



Shareholder Update - COVID-19 Pandemic
May 2020

As so many small and large businesses and the Australian community are grappling with the impacts of the COVID-19 Pandemic, it is timely for us to update our shareholders on the impact to AHC Limited. Whilst it has had a vast impact to the Australian economy by and large we have continued to operate, with only minor changes to our employees and the business operation thus far.

However, we have not been completely immune to the pandemic as 3 tenants at the Parkhurst Town Centre (12 Rounds Gym, Shine Nail Salon and Lucy's Massage) were forced to close following Federal Government guidelines and 2 voluntary closures (Breeze Hair & Beauty and Kerry's Barber) as a result of health-related concerns of the operators and their employees.

Breeze Hair & Beauty and Kerry's Barber recommenced operating in the last week of April with trading initially on a by-appointment basis. Lucy's Massage has reopened effectively 11th May and Shine Nail Salon will reopen on Saturday 16th May. 12 Rounds Gym remains closed in line with Federal Government guidelines.

With regards to rent relief and tenancy support, AHC Limited's approach to the COVID-19 pandemic has been wholly in line with the National Cabinet Code of Conduct (attached). Obviously due to the diverse tenancy mix we do have other impacted business such as Food and Beverage operators who are unable to offer dine in table service. We are grateful to these business operators who have shown great resilience in difficult times.

However, importantly we do also have businesses that have seen significant increases in trading as a result of panic buying including Woolworths, BWS, Priceline Pharmacy, Parkhurst Quality Meats, Berry Good Produce and Brumby's Bakery. AHC Limited Management have from the outset worked closely with all tenants to understand the impacts and what help, if any, they would require. Our approach was to support our tenants from the outset and has been lockstep in line with the guidelines offered or outlined by the Australian Federal Government.

This approach is continuing on a week-to-week basis and ongoing monthly until restrictions are lifted in full. There has been Federal Government assistance provided to business such as;

- Jobkeeper package
- Withholding tax (cash flow support)
- Loan deferrals from banks etc

We have provided information and support to all tenants but all have mostly informed AHC Management that they are working closely with their own accountants and advisers which is also reassuring that we have business astute tenants.

Encouragingly, what we have learned by working closely with our tenants is that business is good at the Parkhurst Town Centre and tenants are very satisfied with each individual business within the Centre. Like all business's they hope they can return to normal trading as soon as possible and at this point we can say that we will not lose any tenant as a result of COVID-19.

Unfortunately, however there is a downside. Whilst AHC Management have continued to grow the Centre year on year with the addition of new tenants, demand for retail leasing may now be subdued for the remainder of the year.

We remain hopeful of adding new businesses to the Centre in 2020, however it will be tougher than usual with likely competition and incentives offered at other centres as a result of vacancies.

A recent survey of all similar shopping centres in the Rockhampton region has confirmed that the Parkhurst Town Centre is doing as well as any in terms of leasing and COVID-19 impacted closures.



Finally, in terms of government assistance made available to AHC Limited, we have been able to obtain the following:

- Withholding tax (cashflow assistance)
- State Government Land tax waiver

We look forward to providing further updates later in the year but in the meantime hope everyone remains safe and well during these difficult times.

Rod MacLeod

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