Media Release

AIMS APAC REIT SECURES
TEN-YEAR MASTER LEASE FOR ONGOING 3 TUAS AVENUE 2 REDEVELOPMENT

Singapore, 18 July 2019 – Further to its announcement on 17 May 2018, AIMS APAC REIT Management Limited (Manager) of AIMS APAC REIT (AA REIT) today announced it has successfully secured a master tenant for its property at 3 Tuas Avenue 2. The redevelopment of the property, which was originally projected to be completed in the second half of 2019, is now expected to be completed in the first half of 2020 due to redesigning of the property’s base-build to cater for the master tenant’s operational requirements. However, the redesigning of the property’s base-build will not have a material impact on the overall redevelopment cost of the property¹.

The master tenant, a global medical device company with headquarters in USA, will occupy the entire premises of approximately 268,000 sq ft upon completion. The tenant has committed to a ten-year master lease on a triple net lease basis, with rental escalations every two years during the initial term, and options to renew the lease for up to a further 20 years after the expiry of the initial ten-year term. The project development cost is estimated to be S$48.2 million and the property’s value on an “as-if-completed” basis is circa S$51.8 million². The property is expected to provide an approximate initial net property income yield of 7.3%³.

The Manager’s Chief Executive Officer Mr Koh Wee Lih said, “We are pleased to announce that we have reached an agreement to fully lease 3 Tuas Avenue 2 to the master tenant following completion of the ongoing redevelopment project. Securing a master tenant and catering for their specific operational needs is testament to AA REIT’s commitment in fostering strong tenant partnerships and dedication to active asset management.

“The Manager constantly looks for ways to optimise and strengthen AA REIT’s portfolio to ensure we can achieve long-term value creation for AA REIT’s Unitholders and build a high quality portfolio capable of evolving to meet the changing market and tenant needs.”

¹ The project contingencies of the redevelopment will be used to fund the redesigning of the property’s base build.
² Based on Savills Valuation And Professional Services (S) Pte Ltd’s valuation dated 31 March 2019.
³ NPI yield of 7.3% is based on estimated development cost of S$48.2 million.
As part of the design-and-build redevelopment project, 3 Tuas Avenue 2 will be transformed into a modern and versatile ramp-up industrial facility suitable for production and storage. The property is located right at the heart of the Jurong Industrial Estate, in close proximity to Tuas Crescent MRT station and two major expressways and is well-connected within the area and to the city.

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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 27 industrial 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 with an estimated total value of approximately S$1.5 billion as at 15 July 2019.


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.