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 FY2024 Total Distributions to Unitholders Up 5.1%; DPU up 1.3% to 2.310 Singapore Cents

- High occupancy rate of 98.1% and positive rental reversion of 38.0% for leases renewed
- Strong leasing momentum with the execution of 91,320 sqm of leases
- Prudent capital management with low gearing of 32.9% and no refinancing requirements in FY2024
- Successful completion of S$100 million Equity Fund Raising fortifies balance sheet in uncertain macroeconomic environment to fund AEIs and future acquisition opportunities, and deliver long-term sustainable return to Unitholders

	1Q FY2024	1Q FY2023	+/(-)
	S$'000	S$'000	%
Gross revenue	43,151	41,301	+4.5
Net property income	32,301	30,990	+4.2
Distributions to Unitholders	17,177	16,348	+5.1
Applicable number of Units[(a)] (million)	809	717	+12.8
Distribution per Unit ("DPU") (Singapore cents)	2.310[(b)]	2.280	+1.3

(a) Higher number of Units in issue was mainly due to the equity fund raising announced on 31 May 2023, comprising a private placement of 57,660,000 new Units and a preferential offering of 25,376,361 new Units, which were issued on 12 June 2023 and 3 July 2023 respectively.

(b) Comprises an Advanced Distribution for the period 1 April 2023 to 11 June 2023 of 1.800 Singapore cents which was paid on 20 July 2023 and the Balance Distribution for the period 12 June 2023 to 30 June 2023 of 0.510 Singapore cents to be paid on 22 September 2023.

Singapore, 27 July 2023 – AIMS APAC REIT Management Limited (the "Manager") as manager of AIMS APAC REIT ("AA REIT") today reported that Distributions to Unitholders for the first quarter ended 30 June 2023 ("1Q FY2024") rose 5.1% year-on-year ("y-o-y") to S$17.2 million. This translated to a 1.3% y-o-y increase in DPU of 2.310 Singapore cents on an enlarged unit base due to the Equity Fund Raising[1] ("EFR") that took place during the quarter.

Gross revenue and net property income for 1Q FY2024 increased 4.5% and 4.2% y-o-y to S$43.2 million and S$32.3 million respectively. The increases were mainly driven by higher rental income from Singapore properties, partially offset by higher financing costs.

The Manager's CEO, Mr Russell Ng, said "We are pleased to report another set of strong operating results, including strong double digit rental reversion and higher occupancy driven by our active asset management and strong leasing performance. Despite the market

[1] Refer to the "Launch Of Equity Fund Raising To Raise Gross Proceeds Of Approximately S$100.0 Million" announcement dated 31 May 2023.

headwinds, we continue to see sustained demand for high quality assets from the advanced manufacturing and logistics sectors. We remain confident in the performance of our portfolio but are alert to macroeconomic headwinds such as rising interest rates and ongoing inflationary pressures.

Over the quarter, we launched a S$100 million equity fund raising to partly fund our asset enhancement initiatives and lower our gearing so that we have the headroom to drive further organic growth and capture acquisition opportunities as they arise."

The Manager's Chairman, Mr George Wang, added, "With the completion of our recent fund raising, AA REIT's balance sheet is well fortified. By adopting a prudent and conservative capital management strategy amid an uncertain macro environment, AA REIT is well positioned to continue building on its strong foundations to grow and deliver long-term sustainable returns for Unitholders."

Portfolio Update

As at 30 June 2023, AA REIT's portfolio occupancy increased to 98.1% from 97.9% a year ago and the weighted average lease expiry ("WALE") stood at 4.3 years. The higher occupancy was attributable to the industrial and logistics & warehouse segments. During the quarter, the Manager successfully executed 9 new and 21 renewal leases totalling 91,320 sqm. Renewed leases achieved a positive rental reversion of 38.0%, largely due to strong demand third-party logistics ("3PL") providers. For the rest of the financial year, 15.6% of leases by gross rental income (124,830 sqm) are due for expiry, of which approximately 13.3% (111,050 sqm) relate to the logistics and warehouse segment. Notably, the Manager is in advanced negotiations for the renewal of a master lease with a major logistics tenant for another five-year term.

In 1Q FY2024, the Manager completed negotiations with a global advanced manufacturing firm to convert a multi-let building into a master tenanted property on triple-net lease. The tenant will take on a long lease term of approximately 10 years[2] with built-in rental escalations. With the shift to a master lease, the leasable area of the property will increase by approximately 16% and will result in incremental revenue to AA REIT.

Prudent Capital Management to Position for Future Growth

The Manager maintained its disciplined capital management strategy, with 87%[3] of its borrowings on fixed rates while 69% of its expected AUD distributable income is hedged to SGD on a four-quarter rolling basis.

The Manager completed a S$100 million EFR exercise[4] on 3 July 2023 to strengthen its balance sheet in an uncertain macroeconomic environment. The EFR proceeds will partly fund the Manager's identified asset enhancement initiatives ("AEIs") and reduce gearing[5]. As at 30 June 2023, AA REIT's gearing ratio was 32.9%. There are no refinancing requirements in

[2] From the initial take-up date.
[3] Include forward interest rate swaps.
[4] The EFR comprises a S$70 million private placement completed on 12 June 2023 and a S$30 million preferential offering completed on 3 July 2023.
[5] As announced on 26 June 2023, 6 July 2023 and 24 July 2023 on the "Use of Proceeds from The Equity Fund Raising".

FY2024, and undrawn committed facilities and cash and bank balances stood at S$182.4 million.

Market Outlook

The US Federal Reserve opted to keep interest rates unchanged in its June 2023 meeting but indicated the possibility of two more rate hikes this year. Amid high inflation and tight monetary policy, global growth is expected to slow from 3.4% in 2022 to 2.8% and 3.0% in 2023 and 2024 respectively[6].

Singapore

Singapore's manufacturing sector remained under pressure due to weak global demand. In June 2023, the Singapore's Purchasing Manufacturing Index was 49.7, remaining in contraction territory for the third consecutive month. Growth in the biomedical manufacturing and transport engineering clusters were offset by the slowdown in the electronics segment, which recorded its 11th straight month of contraction.

Nonetheless, in the medium to long-term, Singapore remains an attractive hub for supply chain diversification for some high value-added segments of the electronics industry. Singapore has also successfully attracted pharmaceutical and life sciences companies as well as global multinational corporations to anchor their global or regional operations, and headquarters here. In 2022, Singapore attracted a record high $22.5 billion in fixed asset investment commitments[7], significantly surpassing the Economic Development Board's medium- to long-term targets of $8 billion to $10 billion.

In the industrial space, leasing activity remains resilient amid tight supply, as occupiers from 3PL providers, life sciences and food manufacturing segments remain active[8]. Properties with modern and high specifications will also continue to lead growth as these meet business requirements from the advanced manufacturing sectors. While demand continues to outpace supply, overall rental growth in 2023 is projected to moderate from 2022, taking into consideration the elevated macroeconomic headwinds.

Australia

In a bid to tackle persistently high inflation, the Reserve Bank of Australia increased its official interest rate to 4.1% on 5 June 2023 - its highest level since 2012. Australia's economy in Q1 of 2023 grew at its weakest pace in one and a half years as high prices and rising interest rates slowed consumer spending. Economic growth is forecast to remain subdued through this year as higher interest rates, higher cost of living and earlier declines in household wealth continue to weigh on growth[9].

AA REIT's two business parks in Sydney are located within Macquarie Park and the Norwest Business Park which continue to benefit from significant public and private investments. The finalised Macquarie Park Place Strategy has outlined concrete plans to transform Macquarie Park into a world-class innovation precinct and is set to play a key role as an economic

[6] World Economic Outlook A Rocky Recovery, International Monetary Fund, April 2023.
[7] EDB Year 2022 in Review, EDB Singapore, 9 February 2023.
[8] CBRE's Commentary on JTC's Announcement on Q1 2023 Statistics, CBRE, 27 April 2023.
[9] Statement on Monetary Policy – May 2023 Economic Outlook, Reserve Bank of Australia, May 2023.

powerhouse in Sydney's North District[10]. The Norwest Business Park is also poised to be a beneficiary of the state-significant development of Bella Vista into a major business precinct[11] and the upcoming Western Sydney Airport which is slated for completion in 2026.

Management Outlook

The Manager remains optimistic of its operating performance due to sustained demand and limited supply of high-quality logistics and warehouse properties in Singapore. However, we are cognizant of headwinds including rising interest rates and potential 'sticky inflation' that may impact operating, labour and energy costs.

As part of the use of proceeds from the EFR, the Manager intends to carry out two asset enhancement initiatives in Singapore. With a fortified balance sheet, the Manger will continue to exercise discipline and will only pursue new acquisition opportunities that meets our investment parameters and are able to deliver long-term sustainable returns for Unitholders.

Distribution and Record Date

Advanced Distribution
On 20 July 2023, an Advanced Distribution of 1.800 Singapore cents per Unit for the period from 1 April 2023 to 11 June 2023 was paid to Unitholders whose securities accounts with The Central Depository (Pte) Limited were credited with Units as at 5.00pm on Friday, 9 June 2023 (the "Record Date").

Balance Distribution
Unitholders will receive a distribution of 0.510 Singapore cents per Unit for the period from 12 June 2023 to 30 June 2023 to be paid on 22 September 2023. The Record Date will be at 5.00pm on 7 August 2023.

	Distribution Period	**Record date**	**Payment date**	**DPU Singapore Cents**
Advanced Distribution	1 April 2023 to 11 June 2023	9 June 2023	20 July 2023	1.800 (Based on 725,038,894 Units)
Balance Distribution	12 June 2023 to 30 June 2023	7 August 2023	22 September 2023	0.510 (Based on 809,106,978 Units)
1Q FY2024 Distribution				**2.310**

[10] Macquarie Park, NSW Government, 23 February 2023.
[11] 5,700 new homes to transform Sydney's Northwest, Landcom, 2 December 2022.

For enquiries, kindly contact:

Media contact:
Dolores Phua / Jass Lim / Louise Lim
Citigate Dewe Rogerson
Tel: +65 6534 5122
Email: AAREIT@citigatedewerogerson.com

Investor contact:
Sheryl Sim
AIMS APAC REIT Management Limited
Tel: + 65 6309 3638
Email: sheryl.sim@aimspac.com

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 29 properties, of which 26 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 Headquarters located in Bella Vista, New South Wales.

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

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 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.