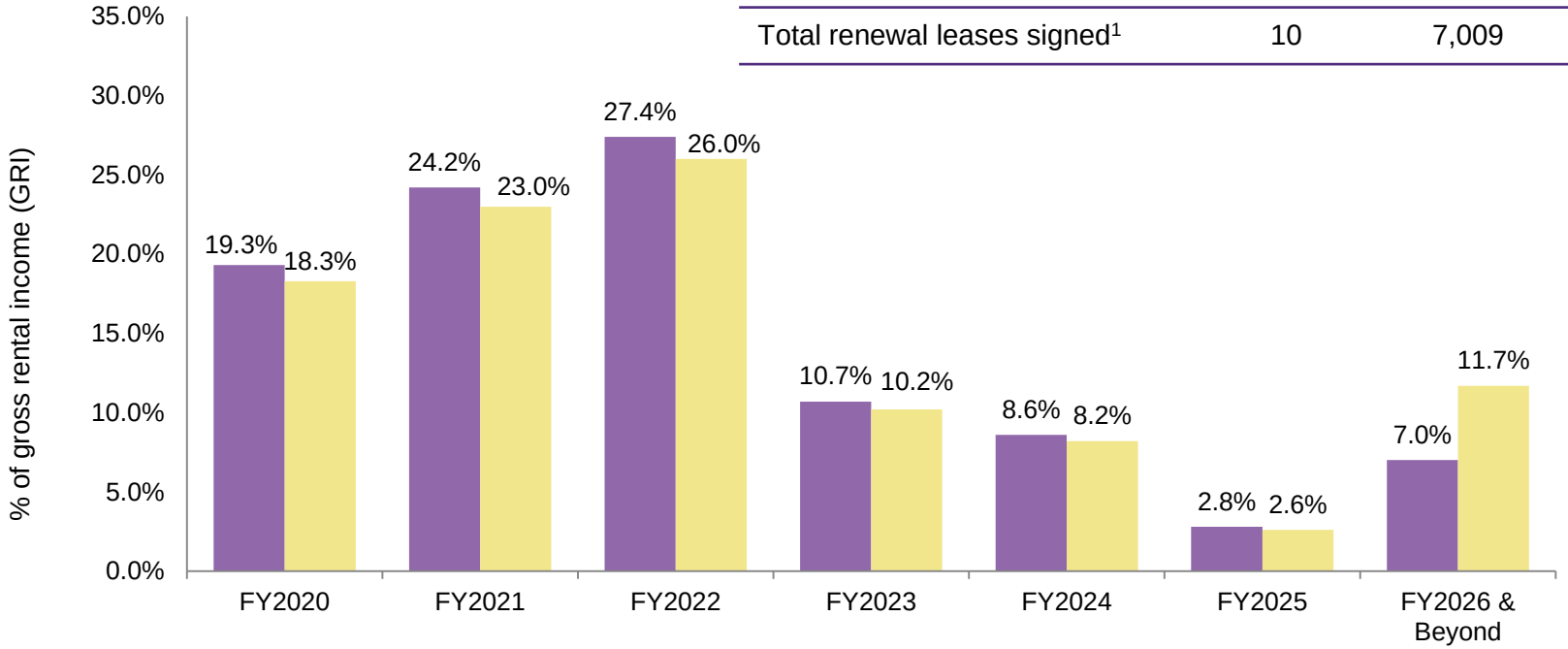
1 Tenant base expanded by 13% over the last 24 months (169 tenants as at 30 June 2019 vs 149 tenants as at 30 June 2017).

Active lease management

> 3

Lease Expiry Profile as at 30 June 2019
(By 1Q FY2020 Gross Rental Income)

	1Q FY2020	sqm	% of total NLA
Total new leases signed	6	6,621	1.1
Total renewal leases signed[1]	10	7,009	1.1



1 Weighted average rental decrease for renewal leases was 0.1%.

Lease Expiry Profile as at 30 June 2019.

Proforma Lease Expiry Profile after Boardriders Acquisition and 3 Tuas Master Lease.

Quality tenant base

> 3

Top 10 tenants by 1Q FY2020 Gross Rental Income

Tenant	%
Optus Administration Pty Limited	12.7%
CWT Pte. Limited*	8.8%
Illumina Singapore Pte Ltd	8.7%
Eurochem Corporation Pte Ltd	7.2%
Schenker Singapore (Pte) Ltd	4.3%
Beyonics International Pte Ltd	3.7%
Focus Network Agencies (Singapore) Pte Ltd	2.8%
CIT Cosmeceutical Pte Ltd	2.1%
King Plastic Pte Ltd	1.6%
Interpak Industries Pte Ltd	1.5%
Top 10 tenants	**53.4%**

* Exposure to CWT leases will be further reduced due to the expiries of the CWT lease agreements. Approximately 5.1% of AA REIT's 1Q FY2020 gross rental income from CWT will progressively expire in the current financial year FY2020. The final CWT lease agreement expires in July 2021 (FY2022).

Portfolio summary

> 3



> 4 MARKET OUTLOOK & STRATEGY

Market Update and Outlook

Macro Environment

- Global economic growth are projected to moderate in 2019 as compared to 2018.
- Uncertainties and downside risks continue to cloud the global economy, such as ongoing trade conflicts between US and China, slower-than-expected growth in China and uncertainty over UK's Brexit.

Singapore Economy

- Due to the ongoing trade conflicts between US and its key trading partners, the Singapore economy will likely be impacted due to its dependence on trade and manufacturing activities. But being a regional hub, Singapore could potentially benefit from businesses reassessing their supply chains and sourcing locations.

Industrial Sector

- Based on JTC 1Q 2019 statistics, occupancy rate of Singapore's overall industrial property market remained stable from the preceding quarter at 89.3%.
- Prices and rentals of industrial space remained relatively stable. In 1Q 2019, the price index fell marginally by 0.1% while the rental index remained flat as compared to 4Q 2018.
- Compared to a year ago, the price index remained unchanged while the rental index fell by 0.2%.

Looking Ahead

- The Manager remains focused on anticipating and adapting to the evolving markets 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.

Strategy

> 4

Portfolio growth

To pursue accretive investment opportunities in Singapore and Australia.

Pursue development and/or built-to-suit opportunities.

Active asset and leasing management

Continual focus on proactive asset and lease management.

Unlocking value of selected asset(s) within the portfolio through asset enhancement.

Prudent capital and risk management

Prudent capital management by substantially hedging interest rate exposure.

Diversified sources of capital and staggered debt maturities.

Potential opportunities within AA REIT's portfolio

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A large proportion of current portfolio have under-utilised plot ratios; with potential organic opportunities.



2 Ang Mo Kio Street 65



8 Senoko South Road



11 Changi South Street 3



10 Changi South Lane



3 Toh Tuck Link



7 Clementi Loop



541 Yishun Industrial Park A

Potential untapped GFA ≈ 502,707 sqft



Awarded Gold Award for Excellence in Governance, CSR, ESG and Investor Relations at The Asset Corporate Awards 2017

Awarded Shareholder Communications Excellence Award at the 18th Investors' Choice Awards 2017

Awarded Best Investor Relations Company and Asia's Best CEO in Singapore at the *6th Asian Excellence Awards 2016*

Awarded the Honours Award in Traditional Annual Report at the 2017 ARC Awards

Thank you

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