



**AIMS  
AA REIT**

**AIMS APAC REIT MANAGEMENT LIMITED**

As Manager of AIMS APAC REIT  
1 Raffles Place #39-03, One Raffles Place  
Singapore 048616

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

**Media Release**

**AIMS APAC REIT posts 10.2% growth in DPU to 2.59 cents for 3Q FY2023**

- Strong organic growth raises gross revenue and net property income
- Healthy portfolio metrics with occupancy at 97.8%, high tenant retention at 79.0% and long portfolio WALE at 4.5 years
- Robust portfolio rental reversion of 21.2%, mainly driven by the Logistics and Warehouse segment
- Prudent capital structure with gearing of 36.4% and 88%<sup>1</sup> of borrowings on fixed rates. No refinancing requirements for FY2023; provides strong financial flexibility

	3Q FY2023 <sup>(a)</sup>	3Q FY2022	+/(-)	9M FY2023 <sup>(a)</sup>	9M FY2022	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	42,014	36,807	14.1	125,214	102,053	22.7
Net property income	30,860	27,070	14.0	92,003	74,779	23.0
Distributions to Unitholders	18,657	16,709	11.7	52,380	50,312	4.1
Distribution per Unit (DPU) (cents)	2.59	2.35	10.2	7.29	7.10	2.7

Notes:

(a) 3Q FY2023 and 9M FY2023 included the full quarter and nine-month period contribution from the acquisition of Woolworths Headquarters in New South Wales which was completed on 15 November 2021.

**Singapore, 25 January 2023** – AIMS APAC REIT Management Limited (the “Manager”) as manager of AIMS APAC REIT (“AA REIT”) today announced its Business Update for the third quarter ended 31 December 2022 (3Q FY2023).

Distributions to Unitholders for 3Q FY2023 rose 11.7% year-on-year (y-o-y) to S\$18.7 million, while DPU grew 10.2% to 2.59 cents. The strong performance was mainly attributable to higher gross revenue of S\$42.0 million and net property income of S\$30.9 million in 3Q FY2023, which represented y-o-y increase of 14.1% and 14.0% respectively. The increases were mainly driven by higher rental income from Singapore and Australia properties and full quarter revenue contribution from the acquisition of Woolworths Headquarters which was completed on 15 November 2021.

<sup>1</sup> Include forward interest rate swaps.

For the nine months ended 31 December 2022 (9M FY2023), distributions to Unitholders grew 4.1% y-o-y to S\$52.4 million while DPU was up 2.7% to 7.29 cents.

The Manager's CEO, Mr Russell Ng, said "AA REIT's 3Q FY2023 performance reflects the successful execution of our focused asset and lease management strategy. We have delivered consistently high occupancy rates alongside sustained positive rental reversion amid ongoing economic headwinds and inflationary environment. Notably, our Logistics and Warehouse segment, which contributes to 43% of the AA REIT's gross revenue, continues to record strong rental reversions against a backdrop of tight supply. While we are mindful of the macro uncertainty and market volatility ahead, we believe the near-term outlook for Singapore's industrial market will continue to be supported by the favourable demand and supply dynamics. Our priorities remain unchanged, with particular focus on tenant retention and strengthening our portfolio through active asset enhancement, redevelopment, divestment and capital recycling."

The Manager's Chairman, Mr George Wang, added, "We have been steadfast in the execution of a prudent management strategy to build a high-quality, resilient portfolio, which has positioned us well to navigate challenging market conditions. Even as we remain vigilant to anticipate and adapt to the evolving market conditions, we are continually looking at initiatives and opportunities to future proof our portfolio to drive sustainable long-term performance."

## **Portfolio Update**

Leasing momentum for the quarter remains strong with the Manager successfully executing 11 new and 16 renewal leases representing 52,658 sqm or 6.7% of total net lettable area (NLA). As at 31 December 2022, AA REIT's portfolio occupancy was 97.8%, as compared to 97.5% from the prior quarter, reflecting higher occupancy rates in its Light Industrial as well as Logistics and Warehouse segments. Tenant retention rate remained high at 79.0%<sup>2</sup> and weighted average lease expiry (WALE) for the portfolio was 4.5 years.

Rental reversion for 3Q FY2023 was 21.2%, contributed mainly from the Logistics and Warehouse segment which represented 81.6% of leases renewed<sup>3</sup>. For the rest of FY2023, only 4.6% of leases are due for expiry<sup>4</sup>, of which more than half relates to the Logistics and Warehouse segment.

## **Prudent Capital Management**

The Manager maintained its disciplined and proactive capital management strategy, with 88%<sup>5</sup> of its borrowings on fixed rates and 70% of its expected AUD distributable income hedged to SGD. As at 31 December 2022, AA REIT's aggregate leverage was 36.4% with a blended debt funding cost of 3.2%. There are no refinancing requirements for the rest of FY2023, while total debt maturing in FY2024 is approximately S\$29 million, or 3.7% of total debt. Together with AA REIT's undrawn committed facilities and cash and bank balances of approximately

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<sup>2</sup> Based on trailing 12 months and by net lettable area.

<sup>3</sup> By net lettable area.

<sup>4</sup> Weighted by 3Q FY2023 gross rental income.

<sup>5</sup> Include forward interest rate swaps.

S\$220.0 million, AA REIT has strong financial flexibility to capitalise on growth opportunities as and when they arise.

## **Market Outlook**

### **Singapore**

Based on advance estimates, Singapore's economy grew by 2.2% in the fourth quarter of 2022, moderating from the 4.2% growth in the third quarter of 2022<sup>6</sup>. For the whole of 2022, the economy grew by 3.8%, slower than the 7.6% growth in 2021<sup>6</sup>. The Singapore Manufacturing PMI in December 2022 decreased 0.1 point from the previous month to post a fourth month of continuous contraction at 49.7<sup>7</sup>. External demand outlook has softened due to the weaker outlook for the Eurozone economy and the China market<sup>8</sup>. Consequently, the growth of outward-oriented sectors such as electronics manufacturing and wholesale trade, are expected to weaken. Nonetheless, the earlier than expected re-opening of China, may boost domestic demand in Asia and trade flows, and may lead to potential positive spill-over effects on Singapore's economy.

In the industrial market, favourable supply-demand dynamics continue to support healthy occupancy rates. The tight supply conditions and resilient long-term demand from the life science and high-value manufacturing sectors will continue to support rental rates for high-quality assets, in particular the prime logistics segment.

### **Australia**

Growth forecast is expected to slow from 3.8% in 2022 to around 1.5% in 2023<sup>9</sup>, as rising inflation and higher interest rates curb household consumption. In Sydney, the flight to quality assets and infrastructure improvements continue to drive demand for high-quality spaces and new developments in Norwest Business park as well as the Macquarie Park precinct, which is poised to be transformed into a world-class innovation precinct with a focus on education, health, technology, and advanced manufacturing<sup>10</sup>. In the Gold Coast, strong population growth, a fast-growing economy and major infrastructure improvements, coupled with a chronic undersupply of industrial space will continue to keep vacancy rates at low levels.

## **Management Outlook**

Against the backdrop of an uncertain global outlook, inflationary pressures and rising interest rates, the Manager remains focused on tenant retention to maintain its high occupancy while pursuing opportunities for asset enhancements, redevelopment, and divestments to improve the overall portfolio quality and drive organic growth. The Manager will continue to monitor the market for investment opportunities and will exercise prudence when assessing new acquisitions and will continue to adopt a disciplined approach to capital management as well as maintaining a well-capitalised balance sheet.

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<sup>6</sup> Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022, Ministry of Trade and Industry Singapore.

<sup>7</sup> Singapore PMI summary as of December 2022, Singapore Institute of Purchasing and Materials Management (SIPMM)

<sup>8</sup> Economic Survey of Singapore Third Quarter 2022, Ministry of Trade & Industry Singapore.

<sup>9</sup> Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 December 2022, Reserve Bank of Australia.

<sup>10</sup> Macquarie Park, NSW Department of Planning and Environment.

## Distribution and Record Date

Distribution	For 1 October 2022 to 31 December 2022	
Distribution Type	(a) Taxable Income (b) Capital Distribution <sup>11</sup>	
Distribution Rate	(a) Taxable Income Distribution (b) Capital Distribution <sup>11</sup>	1.86 cents per Unit 0.73 cents per Unit <hr/> 2.59 cents per Unit
Record Date	3 February 2023	
Payment Date	24 March 2023	

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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](http://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

<sup>11</sup> This relates to the tax deferred component arising from the distributions remitted from the Group’s investments in Australia.

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.

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**About AIMS Financial Group ([www.aims.com.au](http://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.