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

SGX ANNOUNCEMENT

LAUNCH OF EQUITY FUND RAISING TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$100.0 MILLION

Principal Terms of the Issue	Description
Issue Price Range	: Between S\$1.214 and S\$1.249 for each New Unit under the Private Placement. Between S\$1.189 and S\$1.224 for each New Unit under the Preferential Offering.
Discount	: The Private Placement Issue Price Range represents a discount of between: (i) (for illustrative purposes only) approximately 4.0% and 6.7% to the Adjusted VWAP ¹ of S\$1.301 per Unit; and (ii) approximately 5.3% and 8.0% to the VWAP of S\$1.319 per Unit of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023, up to the time the Underwriting Agreement was signed on 31 May 2023. The Preferential Offering Issue Price Range represents a discount of between:

¹ The “Adjusted VWAP” is computed based on the volume weighted average price (“VWAP”) of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023 up to the time the Underwriting Agreement was signed on 31 May 2023 and subtracting the estimated Advanced Distribution (as defined in paragraph 10.1 below) of approximately 1.800 Singapore cents per Unit (being the mid-point of the estimated Advanced Distribution Range (as defined in paragraph 10.1 below)). The amount of Advanced Distribution is an estimate only based on information currently available to the Manager and the Manager’s estimate of AA REIT’s revenue and expenses for the relevant period on a *pro rata* basis and the actual Advanced Distribution may differ and will be announced by the Manager in due course. “Market Day” refers to a day on which the SGX-ST is open for securities trading.

- (i) (for illustrative purposes only) approximately 5.9% and 8.6% to the Adjusted VWAP of S\$1.301 per Unit; and
- (ii) approximately 7.2% and 9.9% to the VWAP of S\$1.319 per Unit of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023, up to the time the Underwriting Agreement was signed on 31 May 2023.

The Preferential Offering Issue Price Range and the Preferential Offering Issue Price Range Discount have been determined after taking into account precedent transactions, the transaction size and discussions with the Joint Bookrunners and Underwriters.

Allotment Ratio : Between 34 New Units for every 1,000 existing Units to be held as at the Preferential Offering Record Date and 35 New Units for every 1,000 existing Units to be held as at the Preferential Offering Record Date.

The allotment ratio for the Preferential Offering will be announced by the Manager via SGXNET once the Preferential Offering Issue Price has been determined.

Use of Proceeds : Please refer to paragraph 3 below.

Purpose of Issue : Please refer to paragraphs 3 and 4 below.

Previous Equity Fund Raising : AA REIT has not undertaken any equity fund raising exercise in the last 12 months prior to the date of this announcement.

1. INTRODUCTION

AIMS APAC REIT Management Limited, in its capacity as manager of AIMS APAC REIT (“**AA REIT**”, and the manager of AA REIT, the “**Manager**”), is proposing an equity fund raising of new units in AA REIT (“**Units**”, and such new Units, the “**New Units**”) to raise gross proceeds of approximately S\$100.0 million by way of:

- (i) a private placement (the “**Private Placement**”) of between 56,044,000 and 57,660,000 New Units at an issue price of between S\$1.214 and S\$1.249 per New Unit (the “**Private Placement Issue Price Range**”), to raise gross proceeds of approximately S\$70 million; and
- (ii) a non-renounceable preferential offering of up to 25,376,361 New Units to existing Eligible Unitholders (as described in paragraph 8 below) at an issue price of between S\$1.189 and S\$1.224 per New Unit (the “**Preferential Offering Issue Price Range**”) (fractions of a New Unit to be disregarded), to raise gross proceeds of approximately S\$30 million (the “**Preferential Offering**”),

(together, the “**Equity Fund Raising**”).

2. DETAILS OF THE EQUITY FUND RAISING

DBS Bank Ltd., Maybank Securities Pte. Ltd. and RHB Bank Berhad have been appointed as the joint bookrunners and underwriters for the Equity Fund Raising (the “**Joint Bookrunners and Underwriters**”) on the terms and subject to the conditions of the underwriting agreement entered into on 31 May 2023 between the Manager and the Joint Bookrunners and Underwriters (the “**Underwriting Agreement**”).

The Equity Fund Raising shall be subject to the terms and conditions set out in the Underwriting Agreement, under which each Joint Bookrunner and Underwriter has severally (and not jointly or jointly and severally) agreed to procure subscriptions for or place out, as applicable, and payment for, and failing which to subscribe and to pay for, (i) the New Units under the Private Placement and (ii) the New Units under the Preferential Offering less the New Units which are the subject of the Sponsor Irrevocable Undertaking (as defined in paragraph 9 below). The Equity Fund Raising shall also be subject to certain conditions precedent set out in the Underwriting Agreement, including the approval in-principle of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of, dealing in, and quotation for, the New Units on the Main Board of the SGX-ST.

The Private Placement Issue Price Range represents a discount of between:

- (i) (for illustrative purposes only) approximately 4.0% and 6.7% to the adjusted volume weighted average price (“**Adjusted VWAP**”)² of S\$1.301 per Unit; and
- (ii) approximately 5.3% and 8.0% to the VWAP of S\$1.319 per Unit of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023, up to the time the Underwriting Agreement was signed on 31 May 2023.

The Preferential Offering Issue Price Range represents a discount (the “**Preferential Offering Issue Price Range Discount**”) of between:

- (i) (for illustrative purposes only) approximately 5.9% and 8.6% to the Adjusted VWAP of S\$1.301 per Unit; and
- (ii) approximately 7.2% and 9.9% to the VWAP of S\$1.319 per Unit of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023, up to the time the Underwriting Agreement was signed on 31 May 2023.

The issue price per New Unit for the Private Placement (the “**Private Placement Issue Price**”) will be determined by the Manager and the Joint Bookrunners and Underwriters following a book-building process, and will be announced by the Manager thereafter via SGXNET. The issue price

² The “**Adjusted VWAP**” is computed based on the volume weighted average price (“**VWAP**”) of all trades in the Units done on the SGX-ST for the preceding Market Day on 30 May 2023 up to the time the Underwriting Agreement was signed on 31 May 2023 and subtracting the estimated Advanced Distribution (as defined in paragraph 10.1 below) of approximately 1.800 Singapore cents per Unit (being the mid-point of the estimated Advanced Distribution Range (as defined in paragraph 10.1 below)). The amount of Advanced Distribution is an estimate only based on information currently available to the Manager and the Manager’s estimate of AA REIT’s revenue and expenses for the relevant period on a *pro rata* basis and the actual Advanced Distribution may differ and will be announced by the Manager in due course. “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

per New Unit for the Preferential Offering (the “**Preferential Offering Issue Price**”) will be determined once the Private Placement Issue Price and the number of New Units have been determined.

In relation to the Preferential Offering, AIMS APAC Capital Holdings Limited (“**AACH**”) has provided an irrevocable undertaking to the Manager and the Joint Bookrunners and Underwriters, the details of which are set out in paragraph 9 below.

3. USE OF PROCEEDS

Subject to relevant laws and regulations, on the basis that the Manager will raise gross proceeds of approximately S\$100.0 million from the Equity Fund Raising, the Manager intends to use the gross proceeds in the following manner:

- (a) approximately S\$32.0 million (which is equivalent to approximately 32.0% of the gross proceeds of the Equity Fund Raising) to partially or wholly fund the asset enhancement initiatives (“**AEIs**”) for two of AA REIT’s properties in Singapore, which the Manager has identified (collectively, the “**Identified AEIs**”);
- (b) approximately S\$65.2 million (which is equivalent to approximately 65.2% of the gross proceeds of the Equity Fund Raising) to partially or wholly fund any AEIs other than the Identified AEIs, re-developments of the properties owned by AA REIT and potential acquisitions, as well as pare down AA REIT’s existing debt to keep AA REIT’s aggregate leverage within the desired range; and
- (c) approximately S\$2.8 million (which is equivalent to approximately 2.8% of the gross proceeds of the Equity Fund Raising) to pay the estimated professional and other fees and expenses incurred or to be incurred by AA REIT in connection with the Equity Fund Raising.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, for funding capital expenditures and working capital.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in AA REIT’s announcements on the use of proceeds and in AA REIT’s annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds from the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4. RATIONALE FOR THE EQUITY FUND RAISING

AA REIT has consistently delivered on its active development and asset enhancement strategy to unlock portfolio value organically, while undertaking strategic yield accretive acquisitions to augment AA REIT's growth and deliver long-term sustainable returns for the unitholders of AA REIT (“**Unitholders**”).

Since 2009, AA REIT has completed six development projects, five AEs and four strategic acquisitions, growing the portfolio valuation by more than four times from S\$530.3 million as of 31 March 2009 to S\$2.2 billion as at 31 March 2023. These initiatives, accounting for approximately three-quarters of portfolio value, have transformed, rejuvenated and future-proofed AA REIT's portfolio, which now comprises of modern logistics and warehouse properties, high-specifications industrial buildings and Grade-A business park assets and formed a strong foundation for AA REIT. As a result, AA REIT has continued to benefit from sustained demand from leading global, regional and national companies across a range of resilient and defensive industries such as logistics, food and consumer staples, data centre, telecommunication, health care and life sciences. This has led to a record high portfolio occupancy of 98.0% as at 31 March 2023, positive rental reversion of 18.5% for the financial year ended 31 March 2023 (“**FY2023**”) and full year distribution per Unit growth of 5.1% for FY2023.

The Equity Fund Raising will benefit AA REIT via:

- (i) unlocking greater value organically through active enhancement and re-development strategy;
- (ii) enhancing financial flexibility to pursue growth opportunities through targeted acquisitions;
- (iii) greater alignment of interests between AACH and the Relevant AIMS Entities (as defined in paragraph 9 below) (collectively, the “**Sponsor Group**”), and Unitholders; and
- (iv) diversification and enlargement of the Unitholder base leading to improvement of trading liquidity.

4.1 **Unlocking greater value organically through active enhancement and re-development strategy**

Embark on AEs and re-developments to optimise portfolio and drive rental income growth

AA REIT has approximately 500,000 square feet (“**sq ft**”) of gross floor area (“**GFA**”) available for development in Singapore and up to 1.5 million sq ft of GFA available for development in Australia.

In line with its proactive asset enhancement strategy, the Manager has identified AEs for two of AA REIT's properties in Singapore (being the Identified AEs). The Manager's targeted stabilised net property income (“**NPI**”) yield of each of the two properties, which are the subject of the

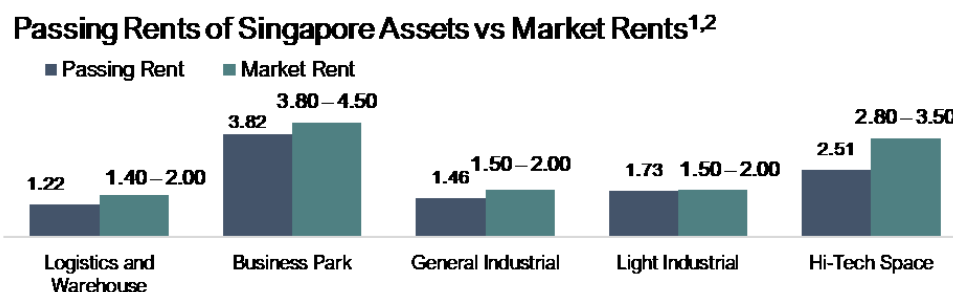
Identified AEIs, is approximately 7.0% to 8.0%³, and is higher than AA REIT's Singapore NPI yield⁴ of 6.6%⁵.

The Identified AEIs are expected to commence in the second half of the calendar year ending 31 December 2023 and involve (i) negotiations with a master tenant to carry out a building upgrade of a logistics and warehouse asset and (ii) the progressive re-positioning of an industrial asset via targeted building upgrades to capture strong positive rental reversion upside of more than 30%⁶.

The upgrade and modernisation of these properties will improve building specifications, services and amenities that are expected to attract quality tenants at higher contracted rents and on long-lease terms which will generate stable and sustainable returns. This would lift earnings and potentially lead to higher property valuations.

With a portfolio of high-quality and modernised assets, the Manager is better positioned to capitalise on the strong rental growth for prime logistics properties in Singapore which is expected to persist driven by underlying demand from third-party logistics players, as well as tight supply and low rental base. Modern and high-tech industrial properties are also expected to record rental growth as they meet evolving business requirements and sustainability targets of tenants⁷.

There is potential rental uplift for the modern logistics and warehouse properties and high specifications industrial properties:



Notes:

- (1) Passing rents and market rents figures relate to AA REIT's properties located in Singapore as AA REIT's properties located in Australia are on long lease terms of between eight to 10 years.
- (2) Market rents are based on the Manager's estimates.

³ Stabilised NPI yield refers to the NPI derived from the property in the stabilised year as a percentage of the latest valuation as at 31 March 2023 plus (where applicable) the construction costs for AEI or re-developments. This is the Manager's targeted stabilised NPI yield which it used to evaluate the Identified AEIs, assuming that the construction costs for the Identified AEIs are approximately S\$32 million. The actual stabilised NPI yield may be different and this figure does not constitute and should not be used as a forecast or a forward-looking projection of the estimated stabilised NPI yield for the Identified AEIs and the Manager will not be held accountable to achieving this targeted stabilised NPI yield.

⁴ NPI yield refers to NPI as a percentage of the latest valuation as at 31 March 2023 plus (where applicable) the construction costs for AEI or re-developments.

⁵ Based on AA REIT's latest announced financial results for FY2023.

⁶ Based on JTC Corporation industrial property statistics (which is available on the website of JTC Corporation at <https://stats.jtc.gov.sg>) for the district.

⁷ Source: Cushman & Wakefield's report titled "Industrial Marketbeat Report" published on 11 April 2023 which is available on the website of Cushman & Wakefield at <https://www.cushmanwakefield.com/en/singapore/insights/singapore-marketbeat/industrial-marketbeat-report> (last accessed on 29 May 2023). Cushman & Wakefield has not provided its consent to the inclusion of the information extracted from its report in this announcement and Cushman & Wakefield is not responsible for the information extracted from its report in this announcement.

The Manager is also currently evaluating the re-development of an industrial asset situated within the JTC Food Zone in Singapore. The site currently has an underutilised plot ratio of 1.3 times against the maximum allowable plot ratio of 2.5 times, presenting an opportunity to increase its GFA by up to 90%.

Leverage proven track record of the Manager to enhance portfolio resilience

The Manager has to-date developed over approximately 2.8 million sq ft of logistics, warehouse and high-specifications industrial space and achieved an average stabilised NPI yield of 8.0% for its AEs and re-development projects in Singapore.

The Manager’s track record in asset enhancements and re-developments is as follows:






Note:

(1) For 23 Tai Seng Drive, valuation uplift is derived based on comparison between the valuations of 23 Tai Seng Drive as at 30 September 2022 and 31 March 2023.

Besides modernising and future-proofing AA REIT’s portfolio, the Manager’s proactive asset management strategy has enhanced AA REIT’s portfolio resilience and resulted in consistently high occupancy, high tenant retention and strong rental uplift.

Selected AEI and re-development case studies are as follows:

		
Repositioning of property into a modern and energy efficient hi-tech facility	Transformation of a 20-year-old building into a modern light industrial building	Transformation of a 40-year-old warehouse into a high-specs four-storey ramp-up industrial facility
Location 29 Woodlands Industrial Park E1, NorthTech, Singapore	Location 23 Tai Seng Drive, Singapore	Location 3 Tuas Avenue 2, Singapore
Cost & Post NPI Yield ~S\$13.0 million and 8.4%	Cost & Post NPI Yield ~S\$1.6 million and 9.9%	Cost & Post NPI Yield ~S\$45.2 million and 8.4%
Description Upgrades to drop-off porches, passenger lift lobbies and lift interiors, toilets, signage, external landscaping, and the air-conditioning system	Description Creation of new building façade with new vehicular drop-off area, energy efficient light fittings, rejuvenated lift lobbies, and upgraded fire system	Description Property was redeveloped on a speculative basis to a modern specifications and flexible configuration that can cater to a diverse tenant base.
Tenant Illumina, global leader in the life science industry (human genome)	Tenant Racks Central, a national data centre operator	Tenant ResMed, leading global manufacturer in sleep apnea therapy
Value Creation <ul style="list-style-type: none"> Anchor tenant increased its leasable area from 13.7% of NLA⁽¹⁾ to 97.3% of NLA⁽²⁾ Secured 10-year renewal lease from anchor tenant in 2022 Property value increased by 14.2% or S\$14.5 million 	Value Creation <ul style="list-style-type: none"> 7-year master-lease agreement secured Enhancement of NLA by 31.8% Property value increased by 32.0% or S\$9.4 million 	Value Creation <ul style="list-style-type: none"> Secured a 10-year master-lease agreement building's completion Increased plot ratio from 0.92 to 1.40. Enhancement of GFA by 52.2%

Notes:

(1) As of January 2011.

(2) As of 31 March 2023.

4.2 Enhancing financial flexibility to pursue growth opportunities through targeted acquisitions

The Manager adopts a disciplined approach to capital management. As at 31 March 2023, AA REIT had no debt maturing through the financial year ending 31 March 2024 (“FY2024”). 88%⁸ of AA REIT’s borrowings are on fixed rates which enhances AA REIT’s resilience in the current economic situation.

On a *pro forma* basis and strictly for illustrative purposes only⁹, assuming that the Equity Fund Raising was completed on 31 March 2023, the aggregate leverage of AA REIT as at 31 March 2023 would decrease from 36.1% before the Equity Fund Raising to 32.8% after the Equity Fund Raising and the assumed use of proceeds⁹. Based on an aggregate leverage of 32.8% on a *pro forma* basis, AA REIT would have the lowest aggregate leverage amongst the industrial Singapore real estate investment trusts (“S-REITs”)¹⁰.

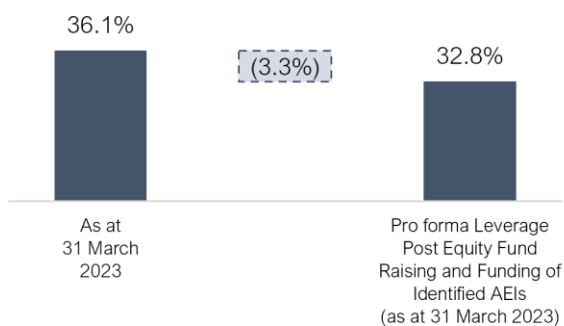
Based on an illustrative aggregate leverage of 40%, this would provide for a resultant debt headroom of approximately S\$275 million. With no refinancing requirements up to FY2024, the resultant debt headroom would provide AA REIT with growth capital and the financial flexibility to act decisively on opportunistic acquisitions, re-development opportunities and AEIs that meet AA REIT’s investment criteria and provide long-term sustainable returns.

⁸ Including forward interest rate swaps.

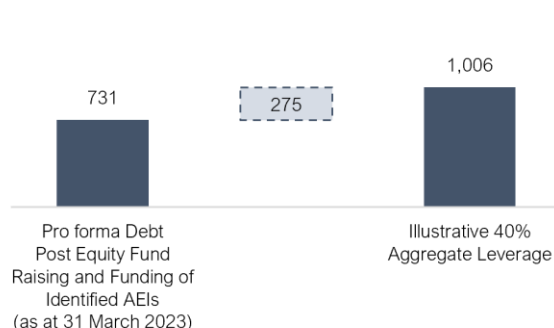
⁹ Based on AA REIT’s latest announced financial results for FY2023 and assuming net proceeds of the Equity Fund Raising of approximately S\$100 million less transaction costs of approximately S\$2.8 million, of which S\$32 million is used to fund the Identified AEIs on 31 March 2023 and S\$65.2 million is used to repay debt facilities on 31 March 2023.

¹⁰ *Pro forma* aggregate leverage of industrial S-REIT peers based on latest publicly available information of industrial S-REIT peers with market capitalisations of above S\$500 million as at 30 May 2023.

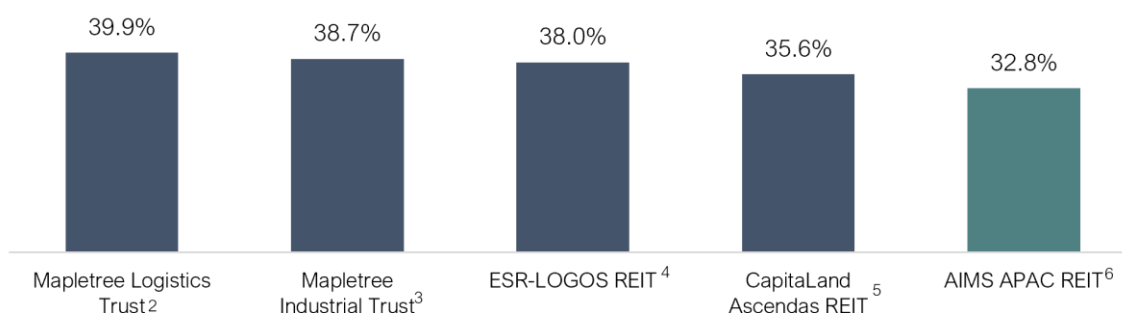
Reduction of aggregate leverage



Increase debt headroom (S\$ million)



Lowest aggregate leverage amongst the industrial S-REITs¹



Notes:

- (1) *Pro forma* aggregate leverage of industrial S-REIT peers based on latest publicly available information of industrial S-REIT peers with market capitalisations of above S\$500 million as at 30 May 2023.
- (2) Please refer to the announcement of Mapletree Logistics Trust dated 30 March 2023 titled “The Proposed Acquisitions of 8 Logistics Assets Located in Japan, Australia and South Korea; the Potential Acquisition of 2 Logistics Assets Located in the People’s Republic of China; and the Potential Divestment of a Property in Hong Kong SAR” for further details, including assumptions in relation to this figure. Based on such announcement, figure prepared on a *pro forma* basis based on certain assumptions strictly for illustrative purposes only.
- (3) Please refer to the announcement of Mapletree Industrial Trust dated 25 May 2023 titled “The Proposed Acquisition of a Data Centre Asset in Osaka, Japan” for further details, including assumptions in relation to this figure. Based on such announcement, figure prepared on a *pro forma* basis based on certain assumptions strictly for illustrative purposes only.
- (4) Please refer to the announcement of ESR-LOGOS REIT dated 16 February 2023 titled “Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less Than Approximately S\$300.0 Million” for further details, including assumptions in relation to this figure. Based on such announcement, figure prepared on a *pro forma* basis based on certain assumptions strictly for illustrative purposes only.
- (5) Please refer to the announcement of CapitaLand Ascendas REIT dated 16 May 2023 titled “Launch of Private Placement to Raise Gross Proceeds of No Less Than Approximately S\$450.0 Million” for further details, including assumptions in relation to this figure. Based on such announcement, figure prepared on a *pro forma* basis based on certain assumptions strictly for illustrative purposes only.
- (6) After the Equity Fund Raising and the assumed use of proceeds⁹, on a *pro forma* basis as described above.

Leverage on the Manager’s strong track record in undertaking targeted acquisitions




The Manager continually explores investment opportunities across the various industrial asset classes (industrial, logistics and warehouse and business parks) in Singapore and Australia that

will provide AA REIT with sustainable long-term total returns. The Manager adopts a disciplined approach to its investment with the following investment criteria:

- (i) high-quality asset with modern building specifications;
- (ii) strong tenant profile and covenants;
- (iii) long-term leases with built-in rental escalations;
- (iv) strategic location with established or improving infrastructure;
- (v) future upside potential such as rental growth and/or future enhancement or re-development; and
- (vi) attractive risk-adjusted returns.

The Manager has a strong track record of sourcing acquisitions as well as deploying capital. Over the past five years, AA REIT has undergone transformative growth via the completion of three quality acquisitions across the various industrial asset classes (industrial, logistics and warehouse and business parks) in Singapore and Australia.

AA REIT's acquisitions since 2019 to present are as follows:

July 2019 Boardriders Asia Pacific HQ, Australia A\$38.5 million	October 2020 7 Bulim Street, Singapore S\$130 million	November 2021 Woolworths HQ, Australia A\$463 million
 <ul style="list-style-type: none"> ▪ Freehold light industrial asset at 7.8% NPI yield ▪ Tenant is a global leading action sports and lifestyle company ▪ 12 years¹ triple-net lease with 3.0% fixed annual escalations 	 <ul style="list-style-type: none"> ▪ Modern ramp-up logistics asset at 7.1% NPI yield ▪ Strategically located in Jurong Innovation District Tenant is a wholly-owned subsidiary of Japanese railway holding company Kintetsu Group (10-year master lease with balance of 4 years¹) ▪ Currently in advanced negotiations to renew master lease for another 5 years 	 <ul style="list-style-type: none"> ▪ Freehold business park at 5.2% NPI yield ▪ Strategically located to benefit from future infrastructure investment and urban regeneration ▪ 10-year¹ triple-net lease to Australia's largest supermarket retailer with 2.75% fixed annual escalations ▪ Potential to increase GFA by 3 times under current planning rules

Note:

(1) Information is as at the date of the relevant acquisition announcement of AA REIT.

4.3 Greater alignment of interests between the Sponsor Group and the Unitholders

To demonstrate its support for AA REIT and the Equity Fund Raising, AACH, which, together with the Relevant AIMS Entities, owns an aggregate interest of approximately 10.35% of the total number of Units in issue as at the date of this announcement, has provided an irrevocable undertaking in respect of (i) the Sponsor Group's Allotted Preferential Offering Units (as defined in paragraph 9 below) and (ii) such number of Excess New Units (as defined in paragraph 7 below)

under the Preferential Offering above the Allotted Preferential Offering Units which are not taken up by other Unitholders, such that the total value of the Allotted Preferential Offering Units and the Excess New Units subscribed for by AACH and/or the Relevant AIMS Entities would amount to up to S\$15.0 million. Please refer to paragraph 9 below for details of the irrevocable undertaking which AACH has provided to the Manager and the Joint Bookrunners and Underwriters in relation to the Preferential Offering.

The excess applications are intended to demonstrate the Sponsor Group's commitment to AA REIT and facilitate greater alignment of interests between the Sponsor Group and the Unitholders. For illustrative purposes, assuming gross proceeds of the Private Placement of approximately S\$70 million and gross proceeds of the Preferential Offering of approximately S\$30 million, should the total value of the Allotted Preferential Offering Units and the Excess New Units subscribed for by AACH and/or the Relevant AIMS Entities amount to S\$15.0 million, the Sponsor Group's unitholding would increase from approximately 10.35% as at the date of this announcement to approximately 10.82%¹¹.

This commitment also showcases the Sponsor Group's continued conviction in AA REIT and its growth trajectory over the long term.

4.4 Diversification and enlargement of the Unitholder base leading to improvement of trading liquidity

The Equity Fund Raising is also expected to diversify AA REIT's Unitholder base with new investors via the Private Placement, as well as to allow existing Unitholders to participate in the trajectory of AA REIT via the Preferential Offering. Together, the Equity Fund Raising and enlarged Unitholder base are expected to improve the trading liquidity of AA REIT.

On a *pro forma* basis and strictly for illustrative purposes only¹², assuming that the Equity Fund Raising was completed on the date of this announcement and after adjusting for the gross proceeds of the Equity Fund Raising, the adjusted market capitalisation of AA REIT as at the date of this announcement would increase from approximately S\$949.8 million¹³ to approximately S\$1,049.8 million. The New Units to be issued pursuant to the Equity Fund Raising would increase AA REIT's total Units in issue as at the date of this announcement from 725,038,894 Units before the Equity Fund Raising to 806,738,239 Units¹⁴ after the Equity Fund Raising, representing an approximate 11.3% increase in Units issued.

Similarly, on a *pro forma* basis and strictly for illustrative purposes, assuming that the Equity Fund Raising was completed on 23 May 2023, the free float of AA REIT, being the Units held by all Unitholders of AA REIT save for Units held by the directors of the Manager (the "**Directors**") and substantial Unitholders of AA REIT, as at 23 May 2023 is expected to increase from approximately

¹¹ Assuming that the Equity Fund Raising was completed on the date of this announcement. Based on approximately 81.7 million New Units issued in connection with the Equity Fund Raising at an illustrative issue price of S\$1.224 per New Unit.

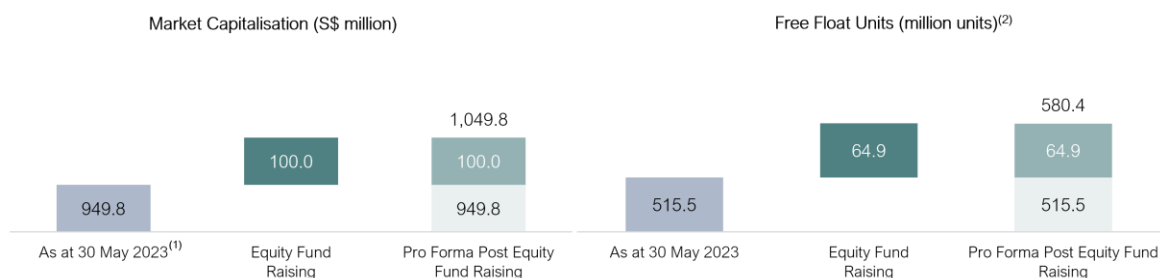
¹² Based on AA REIT's latest announced financial results for FY2023 and assuming gross proceeds of the Private Placement of approximately S\$70 million and gross proceeds of the Preferential Offering of approximately S\$30 million.

¹³ Market capitalisation is computed based on 725,038,894 Units in issue as at the date of this announcement and closing Unit price of S\$1.310 as at 30 May 2023.

¹⁴ Based on approximately 81.7 million New Units issued in connection with the Equity Fund Raising at an illustrative issue price of S\$1.224 per New Unit.

515,519,739 Units before the Equity Fund Raising to approximately 580,417,243 Units¹⁵ after the Equity Fund Raising, representing an approximate 12.6% increase in the free float. The higher free float, consequently higher trading liquidity and a larger investor base may lead to a positive re-rating of its Unit price to benefit all Unitholders.

The Equity Fund Raising is envisaged to improve AA REIT's liquidity and market capitalisation, further cementing AA REIT's place in the FTSE EPRA NAREIT Global Developed Index since joining the index in September 2021.



Notes:

- (1) Market capitalisation is computed based on 725,038,894 Units in issue as at the date of this announcement and closing Unit price of S\$1.310 as at 30 May 2023.
- (2) Free float of AA REIT, being the Units held by all Unitholders of AA REIT save for Units held by the Directors and substantial Unitholders of AA REIT, as at 23 May 2023.

5. AUTHORITY TO ISSUE NEW UNITS

The Manager will be relying on the general mandate obtained at AA REIT's annual general meeting held on 26 July 2022 for the issue of the New Units pursuant to the Equity Fund Raising.

6. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of New Units under the Private Placement will be made to eligible institutional, accredited and other investors.

The New Units to be offered under the Private Placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or jurisdiction of the United States of America (the "**United States**"), or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state or local laws.

¹⁵ Based on (i) approximately 81.7 million New Units issued in connection with the Equity Fund Raising at an illustrative issue price of S\$1.224 per New Unit, (ii) all other substantial Unitholders as at 23 May 2023 other than the Sponsor Group taking up their total provisional allotment of the New Units under the Preferential Offering and (iii) the total value of the Allotted Preferential Offering Units and the Excess New Units subscribed for by AACH and/or the Relevant AIMS Entities amounting to S\$15.0 million.

The Manager, along with the Joint Bookrunners and Underwriters, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

7. DETAILS OF THE PREFERENTIAL OFFERING

In connection with the Preferential Offering, the Manager intends to issue up to 25,376,361 New Units to Eligible Unitholders at the Preferential Offering Issue Price in order to raise gross proceeds of approximately S\$30 million.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotments of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. Each Eligible Unitholder will be provisionally allotted the New Units under the Preferential Offering on the basis of their unitholdings in AA REIT as at 5.00 p.m. on 9 June 2023 (the “**Preferential Offering Record Date**”). In this regard, fractions of a New Unit will be disregarded.

Eligible Unitholders are at liberty to accept or decline their provisional allotments of New Units and are eligible to apply for additional New Units in excess of their provisional allotments under the Preferential Offering (“**Excess New Units**”). Eligible Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (i) provisional allotments of New Units or (ii) eligibility to apply for Excess New Units.

The New Units represented by the provisional allotments of (i) Eligible Unitholders who decline or do not accept, in full or in part, their provisional allotments of New Units under the Preferential Offering and/or (ii) ineligible Unitholders, may be issued to satisfy applications for Excess New Units as the Manager may, in its absolute discretion, deem fit. In the allotment of Excess New Units, preference will be given to the rounding of odd lots. Directors of the Manager and substantial Unitholders who have control or influence over AA REIT or the Manager in connection with the day-to-day affairs of AA REIT or the Manager or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors will rank last in priority for the rounding of odd lots and allotment of Excess New Units.

8. ELIGIBILITY TO PARTICIPATE IN THE PREFERENTIAL OFFERING

Eligible Unitholders. Only Eligible Depositors (as defined below) and Eligible QIBs (as defined below) are eligible to participate in the Preferential Offering.

Eligible Depositors. “**Eligible Depositors**” are Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited (“**CDP**”) as at the Preferential Offering Record Date and (i) whose registered addresses with CDP are in Singapore as at the Preferential Offering Record Date; or (ii) who have at least three Market Days prior to the Preferential Offering Record Date provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

Eligible QIBs. “**Eligible QIBs**” are qualified institutional buyers (as defined in Rule 144A under the Securities Act) that meet certain requirements which will be specified in the Instruction Booklet (as defined below).

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation in jurisdictions outside of Singapore, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore, and who have not, at least three Market Days prior to the Preferential Offering Record Date, provided CDP with addresses in Singapore for the service of notices and documents. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Record Date.

Details of the Preferential Offering and procedures for acceptance of and payment of provisional allocations of New Units under the Preferential Offering by Unitholders whose registered addresses with CDP are in Singapore will be set out in an instruction booklet to be despatched to Eligible Unitholders in due course (the “**Instruction Booklet**”). A further announcement on the despatch will be made by the Manager at the appropriate time.

For the avoidance of doubt, even if a Unitholder has provided a Singapore address as aforesaid, the offer of New Units under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore. The Manager, along with the Joint Bookrunners and Underwriters, reserves the absolute discretion whether to allow such participation as well as the persons who may be allowed to do so.

Notwithstanding the foregoing, the Manager may in its sole discretion determine whether to allow the participation in the Preferential Offering by Unitholders who are located, resident or with a registered address outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdiction.

The New Units to be offered under the Preferential Offering have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws.

9. COMMITMENT BY AACH

To demonstrate its support for AA REIT and the Equity Fund Raising, AACH, which, together with AIMS Financial Holding Limited, AIMS APAC REIT Management Limited, AIMS Fund Management (Cayman) Limited, AIMS Fund Management Limited as responsible entity of the AIMS Property Securities Fund and AIMS Real Estate Funds Limited as responsible entity of the AIMS Total Return Fund (the “**Relevant AIMS Entities**”), owns an aggregate interest in 75,013,401 Units, which is equivalent to approximately 10.35% of the total number of Units in issue as at the date of this announcement, has provided an irrevocable undertaking to the Manager and the Joint Bookrunners and Underwriters (the “**Sponsor Irrevocable Undertaking**”) that, subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST):

- (i) in accordance with the terms and conditions of the Preferential Offering and in any case by no later than the last day and time for acceptance and payment of the New Units under the Preferential Offering, AACH will accept, and procure that the Relevant AIMS Entities accept, subscribe and pay in full for, its and the Relevant AIMS Entities' total provisional allotment of the New Units under the Preferential Offering (the "**Allotted Preferential Offering Units**"); and
- (ii) AACH will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Preferential Offering and in any case by no later than the last day and time for acceptance and payment of the New Units under the Preferential Offering, make applications for, and/or procure that the Relevant AIMS Entities make applications for, such number of Excess New Units under the Preferential Offering above the Allotted Preferential Offering Units which are not taken up by other Unitholders, and subscribe and pay in full for such Excess New Units allotted to AACH and/or the Relevant AIMS Entities, such that the total value of the Allotted Preferential Offering Units and the Excess New Units subscribed for by AACH and/or the Relevant AIMS Entities would amount to up to S\$15.0 million.

10. STATUS OF THE NEW UNITS

10.1 Entitlement to Advanced Distribution

AA REIT's policy is to distribute its distributable income on a quarterly basis to Unitholders. On 5 May 2023, the Manager announced a quarterly distribution of 2.654 Singapore cents per Unit for the period from 1 January 2023 to 31 March 2023.

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue on the day immediately prior to the date on which the New Units pursuant to the Private Placement are issued ("**Existing Units**"), an advanced distribution for the period from 1 April 2023 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the "**Advanced Distribution**").

The quantum of distribution per Unit under the Advanced Distribution is currently estimated to be between 1.700 Singapore cents and 1.900 Singapore cents (the "**Advanced Distribution Range**")¹⁶. A further announcement on the actual quantum of distribution per Unit (which may differ from the estimate above) under the Advanced Distribution will be made by the Manager in due course.

The New Units to be issued pursuant to the Private Placement are expected to be issued on or around 12 June 2023. The Advanced Distribution is intended to ensure that the distributable income accrued by AA REIT up to the day immediately preceding the date of issue of the New Units pursuant to the Private Placement (which at this point, will be entirely attributable to the Existing

¹⁶ This range is an estimate only based on information currently available to the Manager and the Manager's estimate of AA REIT's revenue and expenses for the relevant period on a *pro rata* basis and the actual Advanced Distribution may differ and will be announced by the Manager in due course. The actual quantum of the distribution will be announced on a later date after the closure of the Transfer Books and Register of Unitholders.

Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise AA REIT's distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 30 June 2023 (the "**Relevant Period Distribution**"). Quarterly distributions will resume thereafter.

10.2 Status of New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, other than in respect of the Advanced Distribution and the eligibility to participate in the Preferential Offering.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution and will not be eligible to participate in the Preferential Offering.

10.3 Status of New Units issued pursuant to the Preferential Offering

The New Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering, including the right to the Relevant Period Distribution as well as all distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Preferential Offering will not be entitled to the Advanced Distribution.

11. STATEMENT BY THE BOARD

As at the date of this announcement, the Directors are of the opinion that, after taking into consideration AA REIT's internal resources and its available loan facilities, the working capital available to AA REIT is sufficient to meet its present requirements. However, the Directors are of the view that it would be more prudent in the current economic situation to partially or wholly fund any AELs, re-developments, and potential acquisitions, as well as to pare down existing debt, with the proceeds raised from the Equity Fund Raising. This will ensure that AA REIT's aggregate leverage remains within the desired range.

After taking into consideration, *inter alia*, the rationale for the Equity Fund Raising as set out in paragraph 4 above, the Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of raising funds to partially or wholly fund any AELs, re-developments of the properties owned by AA REIT and potential acquisitions, as well as pare down AA REIT's existing debt to keep AA REIT's aggregate leverage within the desired range. Further, the Preferential Offering allows existing Unitholders the opportunity to participate in the Equity Fund Raising through subscription of their *pro rata* New Units entitlements under the Preferential Offering. Having considered the reasons set out in this paragraph, including the factors taken into account in arriving at the Preferential Offering Issue Price Range Discount, the Directors are of the view that the Equity Fund Raising is in the interest of AA REIT.

12. APPROVAL IN-PRINCIPLE

Approval in-principle for the New Units has been obtained from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of the New Units to be issued pursuant to the Equity Fund Raising.

The SGX-ST's approval in-principle is subject to, *inter alia*, compliance with the SGX-ST's listing requirements. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Equity Fund Raising, the New Units to be issued pursuant to the Equity Fund Raising, AA REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this announcement. The SGX-ST's in-principle approval is subject to the following:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) a valid Unit issue mandate being available and sufficient for the allotment and issue of the New Units under the Equity Fund Raising;
- (iii) a written undertaking from the Manager that it will comply with Rules 704(30) and 1207(20) of the Listing Manual of the SGX-ST (the "**Listing Manual**") in relation to the use of the proceeds from the Equity Fund Raising and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in AA REIT's announcements on use of proceeds and in the annual report;
- (iv) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess New Units under the Preferential Offering;
- (v) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking Unitholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under the undertakings;
- (vi) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;
- (vii) a written undertaking from the Joint Bookrunners and Underwriters that they will ensure that the Manager complies with Rule 803 of the Listing Manual;
- (viii) a written confirmation from the Manager that it will not issue the New Units under the Private Placement to persons prohibited under Rule 812(1) of the Listing Manual;
- (ix) a written confirmation from the Joint Bookrunners and Underwriters that the New Units under the Private Placement will not be placed out to persons under Rule 812(1) of the Listing Manual; and
- (x) the New Units to be issued pursuant to the Equity Fund Raising shall be at a price that represents a discount of not more than 10% to the weighted average price of the Units of AA REIT for trades done on the SGX-ST for the full market day on which the Underwriting

Agreement is signed, or if trading in the Units is not available for a full market day, for the preceding market day up to the time the Underwriting Agreement is signed.

13. INDICATIVE TIMETABLE

Launch of the Private Placement	:	Wednesday, 31 May 2023
Close of the Private Placement	:	Thursday, 1 June 2023
Record Date for entitlement to the Advanced Distribution and eligibility to participate in the Preferential Offering	:	Friday, 9 June 2023 at 5.00 p.m.
Listing of New Units pursuant to the Private Placement	:	Monday, 12 June 2023 at 9.00 a.m.
Opening date and time for the Preferential Offering	:	Wednesday, 14 June 2023 at 9.00 a.m. (9.00 a.m. for Electronic Applications)
Last date and time for acceptance, application (if applicable) and payment for provisional allotments of New Units and Excess New Units pursuant to the Preferential Offering	:	Thursday, 22 June 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications)
Listing of New Units pursuant to the Preferential Offering	:	Monday, 3 July 2023 at 9.00 a.m.
Payment of Advanced Distribution	:	On or around 20 July 2023

BY ORDER OF THE BOARD

AIMS APAC REIT Management Limited

(as Manager of AIMS APAC REIT)

(Company Registration No. 200615904N)

Russell Ng
Chief Executive Officer
31 May 2023

Important Notice

The value of units (“Units”) of AIMS APAC REIT (“AA REIT”) 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, in its capacity as manager of AA REIT (the “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 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 in the United States or in any other jurisdiction. 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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, the United Kingdom or Hong Kong, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with any applicable state or local securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore

The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 29 properties, of which 26 properties are located throughout Singapore, and 3 properties located in Australia, including a property located in Gold Coast, Queensland, a 49.0% interest in Optus Centre located in Macquarie Park, New South Wales and Woolworths HQ located in Bella Vista, New South Wales.

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 funds management, mortgage lending, investment banking and property investment. AIMS is also the owner of the Sydney Stock Exchange.

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.