

	<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>
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Media Release

AIMS APAC REIT achieves distributions to Unitholders of S\$14.1 million for 1Q FY2021

Key highlights for 1Q FY2021:

- Maintains DPU of 2.00 cents for the quarter
- Portfolio occupancy increased to 93.6% from 89.4% in the preceding quarter, considerably above industrial average of 89.2%
- Conservative leverage at 35.4% (as at 30 June 2020) provides ample debt headroom, well below the MAS limit of 50%
- Successfully executed 20 new and renewal leases in 1Q FY2021, representing 76,998 sqm (11.4% of total net lettable area)
- Long WALE of 4.41 years
- Resilient to the impact of COVID-19 with cash balances of S\$20.1 million and undrawn committed facilities of S\$183.8 million
- Weighted average debt maturity stood at 3.1 years (on a pro forma basis), with no debt due for refinancing till November 2021
- Overall blended funding cost of 3.3% with 81.1% of the portfolio's interest rate fixed, taking into account interest rate swaps and fixed rate notes
- MSCI Singapore Small Cap Index inclusion
- ESG initiatives ongoing, demonstrated by the REIT's largest asset, Optus Centre, which achieved a NABERS Energy Base Building Rating of 5 stars

Singapore, 23 July 2020 – AIMS APAC REIT Management Limited (the Manager) as manager of AIMS APAC REIT (AA REIT) today announced total distributions to Unitholders of S\$14.1 million for the first quarter ended 30 June 2020 (1Q FY2021), with a Distribution Per Unit (DPU) of 2.00 cents, unchanged from the previous quarter ended 31 March 2020 (4Q FY2020).

AA REIT registered gross revenue of S\$27.2 million and net property income (NPI) of S\$18.6 million for 1Q FY2021, representing a year-on-year decrease of 10.9% and 18.8% respectively. The decrease was mainly due to an estimated provision for waiver of rent of approximately S\$2.6 million, lower contributions from 1A International Business Park and 20 Gul Way arising from the conversion from master leases to multi-tenancy leases as well as the expiry of two phases of the master lease at 30 Tuas West Road and the master lease at 541 Yishun Industrial Park A. This was partially offset by rental contribution from Boardriders Asia Pacific HQ which was acquired in July 2019 and the full quarter rental contribution from the recently completed property at 3 Tuas Avenue 2.

Distributions to Unitholders stood at S\$14.1 million for 1Q FY2021, a decrease of S\$3.2 million or 18.6% year-on-year. DPU fell 20.0% year-on-year to 2.00 cents mainly due to lower net property income as well as management fees paid fully in cash for 1Q FY2021. This was partially offset by the distribution of Australian distributable income retained in 4Q FY2020.

The Manager's Chief Executive Officer, Mr Koh Wee Lih, said, "Underpinned by our resilient portfolio, we achieved a stable performance amidst the headwinds brought about by COVID-19. This is mainly attributed to our large base of tenants in essential services which comprise over 50% of the portfolio by gross rental income. These are tenants who were able to continue their business operations during the Circuit Breaker period and were therefore less impacted compared to tenants who were not operational."

During 1Q FY2021, the Manager successfully executed 20 new and renewal leases presenting 76,998 sqm (11.4% of total net lettable area). Portfolio occupancy increased to 93.6%, as compared to 89.4% in the preceding period, considerably above the industrial average of 89.2%. As at 30 June 2020, the REIT's portfolio has a long weighted average lease expiry (WALE) of 4.41 years. Notably, the high occupancy was buoyed by the logistics and warehouse segment (comprising nearly half of the total gross rental income for 1Q FY2021), which achieved high occupancy due to increased demand for stockpiling and inventory requirements. The demand for logistics and warehouse space is expected to be sustained post COVID-19 as businesses may not revert back to relying on just-in-time inventory.

Mr Koh added, "While we faced challenges in our leasing activities during the Circuit Breaker period, as economies reopen and businesses recommence operations, we are experiencing increased interest for industrial space, especially for logistics and warehouse facilities, largely driven by the e-commerce trends which have accelerated during this COVID-19 period."

"During the quarter, we also achieved a significant milestone with our inclusion into the MSCI Singapore Small Cap Index. Being elevated to the position of an index component allows us to reach out to a larger pool of investors and raise our profile in the international investment community."

"Amidst the growing importance of environmental, social and corporate governance, we will continue to incorporate sustainable business practices into our business strategy to achieve long-term growth, value creation, and business objectives such as maintaining resiliency, increasing resource efficiency and serving stakeholders' best interests."

COVID-19 Update

The ongoing COVID-19 outbreak has caused a severe disruption to the global economy, affecting different sectors of the economy to varying degrees. While many countries have successfully contained the spread of COVID-19 and gradually eased lockdown restrictions, there remains a significant degree of uncertainty of a second wave as the situation is fluid and subject to change on an ongoing basis. In Singapore, community infection rates have remained generally stable and the country moved into Phase Two of re-opening on 19 June 2020, permitting the resumption of most activities. In Australia, the National Cabinet finalised a three-step plan to gradually ease restrictions towards the re-opening of the economy. Following the gradual re-opening of the Australian economy, there has been a significant increase in community transmission of COVID-19, mainly limited to the metropolitan Melbourne which has announced a new six-week lockdown.

Operational Update

AA REIT's portfolio is backed by 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 and as Singapore transitioned to Phase Two of re-opening, its tenants are allowed to recommence business operations.

Tenant Relief

AA REIT has passed on the property tax rebate, announced in the Singapore Government's Resilience Budget, to prescribed lessees or licensees within the prescribed timeframe¹. From end-July 2020, the Inland Revenue Authority of Singapore will issue notices of cash grants and disburse the Government cash grant, as part of the Fortitude Budget, to qualifying property owners and AA REIT will provide rental waiver to its eligible tenants within the prescribed timeframe. In addition, AA REIT was also obligated to grant one month's waiver of rent² (Landlord's Rent Waiver), to be applied for the month of May 2020, to eligible SME tenants. In view of this requirement, a provision for Landlord's Rent Waiver of approximately S\$2.6 million was included for AA REIT's Singapore portfolio in 1Q FY2021.

In addition, the Manager continues to engage its tenants in Singapore and Australia, who have been affected by the COVID-19 situation and will provide assistance on a case-by-case basis.

"Both the REIT and our tenants have played an important role in each other's success and building strong relationships with our tenants has always been one of our top priorities. We recognise the challenging business environment and the difficulties that some of our tenants are experiencing and will continue to lend our support as we tide through the crisis together," Mr Koh added.

¹ Property tax rebate has been passed on to prescribed lessees or licensees in accordance to Part 6 of the COVID-19 (Temporary Measures) Act 2020 (No. 14 of 2020) and the related subsidiary legislation, COVID-19 (Temporary Measures) (Transfer of Benefit of Property Tax Remission) Regulations 2020.

² The value of the rent to be waived is based on the contractual rent of the tenant, excluding any maintenance fees and charges for the provision of services such as cleaning and security.

The Manager remains confident in the strength of its portfolio and its business strategy to navigate through these unprecedented times. In addition to the interests of Unitholders, the health, safety and well-being of AA REIT's tenants and its employees are also its top priorities and the Manager will continue to make decisions with these priorities in mind.

Capital Management

The Manager continues to adopt a prudent and disciplined approach to capital management. As at 30 June 2020, AA REIT's aggregate leverage was 35.4%, which is well within the aggregate leverage limit of 50%, providing the REIT with more than adequate debt headroom to manage its capital structure. AA REIT's interest coverage ratio of approximately 3.8 times is also well above the minimum requirement of 2.5 times³. The Manager is closely monitoring AA REIT's cash flows and has taken various steps to conserve cash including prioritising critical asset enhancement, deferring uncommitted capital expenditure and implementing cost savings, where possible. As at 30 June 2020, AA REIT had cash balances of approximately S\$20.1 million and undrawn committed facilities of S\$183.8 million. The Manager remains focused on maintaining adequate cash reserves to effectively manage AA REIT's operations through the COVID-19 crisis.

"We continue to adopt a conservative approach during this time to maintain the strength of our overall portfolio, which is resilient in nature, and position ourselves for the next upcycle to continue delivering value to our Unitholders," shared Mr Koh.

Outlook

The Ministry of Trade and Industry, taking into account the significant deterioration in the economic environment as well as the expected economic impact of the Circuit Breaker measures, has downgraded Singapore's gross domestic product (GDP) growth forecast for 2020 to between -7.0% to -4.0%, from -4.0% to -1.0%.

Based on JTC Corporation's market report for 1Q 2020 released earlier on 23 April 2020, the occupancy rate of Singapore's overall industrial property market was unchanged at 89.2% compared to the previous quarter. For the next three quarters of 2020, around 2.1 million sqm of industrial space originally estimated to be completed, would likely be delayed due to the disruption in construction activities caused by the ongoing COVID-19 situation.

According to the Reserve Bank of Australia (RBA), the necessary social distancing restrictions and other containment measures that have been in place to control the COVID-19 pandemic have resulted in significant contraction in economic activity. As a result, the Australian economy is expected to record a contraction in GDP of approximately 10% over the first half of 2020. With the objective of keeping funding costs low and supporting the supply of credit to households and businesses, the RBA reduced its official cash rate to 0.25% in March 2020. Going forward, the RBA will maintain the current policy settings until progress is being made towards full employment and it is confident that inflation will be sustainably within the 2% to 3% target band.

³ The Monetary Authority of Singapore has deferred the new 2.5 times interest coverage ratio (ICR) requirement to 1 January 2022 in light of the current COVID-19 pandemic situation.

The Manager remains vigilant and will continue to proactively manage the portfolio to protect its long-term value for Unitholders.

Summary of AIMS APAC REIT Group results

	1Q FY2021	4Q FY2020	+/(-)	1Q FY2020	+/(-)
	S\$'000	S\$'000	%	S\$'000	%
Gross revenue	27,240	28,218	(3.5)	30,589	(10.9)
Net property income	18,629	20,513	(9.2)	22,941	(18.8)
Share of profits of joint venture (net of tax)	3,315	4,323	(23.3)	3,374	(1.7)
Distributions to Unitholders ⁽¹⁾	14,134	14,134	-	17,371	(18.6)
Distribution per Unit ("DPU") (cents)	2.00	2.00	-	2.50	(20.0)

Note:

- (1) The Manager resolved to distribute S\$14.1 million for 1Q FY2021, comprising (i) taxable income of S\$10.9 million from Singapore operations; and (ii) tax-exempt income and capital distribution of S\$3.2 million remitted from the Group's investment in Optus Centre, Macquarie Park, New South Wales, Australia and Boardriders Asia Pacific HQ in Gold Coast, Queensland, Australia. AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 1Q FY2021, the Manager has resolved to distribute 95.5% of the Singapore taxable income available for distribution to the Unitholders.

Distribution and Record Date

Distribution	For 1 April 2020 to 30 June 2020
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution ⁴
Distribution Rate	(a) Taxable Income Distribution: 1.54 cents per Unit (b) Tax-Exempt Income Distribution: 0.23 cents per Unit (c) Capital Distribution ⁴ : <u>0.23 cents per Unit</u> <u>2.00 cents per Unit</u>
Record Date	4 August 2020
Payment Date	17 September 2020

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⁴ This relates to the tax deferred component arising from the distributions remitted from the Group's investments in Australia.

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.