



(a unit trust constituted on 5 December 2006 (as amended) under the laws of the Republic of Singapore)

FREQUENTLY ASKED QUESTIONS ON THE AIMS APAC REIT DISTRIBUTION REINVESTMENT PLAN (“AA REIT DRP”)

1. What is the AA REIT DRP?

The AA REIT DRP provides Unitholders with the option to elect to receive fully paid units in AA REIT (“**DRP Units**”) in lieu of the cash amount of any distribution declared on their holding of units in AA REIT (“**Units**”) (after the deduction of any applicable income tax, if any).

An announcement will be made by the Manager as soon as practicable following the determination by the Manager that the Distribution Reinvestment Plan is to apply to a particular distribution, and in any event, by no later than the next Market Day¹ immediately following the Books Closure Date² in respect of the particular distribution.

The detailed terms and conditions of the AA REIT DRP are set out in the Distribution Reinvestment Plan Statement (“**DRP Statement**”) which is available on the AA REIT website at www.aimsapacreit.com. A copy of the DRP Statement may also be obtained upon request from the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

2. What are the benefits of AA REIT DRP?

The DRP is beneficial to Unitholders as it provides Unitholders with an option to receive distributions, either in the form of new DRP Units at a discount³, or in cash or a combination of both. It enables Unitholders to acquire additional Units without having to incur transaction or related costs. Under the present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Units allotted under the AA REIT DRP.

¹ “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

² “**Books Closure Date**” means the date to be determined by the Manager on which the register of Unitholders will be closed for the purpose of determining the entitlements of Unitholders to a Distribution.

³ The issue price represents a discount to the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the period of 10 Market Days prior to and ending on the Books Closure Date (“**Price Determination Period**”).

AA REIT will also benefit from Unitholders' participation in the AA REIT DRP as to the extent that Unitholders elect to receive distributions in the form of Units, the cash is retained by AA REIT to fund its continuing growth and expansion. The retention of cash and the issue of Units in lieu of cash under the AA REIT DRP will also enlarge AA REIT's capital base, strengthen its working capital reserves and improve the liquidity of Units.

3. Who is eligible to participate?

All Unitholders registered in the Depository Register as of the applicable Books Closure Dates, are eligible to participate in the AA REIT DRP except for Unitholders who have their registered addresses outside Singapore ("**Overseas Unitholders**"). This is for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses⁴.

Overseas Unitholders who receive or come to have in their possession this DRP Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the AA REIT DRP as may be applicable to them.

To be eligible to participate, Overseas Unitholders with registered addresses outside Singapore are required to provide The Central Depository (Pte) Limited ("**CDP**") with an address in Singapore no later than 3 Market Days prior to the Books Closure Date.

4. What are the options available under the AA REIT DRP?

An eligible Unitholder can elect to receive the distribution as follows:

- receive cash for the entire distribution
- receive DRP Units for the entire distribution
- receive a combination of cash or DRP Units for the distribution

5. How many DRP Units will Unitholders get under the AA REIT DRP?

The number of DRP Units to be allotted and issued will be based on the announced issue price for each application of DRP. The issue price normally represents a discount to the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the Price Determination Period.

The number of DRP Units to be allotted and issued under the AA REIT DRP will be the aggregate of the Units to be issued under each component of the distribution (where applicable) based on the following formula and where the number of Units to be issued under each component will be rounded down to the nearest whole Unit:

⁴ Please refer to paragraph 4.4 of the DRP Statement for further information.

$$N = \frac{(S \times D_1) - (S \times D_1 \times T)}{V} + \frac{(S \times D_2)}{V} + \frac{(S \times D_3)}{V} + \frac{(S \times D_4)}{V}$$

(the number of DRP Units to be allotted and issued under each distribution component to be rounded down to the nearest whole unit)

Where:

- N** is the number of DRP Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.
- S** is the number of Participating Units held by the Participating Unitholder as at the Books Closure Date for which such Notice of Election relates.
- D₁** is the taxable income component of the Qualifying Distribution per Unit to which such Notice of Election relates.
- D₂** is the tax-exempt income component of the Qualifying Distribution per Unit to which such Notice of Election relates.
- D₃** is the capital component of the Qualifying Distribution per Unit to which such Notice of Election relates.
- D₄** is the other gains component of the Qualifying Distribution per Unit to which such Notice of Election relates.
- T** is the applicable income tax rate.
- V** is the issue price of a DRP Unit, which shall, for the purpose of calculating the number of DRP Units to be allotted and issued as fully paid to Participating Unitholders pursuant to the AA REIT DRP, be an amount in S\$ determined by the Manager (the "**Relevant Amount**"), computed based on the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed the volume-weighted average traded price per Unit for all trades on the SGX-ST, for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the AA REIT DRP to such Distribution.

Fractional entitlements to the DRP Units allotted and issued for each distribution component under the AA REIT DRP will be rounded down to the nearest whole Unit, with the residual balance retained by AA REIT.

For example, based on the income distribution for the period from 1 January 2019 to 31 March 2019 ("**4Q FY2019**"), if a Unitholder holds 10,000 Units as at the Books Closure Date and elects to participate in the AA REIT DRP in respect of all of his holding of Units, the amount of distribution per Unit is 2.750 Singapore cents (comprising a taxable income component of 2.474 Singapore cents per Unit, a tax-exempt income component of 0.180 Singapore cents per Unit and a capital component of 0.096 Singapore cents per Unit) and the issue price of each DRP Unit to be issued to a Unitholder under the AA REIT DRP is S\$1.3625, the total number of DRP Units to be allotted and issued to the Unitholder will be 201 DRP Units. This is on the assumption that there are no applicable income taxes withheld.

$$\begin{aligned} N &= \frac{10,000 \times S\$0.02474}{S\$1.3625} + \frac{10,000 \times S\$0.0018}{S\$1.3625} + \frac{10,000 \times S\$0.00096}{S\$1.3625} \\ &= 181 + 13 + 7 \\ &= 201 \end{aligned}$$

6. What should Unitholders do upon the receipt of the DRP Forms?

Participation in the AA REIT DRP is optional.

On the date of despatch, the following documents will be sent to Unitholders:

- (i) Letter to Unitholders
- (ii) Notice of Election Form – to elect distribution in Units and/or cash
- (iii) Tax Declaration Form
- (iv) a pre-paid return envelope

Individual/joint-individual direct account holders will not receive item (iii) Tax Declaration Form as they are not required to declare the tax status.

6.1 Participation by Individual/Joint Account Direct Securities Account Holders

Eligible Individual/Joint Account Unitholders can elect to receive the distribution as follows:

(i) Receive cash for the entire distribution

No action is required if Unitholders wish to receive cash for the entire distribution.

(ii) Receive new AA REIT Units for the entire distribution

Step 1: Tick (✓) in the box in Option 1 of the Notice of Election Form.

Step 2: Sign, indicate contact details and return the completed Notice of Election Form in the pre-paid envelope, no later than 5:00 p.m. on the date specified on the Notice of Election Form.

(iii) Receive a combination of cash or AA REIT Units for the distribution

Step 1: Tick (✓) in the box in Option 2 of the Notice of Election Form.

Step 2: Indicate clearly the number of Units of existing unitholdings held to be paid in DRP Units in Box (i).

Step 3: Indicate clearly the number of Units of existing unitholdings held to be paid in cash in Box (ii).

Step 4: Indicate clearly the total number of existing unitholdings in Box (iii), which should be the sum of the Units in Box (i) and Box (ii), and this should be equal to Units held as at Books Closure Date.

Step 5: Sign, indicate contact details and return the completed Notice of Election Form in the pre-paid envelope, no later than 5:00 p.m. on the date specified on the Notice of Election Form.

6.2 Participation by Corporate Direct Securities Account Holders

Please follow the steps indicated above for Individual/Joint Account Direct Securities Account Holders.

However, Corporate Direct Securities Account Holders are also required to sign and return any Tax Declaration Forms that it may have received together with the Notice of Election Form on the declaration of tax status.

Distributions will be subject to a default tax rate if the Tax Declaration Forms are not returned by 5:00 p.m. on the date specified on the Form.

6.3 Participation by Sub Account Holders of a Depository Agent

There will be only one Notice of Election Form and Tax Declaration Form for each Depository Agent. Sub Account Holders of a Depository Agent are to liaise with their respective Depository Agents acting as the collating agent for their election for DRP Units and/or cash and tax declaration (if applicable).

6.4 Participation by Depository Agents

Please note that the Notice of Election Form must be read and completed in conjunction with the Tax Declaration Form (if applicable) together with its Annexes.

- Step 1: Indicate clearly the number of Units of existing unitholdings held to be paid in DRP Units in Box (i) of the Notice of Election Form.
- Step 2: Indicate clearly the number of Units of existing unitholdings held to be paid in cash in Box (ii) of the Notice of Election Form.
- Step 3: Indicate clearly the total number of existing unitholdings in Box (iii), which should be the sum of the Units in Box (i) and Box (ii), and this should be equal to Units held as at Books Closure Date.
- Step 4: Ensure that the total number of Units in Box (i) agrees to the total number of Units electing for DRP units in the respective Annexes of the Tax Declaration Form.
- Step 5: Sign, indicate contact details and return the completed Notice of Election Form and Tax Declaration Forms together with the Annexes, no later than 5:00 p.m. on the date specified on the Notice of Election Form.

7. What if a Unitholder under-participates in the AA REIT DRP?

A Unitholder would have under-participated in the AA REIT DRP when he/she makes an election of the number of Units which are less than his/her total existing unitholdings as at Books Closure Date.

For example, if a Unitholder has 10,000 Units held as at the Books Closure Date and he/she has only indicated 8,000 Units to be paid in DRP Units in the Notice of Election Form.

In such cases, the distribution for the 8,000 Units will be paid to the Unitholder in the form of DRP Units and the distribution for the remaining 2,000 Units will be paid in cash.

8. What if a Unitholder over-participates in the AA REIT DRP?

A Unitholder would have over-participated in the AA REIT DRP when he/she makes an election of the number of Units which are more than his/her total existing unitholdings as at Books Closure Date.

For example, if a Unitholder has 10,000 Units held as at the Books Closure Date and he/she has elected 8,000 Units to be paid in DRP Units and 3,000 Units to be paid in cash in the Notice of Election Form.

In such cases, the entire distribution will be paid to the Unitholder in cash as the true intention is not easily ascertainable from the Notice of Election Form.

9. Where should Unitholders return the Forms?

The completed Forms together with the annexes (where applicable) must be received by AA REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. no later than 5:00 p.m. on the date specified on the Notice of Election Form.

10. What happens if Forms were incorrectly filled up?

The Forms are invalid if:

- (i) the Notice of Election Form is incomplete, illegible, not properly completed;
- (ii) there is no original signature on the Notice of Election Form (in the event of a photocopied Form);
- (iii) the Forms are not received by the Unit Registrar by 5:00 p.m. on the date specified on the Forms;
- (iv) over-participation of Units (see Question 8); or
- (v) the true intention of the Unitholder is not ascertainable from the Notice of Election Form.

The Manager reserves the right to reject a Unitholder's Notice of Election and pay all the distribution entitlement in cash. Default tax rates will apply if the Tax Declaration Form together with the Annexes (if any) are incomplete, illegible, not properly completed or not delivered in accordance with the instructions stated therein.

11. How can Unitholders exercise their options under the AA REIT DRP if they will be overseas during the DRP election period?

Please contact AA REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at the following contact details:

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

General line : +65-6536 5355

Email : SRS.TeamE@boardroomlimited.com

12. Can Unitholders request for a replacement if they have misplaced the Notice of Election Forms and/or Tax Declaration Forms?

Please contact AA REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. for the replacement.

13. Can Unitholders do a permanent election?

There is presently no permanent election option available. The Manager will make an announcement in due course should it choose to offer this feature to Unitholders in the future.

14. When and how will Unitholders be notified about the new DRP Units that will be credited to their CDP account?

If Unitholders participate in the AA REIT DRP, CDP will send them a notification letter on or after each Distribution payment date in respect of the number of DRP Units allotted and credited to the securities account maintained with CDP.

15. Are Unitholders able to trade in odd lots?

Unitholders who receive DRP Units in odd lots under the AA REIT DRP and wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots at a minimum of one (1) Unit.

16. What are a Unitholder's obligations to comply with the Singapore Code on Takeovers and Mergers (the "Code")?

Under Rule 14 of the Code, a Unitholder should note that he/she may be under an obligation to extend a take-over offer for AA REIT if:

- (i) he/she acquires, by participating in the AA REIT DRP in relation to any distribution to which the AA REIT DRP applies, whether at one time or different times, Units which (together with Units owned or acquired by him/her or persons acting in concert with him/her) carry 30% or more of the voting rights of AA REIT; or
- (ii) he/she, together with persons acting in concert with him/her, holds not less than 30% but not more than 50% of the voting rights of AA REIT, and either alone or together with persons acting in concert with him/her, acquires additional units by participating in the AA REIT DRP in relation to any distribution to which the AA REIT DRP applies or otherwise in any period of six months, thereby increasing such percentage of the voting rights by more than 1%.

Please refer to paragraph 5 of the DRP Statement for further information.