



**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 1Q FY2025 Total Distributions to Unitholders up  
7.3% to S\$18.4 million**

- Net Property Income grew by 6.6% YoY to S\$34.4 million, driven by sustained double-digit rental reversions of 12.8% for the quarter
- High portfolio occupancy maintained at 97.3% with long portfolio WALE of 5.2 years
- Signed 10-year lease with Accuron Technologies Limited, a global precision engineering and technology group, as anchor tenant for upcoming asset enhancement initiative (“AEI”) at 15 Tai Seng Drive
- Prudent gearing of 33.1% provides AA REIT with financial flexibility and headroom to execute planned AEIs and pursue new acquisition opportunities

	1Q FY2025	1Q FY2024	+/(-)
	S\$'000	S\$'000	%
Gross revenue	47,331	43,151	9.7
Net property income (“NPI”)	34,426	32,301	6.6
Distributions to Unitholders	18,431	17,177	7.3
No. of Units in issue and to be issued ('000)	811,938	809,107	0.3
Distribution per Unit (“DPU”) (Singapore cents)	2.270	2.310	-1.7

**Singapore, 31 July 2024** – AIMS APAC REIT Management Limited (the “Manager”) as manager of AIMS APAC REIT (“AA REIT”) is pleased to report a 7.3% year-on-year (“YoY”) rise in distributions to Unitholders to S\$18.4 million for the first quarter ended 30 June 2024 (“1Q FY2025”).

For 1Q FY2025, Gross revenue rose by 9.7% YoY to S\$47.3 million and Net Property Income increased by 6.6% YoY to S\$34.4 million, driven by higher rental growth, alongside continued strong rental reversions and high tenant retention rates. Distribution per Unit is lower by 1.7% mainly due to the enlarged units following the equity fund raising that was completed in 2Q FY2024.

**Mr Russell Ng, CEO of the Manager said**, “We are pleased to report continued strong operating performance, underpinned by our active asset management and portfolio rejuvenation strategy. The securing of a 15-year master lease and 10-year anchor lease ahead of the commencement of the two identified projects reinforces our AEI strategy and demand for such space by leading global companies. Once completed, these two assets will generate higher NPI yields of over 7% and deliver long-term sustainable income and capital growth for our Unitholders.”

**Mr George Wang, Chairman of the Manager added**, “Against an improving but still uncertain macro outlook, we remain resolute in executing our strategy, building our income resilience and capturing new opportunities for growth. With a solid foundation backed by a strengthened balance sheet and our experienced management team, we look forward to another year of continued progress.”

## Portfolio Update

In 1Q FY2025, the Manager executed 4 new and 12 renewal leases, totalling 36,993 sqm, which represented 4.8% of the portfolio's net lettable area ("NLA"). AA REIT achieved a positive rental reversion rate of 12.8% for 1Q FY2025, underpinned by robust growth that was largely attributable to the Logistics and Warehouse segment. For the rest of FY2025, 11.9% of leases are due for renewal, of which a large majority is from the Logistics and Warehouse segment.

As at 30 June 2024, overall portfolio occupancy stood at 97.3%. The portfolio is well supported by 188 tenants diversified across multiple trade sectors, with 82.6% of gross rental income from tenants in defensive and resilient industries.

As part of its portfolio rejuvenation strategy, the Manager is actively progressing on its two identified AEIs. The first AEI project is located at 7 Clementi Loop, Singapore and involves the refurbishment of a warehouse building to potentially achieve BCA GreenMark Gold Plus certification and occupational requirements of a global storage and information management company. The 15-year master lease is expected to commence in 1Q FY2026.

The second AEI project located at 15 Tai Seng Drive, Singapore, involves the repositioning of an industrial property via targeted progressive upgrades to attract high value and hi-tech tenants. To this end, we have secured Accuron Technologies Limited, a global engineering and technology group, on a new 10-year lease which will commence in 3Q FY2025.

## Capital Management Update

As at 30 June 2024, aggregate leverage stood at 33.1% with no debt refinancing required until 3Q FY2025, supported by strong financial flexibility of S\$132.9 million<sup>1</sup>. Weighted average debt maturity stood at 2.1 years alongside interest coverage ratio of 4.1 times. The Manager is also in active refinancing discussions with new and existing lenders to sustain competitive financing costs.

To mitigate the headwinds from higher interest rates and Australian dollar volatility, the Manager continues to adopt a prudent hedging strategy. Approximately 74%<sup>2</sup> of borrowings is hedged into fixed rates, and 74% of the expected Australian dollar distributable income is hedged into Singapore dollar to provide stable and predictable income for AA REIT.

## Advancing Our Sustainability Commitments

The Manager remains focused on embedding sustainability principles and framework across its business operations. To advance our ESG objectives, the Manager successfully commenced major sustainability projects outlined in the ESG roadmap. During the quarter, the Manager successfully installed new energy-efficient chiller systems and LED smart lighting systems at 135 Joo Seng and 20 Gul Way respectively. Together with the completed installation of EV fast charging systems at four properties, these milestones support our green transformation and strengthen our commitment to sustainability.

AA REIT continues to proactively explore and implement new sustainability initiatives that not only minimise its environmental impact but ensure portfolio resilience and attractiveness for tenants. This approach is integral to its growth strategy and an important means of future-proofing the portfolio to create sustainable long-term value for Unitholders.

## Outlook

The market is expecting the US Federal Reserve to make at least one rate cut of 25 bps before the end of the year.

---

<sup>1</sup> Comprise undrawn committed facilities and cash and bank balances of approximately S\$132.9 million

<sup>2</sup> Include forward interest rate swaps

The International Monetary Fund (“IMF”) held its global economic growth expectations steady at 3.2% in 2024, unchanged from its April 2024 forecast<sup>3</sup>. In its latest report, the IMF cautioned that sticky inflation, escalating trade tensions and increased policy uncertainty may complicate monetary policy normalisation.

### Singapore

Advance estimates provided by the Ministry of Trade and Industry (“MTI”) showed gross domestic product (GDP) growing 2.9% YoY in 2Q 2024<sup>4</sup>, extending the 3.0% YoY growth in 1Q 2024. MTI further advised robust performance within the manufacturing sector, which grew by 0.5% YoY in 2Q 2024, a reversal from the 1.7% contraction in the previous quarter. Manufacturing growth was mostly driven by the electronics, chemicals and transport engineering sectors. Key industry leaders in the life science, biomedical and aerospace industries continue to invest in Singapore with Pfizer opening a new S\$1 billion manufacturing facility in Tuas in July 2024 and Collins Aerospace constructing a new \$250 million manufacturing facility in Seletar Aerospace Park to relocate their Singapore manufacturing operations in 2027.

More broadly, the Purchasing Managers’ Index (“PMI”) dipped a marginal 0.2% to 50.4 in June 2024, the lowest point this year although marking 10 straight months of expansion<sup>5</sup>. The data came amidst significant port congestion in Singapore alongside strong regional factory activity. Singapore’s status as an attractive business hub remains robust and capable of withstanding disruption and uncertainty.

### Australia

The Reserve Bank of Australia (“RBA”) left interest rate levels at 4.35% at its latest RBA meeting on 18<sup>th</sup> June 2024, noting inflation had “fallen substantially” since peaking in 2022, however the pace of inflationary decline has slowed and remains above the midpoint of the 2-3% target range. RBA further cited “mixed” recent data and cautioned the need to remain vigilant to upside risks to inflation.

AA REIT’s two business parks in Sydney are located within Macquarie Park and the Norwest Business Park, with both continuing to enjoy significant investment. The New South Wales Government announced the extension of the Metro line from Sydenham will open on 4<sup>th</sup> August 2024, which will bring faster and more efficient access to the innovation hub. Alongside continued attraction for business investment<sup>6</sup>, the New South Wales Government has also announced three accelerated Transport Oriented Development (“TOD”) precincts, which will help bring more local residential areas, new commercial, retail and retail premises, closer connectivity and greater public open spaces<sup>7</sup>.

Meanwhile, a significant funding agreement has been secured, in relation to infrastructure development for the Brisbane 2032 Olympic and Paralympic Games<sup>8</sup>. This investment will ensure that infrastructure development is long-lasting and will serve the community’s needs for decades.

## **Management Outlook**

The Manager remains confident in AA REIT’s portfolio of high-quality and well-located assets, supported by its ongoing execution of its four strategic pillars. The continued progress of the asset enhancement initiatives demonstrates AA REIT’s commitment to its proactive asset management strategy. The revitalization of the properties will not only provide sustainable long-term income for AA REIT but will also improve the asset specifications, property valuation and earnings quality through long-term partnerships with high-calibre tenants in need of modernised industrial and logistics space solutions.

---

<sup>3</sup> World Economic Outlook Update, July 2024: The Global Economy in a Sticky Spot (imf.org)

<sup>4</sup> Singapore Department of Statistics | Release of Advance GDP Estimates, 2nd Quarter 2024 (singstat.gov.sg)

<sup>5</sup> June 2024 Singapore PMI (pmi.sipmm.edu.sg)

<sup>6</sup> Macquarie Park continues to attract business investment: Axis Communications, Toshiba and Hyundai Capital grow — Connect Macquarie Park Innovation District (connectmpid.com.au)

<sup>7</sup> Have your say: Macquarie Park Transport Oriented Development proposal — Connect Macquarie Park Innovation District (connectmpid.com.au)

<sup>8</sup> Infrastructure funding agreement locked in for Brisbane Olympics - Ministry of Sport

## Distribution and Record Date

Distribution	For 1 April 2024 to 30 June 2024	
Distribution Type	(a) Taxable Income (b) Capital Distribution	
Distribution Rate	(a) Taxable Income (b) Capital Distribution	1.810 Singapore cents per Unit <u>0.460 Singapore cents per Unit</u> <u>2.270 Singapore cents per Unit</u>
Record Date	12 August 2024	
Payment Date	25 September 2024	

**Media contact:**

Jonathan Yeoh / Oliver Norgate  
Teneo  
Tel: +65 6955 8873  
Email: [aareit@teneo.com](mailto:aareit@teneo.com)

**Investor contact:**

Investor Relations  
AIMS APAC REIT Management Limited  
Email: [investorrelations@aimsapac.com](mailto:investorrelations@aimsapac.com)

## 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, AIMS APAC REIT (“**AA REIT**”) is a real estate investment trust listed on the Mainboard of the SGX-ST since 2007. AA REIT was established with the principal investment objective of owning and investing in a diversified portfolio of high-quality 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 25 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. AA REIT is also a constituent of the FTSE EPRA Nareit Global Developed Index and the MSCI Singapore Small Cap Index.

Follow us on LinkedIn at <https://www.linkedin.com/company/aimsapacreit/>

### **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.