



AIMS APAC REIT MANAGEMENT LIMITED

As Manager of AIMS APAC REIT
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Media Release

AIMS APAC REIT expands its footprint in Australia with Gold Coast acquisition

Singapore, 15 May 2019 – AIMS APAC REIT Management Limited (the Manager) as Manager of AIMS APAC REIT (AA REIT) wishes to announce the entry into a Sales and Purchase Contract dated 14 May 2019 (the Acquisition) with GSM Rocket Australia Pty Ltd (the Vendor) to acquire Boardriders APAC HQ, located in the southern Gold Coast suburb of Burleigh Heads, Queensland, Australia (the Property) for A\$38.46 million (S\$36.92 million¹) (the Consideration).

The Property will be leased to GSM (Operations) Pty Ltd (the Tenant) for 12 years on a triple net lease basis² with stipulated annual rent increments and a rent review at mid-term of the lease. The Tenant also has an option to renew the lease for another five years. The Vendor and the Tenant are wholly-owned subsidiaries of Boardriders, Inc., a global leading actions sports and lifestyle company that designs, produces and distributes branded ready-to-wear apparel, footwear and accessories under globally-recognised brands including Quiksilver, Billabong, Roxy, DC Shoes, RVCA and Element.

The first year rental from the Property is A\$3.0 million and the Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation by CBRE Valuations Pty Limited commissioned by the Manager which valued the Property at A\$38.46 million (S\$36.92 million¹). The estimated total cost of the Acquisition to AA REIT is approximately A\$41.50 million (S\$39.84 million¹) which includes stamp duty payable, acquisition fee and other transaction costs.

The Manager's Chief Executive Officer, Mr Koh Wee Lih commented, "The proposed Acquisition represents an opportunity to further diversify and strengthen our portfolio with a strategic addition that offers a strong tenant profile and provides income stability to AA REIT. In line with our strategy to build a high-quality, diversified portfolio of assets that creates long-term value for our Unitholders, the Acquisition will be DPU accretive.

"This Acquisition also marks the first investment under AIMS Financial Group as the sole owner of the management entities of AA REIT since March 2019."

Mr Koh added, "The outlook for the Gold Coast economy remains positive as the region is currently experiencing growth across key economic factors including strong population growth, investment into major infrastructure developments and an increase in both domestic and offshore tourism into the region. This investment will enable us to expand AA REIT's footprint in a market that offers solid long-term growth."

The Acquisition is expected to be predominantly funded from Australian dollar debt facilities in order to maintain a natural currency hedge on the Acquisition. AA REIT's aggregate leverage following the Acquisition will increase from 33.7% as at 31 March 2019 to 35.5% on a proforma basis, assuming Acquisition was fully funded by debt.

¹ Based on an exchange rate of A\$1.00 = S\$0.96.

² Triple net lease is a lease structure whereby the master tenant is responsible for the outgoings of the property, e.g. repair and maintenance costs, insurance and taxes etc.

On completion of the Acquisition, AA REIT will own a total of 27 industrial properties, of which 25 properties are located throughout Singapore, a property located in Gold Coast, Australia and a 49% interest in a property located in Macquarie Park, New South Wales, Australia.

About the Property

Boardriders APAC HQ is a light industrial facility situated on a 3.33 hectare freehold site with a purpose built warehouse and office building and a two-storey retail building, with total net lettable area of 14,833 square metres.

Burleigh Heads is a suburb in the south of Queensland's Gold Coast and 11 kilometres south of Surfers Paradise, with an established mix of industrial, showroom, large format retail, commercial and retail shopping centres. The Property is situated approximately 3.7 kilometres from the Varsity Lakes Railway Station, which will continue to improve with the upcoming expansion of the Gold Coast Light Rail system to Burleigh Heads. The Property is located adjacent to West Burleigh Road with easy access to the Gold Coast Highway and M1 Pacific Motorway, which link to the Gold Coast International and Domestic Airport to the south and Brisbane CBD to the north.

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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)

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 real estate located throughout the Asia Pacific that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. AA REIT’s existing portfolio consists of 26 industrial properties, 25 of which are located throughout Singapore and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia with a total value of S\$1.46 billion as at 31 March 2019.

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 mortgage lending, securitisation, investment banking, funds management, property investment, venture capital, stock broking and high-tech investment. AIMS is also a strategic investor in the Sydney Stock Exchange.

AIMS has raised funds from capital markets and issued residential mortgage-backed securities, predominantly rated AAA by both Standard & Poor’s and Fitch Ratings. AIMS has also attracted a number of international investors into the Australian markets and is the investment manager for various funds.

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.