

	<p>AIMS APAC REIT MANAGEMENT LIMITED</p> <p>As Manager of AIMS APAC REIT 1 George Street, #23-03 One George Street Singapore 049145</p>
---	--

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 December 2006 (as amended))

ANNOUNCEMENT

ANNUAL GENERAL MEETING ON 17 AUGUST 2020 – RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

1. AIMS APAC REIT Management Limited (the “**Manager**”), as Manager of AIMS APAC REIT (“**AA REIT**”), refers to:
 - (a) the notice of the Annual General Meeting of AA REIT (“**AGM**”) dated 27 July 2020; and
 - (b) the accompanying announcement released on 27 July 2020 setting out, *inter alia*, the alternative arrangements for the conduct of the AGM by electronic means.
2. The Manager would like to thank the unitholders of AA REIT (“**Unitholders**”) for submitting their questions in advance of the AGM. As there is some overlap of questions received from Unitholders, we will not be providing responses to every question received. Instead, the Manager has grouped the similar questions together into substantial and relevant topics, and provided overarching questions respectively. The topics are categorised as follows:
 - (A) COVID-19 Impact
 - (B) Business Strategy
 - (C) Capital Management

Please refer to the **Appendix** to this announcement for the Manager’s responses.
3. The Manager would like to thank all Unitholders for their patience and co-operation in enabling us to hold the AGM with the optimum safe distancing measures amidst the COVID-19 pandemic.

By Order of the Board
AIMS APAC REIT Management Limited
 (Company Registration No. 200615904N)
 As Manager of AIMS APAC REIT

Koh Wee Lih
 Chief Executive Officer
 17 August 2020

APPENDIX

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

A.	COVID-19 IMPACT
A1.	<p><u>Question:</u></p> <p>How has the ongoing COVID-19 pandemic impacted AA REIT, in terms of its business operations, such as asset and lease management activities as well as its tenants? What are some measures the REIT has taken to mitigate the impact of COVID-19? Looking past the COVID-19 pandemic, what is AA REIT’s strategy to drive growth and bring about value for its Unitholders?</p>
	<p><u>Response:</u></p> <p>AA REIT has not been too adversely impacted thus far amidst the unprecedented global COVID-19 pandemic. As at 30 June 2020:</p> <ul style="list-style-type: none"> (i) Our portfolio occupancy improved by 4.2 percentage points to 93.6% (JTC industrial average was 89.4%). Our occupancy was 89.4% at the end of the previous quarter. (ii) Our portfolio consists of a high quality and diversified tenant base, with the Logistics and Warehouse cluster (currently in demand) of nearly 50% by Gross Rental Income (“GRI”) and the harder ancillary F&B and retail taking up less than 10%. (iii) No significant long outstanding debts and no significant provision needed to be made for doubtful debts. Most tenants had been prompt in their rental payment. (iv) Healthy aggregate leverage gearing of 35.4%, with cash balance of S\$20.1 million and undrawn committed bank facilities of S\$183.8 million. (v) The Manager continues to pursue value-enhancing investment opportunities. On 11 August 2020, AA REIT announced our proposed yield-accretive acquisition of a ramp-up modern warehouse at 7 Bulim Street, Singapore at a purchase price of S\$129.6 million. <p>The ongoing COVID-19 pandemic has caused widespread economic uncertainties and is deeply affecting the global business environment including Singapore and Australia, where AA REIT operates. There remains a significant degree of uncertainty over the severity and duration of the outbreak. Downside risks include a protracted global outbreak, more severe and prolonged disruptions to global supply chains and the possibility of financial shocks triggered by the economic impact of COVID-19. On the other hand, we have observed an increase in tenant demand for logistics and warehouse facilities, largely driven by the stockpiling and inventory requirements which were accelerated during the COVID-19 pandemic.</p> <p>AA REIT’s portfolio consists of a high-quality and diversified tenant base, which includes large multinational companies, publicly listed companies and small and medium-sized enterprises, with over 50% in essential services. As at 30 June 2020, AA REIT’s portfolio occupancy improved to 93.6% from 89.4% in the previous quarter, considerably higher than JTC industrial average of 89.4% as at the second quarter of 2020. We have a diversified tenant base, with 193 tenants across 27 properties in Singapore and Australia operating in a broad range of industries, and a well-balanced mix of both multi-tenanted and master leased properties. The REIT’s portfolio has displayed resilience amid the COVID-19 outbreak, with ancillary F&B and retail taking up less than 10% of our tenant base, by GRI for the three-month period ended 30 June 2020 (“1QFY2021”). In addition, our Logistics and Warehouse cluster, which accounted for 46.4% of the portfolio based on 1QFY2021 GRI, anchored the resiliency of the portfolio.</p> <p>AA REIT has passed on the property tax rebates announced in the Singapore Government’s Resilience Budget, to prescribed lessees or licensees within the prescribed timeframe. In</p>

addition, pursuant to the Fortitude Budget, AA REIT will provide Rental Relief (supported by Government assistance) for the month of April 2020 and Additional Rental Relief for the month of May 2020 to qualifying Small and Medium Enterprise (“SME”) tenants. As at 30 June 2020, a provision for the Additional Rental Relief of approximately S\$2.6 million was included for AA REIT’s portfolio in 1QFY2021. The provisions for rental rebates and/or retention of distributable income will be re-assessed upon confirmation of the eligibility of SME tenants who qualify for rental waiver under the Rental Relief Framework.

The nurtured relationships with tenants over a long history underpins our commitment to help them see through this period. In addition to passing on the rebate and concessions to qualifying tenants in Singapore and Australia under the respective governments’ measures, we continue to actively engage with our tenants affected by the COVID-19 situation and will provide assistance on a case-by-case basis.

As at 30 June 2020, there were no significant long outstanding debts and no significant provision for doubtful debts and most tenants had been prompt in their rental payment. The Manager will continue to actively monitor the situation in view of the ongoing COVID-19 pandemic.

In terms of business strategy, we adopt a three-pronged strategy to drive better financial performance of the REIT – yield accretive investments; active asset management and lease management; and, prudent capital and risk management:

(i) Yield Accretive Investments

With support from our Sponsor, the Manager continues to pursue portfolio growth via investment opportunities in Australia and Singapore. On 11 August 2020, the Manager announced the proposed acquisition of 7 Bulim Street, a master-tenanted four-storey ramp-up logistics facility (leased to one of Japan’s largest logistics operators), strategically located in the Jurong West Logistics Cluster in Singapore, within the Jurong Innovation District, for a purchase consideration of S\$129.6 million (the total acquisition cost is estimated to be approximately S\$135.5 million). The addition of the asset to the portfolio is expected to be DPU accretive, boosting DPU by 0.18 cents (or 1.9%).

(ii) Active Asset Management and Lease Management

During this difficult period, our focus is on improving the occupancy of the portfolio by engaging with our existing tenants as well as reaching out to new tenants. As at 30 June 2020, AA REIT’s portfolio occupancy improved to 93.6% from 89.4% in the previous quarter, mainly due to the additional leases secured at 20 Gul Way and 27 Penjuru Lane due to strong demand for Logistics and Warehouse space amid the ongoing COVID-19 pandemic. The REIT’s well-diversified portfolio has also proven to be resilient in tiding through the COVID-19 outbreak, and we endeavour to further strengthen our portfolio’s resiliency.

(iii) Prudent Capital and Risk Management

Our strategy is to monitor AA REIT’s cash flows with a focus on conserving cash by prioritising critical asset enhancement and capital expenditure initiatives, and where possible implementing cost savings on operating expenses in line with our capital management strategy. Our long held prudent capital management strategy is characterised by the proactive re-financing of AA REIT’s debts ahead of their maturities, maintaining a staggered debt maturity profile to minimise refinancing risk in any one year, diversified funding sources as well as a conservative gearing ratio.

AA REIT had refinanced facilities due in 2020 with a new four-year term loan facility of S\$100.0 million and a new three-year term loan facility of A\$32.5 million. Post refinancing, weighted average debt maturity (on a pro forma basis) will increase to 3.1 years, with no debt due until November 2021. AA REIT had total undrawn committed facilities of S\$183.8 million. On 14 August 2020, AA REIT issued S\$125 million 5.65% perpetual securities under its S\$750 million Multicurrency Debt Issuance Programme. The net proceeds from the perpetual securities are

	<p>proposed to be used to partially fund the proposed acquisition of 7 Bulim Street. Post the acquisition of 7 Bulim Street and the issuance of perpetual securities, the pro forma gearing ratio of AA REIT as at 31 March 2020 continues to remain conservative at 32.8%, well within the MAS aggregate leverage limit of 50%.</p> <p>We will continue to stay focused and nimble, to enable AA REIT to weather the storm and position it well to take advantage of the opportunities arising from the changing market in the future. We remain confident in the strength of AA REIT's portfolio and business strategy to navigate through these unprecedented and uncertain times. While this period poses new obstacles to overcome, it also creates opportunities for a well-prepared organisation. An example would be the increased demand for logistics and warehouse facilities, largely driven by the stockpiling and inventory requirements which were accelerated during the COVID-19 pandemic. With a large proportion of more than 500,000 sq ft of under-utilised plot ratios in its existing portfolio, the Manager will continue to explore organic growth opportunities and rejuvenate older assets to further strengthen and optimise its portfolio, while being cognisant of the shifting macroeconomic environment.</p> <p>In addition to the interests of Unitholders, the wellbeing of our tenants and staff are also our top priorities and we will continue to make careful decisions with these priorities in mind.</p>
A2.	<p><u>Question:</u></p> <p>In light of the COVID-19 situation, what is the outlook of the industrial leasing markets in Singapore and Australia?</p>
	<p><u>Response:</u></p> <p>In the immediate-term, the widespread and far-reaching pall cast on all economic activity by the COVID-19 outbreak will invariably disrupt trade links and supply chains in the region and around the world, affecting Singapore's position as a logistics hub.</p> <p>Singapore is currently in Phase Two of re-opening and businesses recommencing operations. We see increased interest for industrial space, especially for logistics and warehouse facilities, largely driven by the requirements for stockpiling which have accelerated during this COVID-19 period, offering resilience to our Singapore portfolio, where we have leases to logistics companies which are handling Singapore's stockpiling of essential items.</p> <p>Over the mid- to long-term we are optimistic on the warehouse and logistics sector. The demand for logistics and warehouse space is expected to sustain post-COVID-19 as businesses may not revert to relying on just-in-time inventory. In addition, we expect the warehouse and logistics demand to continue as supply chains and consumer behaviours shift.</p> <p>Additionally, the upcoming infrastructural developments of the sea and airports presents opportunities for well-positioned properties in the vicinity to tap on these developments. The upcoming Changi East Industrial Zone under the Changi East Project, as well as the Tuas Mega Port, will expand and deepen Singapore's logistical capacities and competencies in the long run.</p> <p>As for business parks, we anticipate demand to remain stable in the short- to medium-term, supported by the technology firms. Despite the uncertainties of the external environment and the slower economic growth brought forth by the outbreak of COVID-19, the information and communication sector is projected to continue to expand.</p>

B.	BUSINESS STRATEGY
B1.	<p><u>Question:</u></p> <p>What are AA REIT's plans to grow the portfolio, and how has COVID-19 affected its business strategy?</p>
	<p><u>Response:</u></p> <p>The Manager is focused on the continued execution and evaluation of yield accretive investment opportunities in Singapore and Australia.</p> <p>We believe that quality assets are fundamental to the REIT's long-term performance and will strive to acquire properties which will enhance the overall value of the portfolio. Active capital management is one of the key levers to ensure returns for our Unitholders. When opportunities arise, AA REIT will endeavour to prudently recycle capital to enhance the REIT's capital value by reinvesting the proceeds in markets or asset classes with growth opportunities.</p> <p>The Manager is cognisant of the shifting macroeconomic environment and will continue to look for ways to optimise and strengthen the portfolio to ensure it can evolve to meet the changing industry and tenant needs. While transaction volumes tapered during the COVID-19 outbreak, we witnessed an uptick in activities and opportunities in the market given the reopening of economies.</p> <p>As noted in the recent SGX Announcement dated 11 August 2020, AA REIT has entered into a Put and Call Option Agreement for the acquisition of a ramp-up modern warehouse at 7 Bulim Street, Singapore. The addition of the asset to the portfolio is expected to be DPU accretive, boosting DPU by 0.18 cents (or 1.9%). This is testament to the Manager's continued strategy of pursuing opportunities that are value-enhancing to our Unitholders.</p> <p>Following the maiden issuance of S\$125 million perpetual securities and proposed acquisition of property at 7 Bulim Street, AA REIT's pro forma aggregate leverage as at 31 March 2020 is 32.8%. This provides AA REIT with a debt headroom of approximately S\$376 million before its aggregate leverage reaches 45%.</p> <p>We actively review a large number of deals, including overseas freehold assets, data centres, logistic / business park assets and long land lease assets, which meet our stringent criteria for addition to the REIT's portfolio. We are also actively looking to secure new tenants to support our asset enhancement opportunities with existing assets.</p> <p>We will release timely announcements on SGXNet should we have any other developments on this front.</p>
B2.	<p><u>Question:</u></p> <p>What is the likelihood of a consolidation between AA REIT and another REIT?</p>
	<p><u>Response:</u></p> <p>We will continue to consider opportunities that are in line with the REIT's strategies and that are in the best interests of all Unitholders.</p> <p>The Manager, Board and Sponsor's continued focus is on diligent execution of our careful and prudent strategy, which generates long-term sustainable returns for our Unitholders.</p>

C.	CAPITAL MANAGEMENT
C1.	<p><u>Question:</u></p> <p>Are there any resultant impacts on AA REIT's distribution and financial position due to the COVID-19 and the low interest rate environment?</p>
	<p><u>Response:</u></p> <p>We are unable to provide a forecast or forward guidance, however, the Manager has been closely monitoring the COVID-19 outbreak since early 2020, given the disruptions and uncertainty that it has on global economic prospects, and continues to monitor the situation and to take the appropriate measures to deal with the implications of COVID-19 in accordance with guidelines, regulations and legislations provided by the authorities in the respective countries that the Group operates in and will take the necessary actions to ensure the long-term sustainability of the Group. AA REIT's portfolio has been resilient to the impact of COVID-19, with cash balance of S\$20.1 million and undrawn committed facilities of S\$183.8 million as at 30 June 2020.</p> <p>The COVID-19 situation continues to evolve and there remains significant uncertainties over the extent and duration of the COVID-19 pandemic. The Manager will continue to focus on executing its strategy to deliver sustainable returns to the unitholders to weather the challenging COVID-19 period. In addition, we are in a strong position to take advantage of the opportunities arising from the changing market in the future to further grow the portfolio.</p>
C2.	<p><u>Question:</u></p> <p>Why has the interest cover ratio declined despite being in an environment of historically low interest rates?</p>
	<p><u>Response:</u></p> <p>AA REIT's interest coverage ratio had declined from 4.4 times (as at 31 March 2019) to 3.8 times (as at 30 June 2020).</p> <p>The main reasons for the decline, despite being in an environment of historically low interest rates, are as follows:</p> <p>(i) The inclusion of borrowing costs on lease liabilities within interest expense following the adoption of FRS 116 Leases. FRS 116 was applied prospectively with effect from 1 April 2019, impacting the 30 June 2020 interest coverage ratio.</p> <p>(ii) The earnings before interest, tax, depreciation and amortisation (30 June 2020) included a provision for waiver of rent of approximately S\$2.6 million arising from the COVID-19 pandemic.</p> <p>(iii) Lower net property income from the Singapore operations for the 12 months ended 30 June 2020 compared to the 12 months ended 31 March 2019 mainly due lower rental and recoveries for the properties at 27 Penjuru Lane and 15 Tai Seng Drive as well as the conversion from master leases to multi-tenancy leases for the property at 1A International Business Park in November 2019 and the first two phases of 30 Tuas West Road. This was partially offset by the maiden contribution from the property at 3 Tuas Avenue 2 from March 2020 as well as higher rental and recoveries from 20 Gul Way and NorthTech.</p> <p>(iv) AA REIT had substantially hedged its interest rate exposure on borrowings (>80% of its interest rates are hedged) which mitigated the impact of the interest rate environment on its interest costs. AA REIT may be able to benefit from the low interest rate environment as and when some of the interest rate swaps mature in 2020.</p>

C3.	<p><u>Question:</u></p> <p>Is AA REIT able to further reduce the cost of financing from banks?</p>
	<p><u>Response:</u></p> <p>In 1QFY2021, AA REIT's all-in-cost of financing was 3.3%, which was an improvement to the all-in-cost of financing of 3.5% for FY2020 and 3.6% for FY2019.</p> <p>On 9 July 2020, AA REIT and its indirect wholly-owned trust, AA REIT Macquarie Park Investment Trust, entered into a supplemental agreement with existing lenders to refinance the facilities due in 2020 with a new four-year term loan facility of S\$100.0 million and a new three-year term loan facility of A\$32.5 million. AA REIT is expected to achieve some interest cost savings as the existing interest rate swaps on the debt facilities due in 2020 expire, and this will allow AA REIT to benefit from the current low interest rate environment.</p>
C4.	<p><u>Question:</u></p> <p>Why did AA REIT stop its Distribution Reinvestment Plan beginning in 2020?</p>
	<p><u>Response:</u></p> <p>The Manager temporarily suspended the Distribution Reinvestment Plan (“DRP”) from the fourth quarter ended 31 March 2020 onwards, in light of the significant market volatility and uncertainty arising from the global COVID-19 pandemic. The Manager will continue to monitor market conditions, with a view to recommence the DRP.</p>

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, 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 27 properties, of which 25 properties are located throughout Singapore, a property located in Gold Coast, Queensland, Australia and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia.

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, 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.