



**AIMS**  
**AA REIT**

**AIMS APAC REIT MANAGEMENT LIMITED**

As Manager of AIMS APAC REIT  
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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 achieves 5.0% YoY rise in Distributions to Unitholders to S\$38.0 million for 1H FY2025**

- DPU increased by 0.4% YoY to 4.670 Singapore cents for 1H FY2025, despite larger Unitholders base following the completion of the S\$100 million Equity Fund Raising in 1H FY2024
- Gross Revenue and Net Property Income rose by 7.7% and 5.1% YoY to S\$93.5 million and S\$67.6 million for 1H FY2025 respectively
- Continued strong rental reversions of 16.9% for 1H FY2025 and long portfolio WALE of 5.0 years
- Stable portfolio occupancy at 95.0%. Excluding the impact of Asset Enhancement Initiatives (“AEIs”) and transitory movement of tenants<sup>1</sup>, portfolio occupancy based on committed leases would be 96.7%
- New unsecured Sustainability Linked Loan (“SLL”) of up to S\$400 million and A\$150 million advances AA REIT’s sustainability commitments and provides headroom for AEIs and potential growth opportunities
- Portfolio rejuvenation and growth strategies progressing well, supporting continued enhancement of long-term value for Unitholders

	1H FY2025	1H FY2024	+/(-)
	S\$'000	S\$'000	%
Gross revenue	93,514	86,834	7.7
Net property income (“NPI”)	67,587	64,290	5.1
Distributions to Unitholders	37,958	36,135	5.0
No. of Units in issue and to be issued ('000)	813,632	810,147	0.4
Distribution per Unit (“DPU”) (Singapore cents)	4.670	4.650	0.4

**Singapore, 5 November 2024** – AIMS APAC REIT Management Limited (the “Manager”) as manager of AIMS APAC REIT (“AA REIT”) is pleased to report a 5.0% year-on-year (“YoY”) rise in Distributions to Unitholders to S\$38.0 million and 0.4% YoY rise in Distribution per Unit to 4.670 Singapore cents for the half year ended 30 September 2024 (“1H FY2025”).

For 1H FY2025, Gross revenue rose by 7.7% YoY to S\$93.5 million and Net Property Income increased by 5.1% YoY to S\$67.6 million, driven by strong rental reversions.

**Mr Russell Ng, CEO of the Manager said,** “We are pleased to report a strong set of financial and operational results driven by our active asset management, portfolio rejuvenation strategy and disciplined capital management. Evidenced by our ongoing AEIs, we remain committed to developing a high-quality portfolio that drives consistent DPU growth and overall distributions to

<sup>1</sup> Ongoing asset enhancement initiatives at 7 Clementi Loop and tenants’ transitory movement at 20 Gul Way

Unitholders. With the new SLL facility in place, we remain well positioned to advance our ESG commitment and capture further organic and acquisition opportunities.”

**Mr George Wang, Chairman of the Manager added,** “Our strategic portfolio selection and positioning continues to be the foundation of our income resilience. Backed by our robust balance sheet, we are well-positioned to grow Unitholder’s value through strategic investments that deliver risk-adjusted returns and sustainable long-term income. As the macro environment continues to improve, we are confident of our continued growth and progress.”

### **Portfolio Update**

In 1H FY2025, the Manager executed 11 new and 29 renewal leases, totalling 82,623 sqm, which represented 10.6% of the total portfolio’s net lettable area (“NLA”). This contributed to a strong 1H FY2025 rental reversion rate of 16.9%. The continued strong and robust growth was largely attributable to the Logistics and Warehouse segment.

As at 30 September 2024, overall portfolio occupancy was 95.0%. However, excluding the ongoing AEs and transitory movements by tenants, the portfolio occupancy rate based on committed leases would be 96.7%. Weighted average lease expiry stood at 5.0 years. The portfolio is well supported by 194 tenants diversified across multiple trade sectors, with 82.8% of gross rental income from tenants in defensive industries.

Furthermore, the continued progress of the two identified asset enhancement initiatives (“AEIs”) at 7 Clementi Loop and 15 Tai Seng Drive will drive further growth for AA REIT and increase the projected long-term income and portfolio value. At 7 Clementi Loop, roofing works have completed, with structural and external façade works underway. At 15 Tai Seng Drive, upgrading works on the internal common areas and amenities are ongoing. Both projects are expected to be completed by 1Q FY2026.

### **Capital Management Update**

As at 30 September 2024, AA REIT’s aggregate leverage stood at 33.4% with an undrawn committed facilities and cash and bank balances of approximately S\$305.9 million. Given the adequate financial flexibility on hand, AA REIT faces no refinancing risk for the next 12 months. Weighted average debt maturity is at 2.8 years with blended debt funding cost of 4.4% and an interest coverage ratio of 4.0 times. 74% of debt is on fixed rates with an average fixed debt tenure of approximately 1.3 years, providing stability in the current environment while allowing AA REIT to benefit from potential rate cuts. The Manager also hedges 74% of its expected Australian dollar distributable income into Singapore dollars via forward currency contracts on a rolling four-quarter basis.

On 16 September 2024, the Manager announced its new unsecured SLL of up to S\$400 million and A\$150 million. Besides providing headroom for AEs and potential growth opportunities, the SLL is also structured to offer sustainability margin adjustments tied to AA REIT’s performance in achieving pre-determined sustainability targets aligned to AA REIT’s ESG strategy. The successful achievement of these targets will enable AA REIT to benefit from further margin reduction. The SLL has further extended AA REIT’s average debt maturity and increase the proportion of unsecured debt to over 50%<sup>2</sup> of total debt.

### **Advancing Our Sustainability Commitments**

The Manager remains focused on embedding sustainability principles and framework across its business operations. Recently, AA REIT completed the installation of Electric Vehicle (“EV”) fast-charging stations across four of its industrial, logistics and warehouse properties in Singapore. AA REIT is also preparing for Phase 2 of the rooftop solar PV system installation. The installation of

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<sup>2</sup> Based on the exchange rate of AUD1.00 = SGD0.8875 as at 30 September 2024.

smart metering system across 15 properties in Singapore has also been well underway, along with the installation of smart Light Emitting Diodes (“LED”) lighting system at 20 Gul Way. With these sustainability initiatives, AA REIT is on track to reach its long-term science-based target initiatives (“SBTi”) goal of a 42% reduction by FY2030<sup>3</sup>.

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. As part of this initiative, we have started including green fitout guides in our lease agreements to drive the reduction in scope 3 emissions from our tenants. This approach is an important means of future-proofing the portfolio to create sustainable long-term value for Unitholders.

## **Outlook**

At the September 2024 Federal Open Market Committee (“FOMC”) meeting, the US Federal Reserve lowered interest rates by 50bps, easing monetary policy for the first time in four years<sup>4</sup>. The FOMC remained committed to its long-term inflation target of 2% and will be prepared to adjust the stance of monetary policy as appropriate.

The International Monetary Fund (“IMF”) in October 2024 held its global economic growth expectations steady at 3.2% in 2024, unchanged from its April and July 2024 forecasts<sup>5</sup>.

### Singapore

Singapore’s economy picked up momentum with advance estimates provided by the Ministry of Trade and Industry (“MTI”) showing gross domestic product (“GDP”) grew 4.1% year-on-year in Q3 2024<sup>6</sup>. This followed the 2.9% growth recorded in Q2 2024. MTI attributed the growth to the expansion of the manufacturing sector after two quarters of contraction. The manufacturing sector grew 7.5% in Q3 2024, rebounding from the 1.1% contraction in the previous quarter.

The Purchasing Managers’ Index (“PMI”) also saw its highest reading in three years, gaining 0.2% to 50.9 in August 2024. The data points to a steady manufacturing recovery, boosted by the growing demand for consumer electronics, and hints at a broadening of the manufacturing recovery beyond electronics<sup>7</sup>.

Transaction volume of multiple-user factory spaces and warehouses looks to gain momentum. At the same time, the stability of Singapore continues to attract international firms looking for a safe and resilient location for expansion<sup>8</sup>, underpinning the demand for quality industrial space.

### Australia

In light of an uncertain economic, labour market and geopolitical outlook and coupled with inflation at 3.9% and above its 2-3% target band, the Reserve Bank of Australia (“RBA”) kept interest rates steady at 4.35% from its latest September 2024 meeting<sup>9</sup>.

AA REIT’s two business parks in Sydney are located within Macquarie Park and Bella Vista which continues to benefit from significant government infrastructure investments. The extension of the Metro line, which was opened on 19 August 2024, will connect Sydney’s northwest region through the Sydney Central Business District (“CBD”) and provide unrivalled connectivity.

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<sup>3</sup> From a base year of FY2020

<sup>4</sup> Federal Reserve Board - Federal Reserve issues FOMC statement

<sup>5</sup> World Economic Outlook Update, October 2024: Policy Pivot, Rising Threats (imf.org)

<sup>6</sup> Singapore Department of Statistics | Release of Advance GDP Estimates, 3rd Quarter 2024 (singstat.gov.sg)

<sup>7</sup> August 2024 Singapore PMI (pmi.sipmm.edu.sg)

<sup>8</sup> Knight Frank, Singapore Research: Industrial & Logistics Q3 2024

<sup>9</sup> Statement by the Reserve Bank Board: Monetary Policy Decision | Media Releases | RBA

Macquarie Park and Bella Vista have been identified as a priority high growth area under the Transport Oriented Development (“TOD”) Program, which aims to deliver more local residential areas and enhance the vibrancy of the existing precinct<sup>10</sup>.

The Brisbane 2032 Olympic and Paralympic Games are catalysts for improved infrastructure across Queensland with approximately A\$7.1 billion being earmarked for infrastructure investments, which will benefit our property in the Gold Coast area<sup>11</sup>.

## Management Outlook

The Manager remains optimistic of AA REIT’s portfolio of high-quality and well-located assets underpinned by its commitment to execute its four strategic pillars. The continued strong operational performance of the Singapore assets is well-supported by sustained demand for modern industrial, logistics and warehouse facilities. In Australia, strong tenant covenants on long lease terms and built-in rental escalations are underpinned by long-term government infrastructure investments.

With the new unsecured SLL announced in September 2024, AA REIT has greater financial flexibility and headroom to pursue growth opportunities such as acquisitions, especially in a declining interest rate environment. The Manager also remains committed to proactive asset management including the successful revitalisation of its properties through the two AELs to enhance asset and earnings quality and generate long-term sustainable returns for Unitholders.

## Distribution and Record Date

Distribution	For 1 July 2024 to 30 September 2024	
Distribution Type	(a) Taxable Income (b) Capital Distribution	
Distribution Rate	(a) Taxable Income (b) Capital Distribution	1.910 Singapore cents per Unit <u>0.490 Singapore cents per Unit</u> 2.400 Singapore cents per Unit
Record Date	14 November 2024	
Payment Date	24 December 2024	

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<sup>10</sup> Macquarie Park | Planning (nsw.gov.au)

<sup>11</sup> Infrastructure funding agreement locked in for Brisbane Olympics – Ministry of Sport

## 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.

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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.