

21 July 2017

**360 Capital Group (TGP)  
Updated Proposal for Asia Pacific Data Centres (AJD)  
Removal of Conditions**

On 13 July 2017, AJD announce that it was running a process to maximise AJD security holder value and that expected this process to be concluded by 24 August 2017.

On 14 July, AJD wrote to 360 Group inviting a proposal.

Yesterday, 360 Capital Group presented an indicative non-binding proposal to buy all of the securities it does not already own for \$1.80 cash and it confirmed that it had sufficient capital resources to undertake this.

The Directors of AJD refused to engage in respect of this proposal, it would appear largely on the basis of the proposed change of responsible entity condition.

Today, 360 Capital resubmits its indicative non-binding proposal to purchase all securities it does not own at \$1.80 on the basis that any final proposal:

- will not be subject to the change of responsible entity of the APDC Trust;
- will have NO MINIMUM ACCEPTANCE CONDITION. By having no minimum acceptance condition, this proposal will provide securityholders who an avenue to exit their investment. For those securityholder who wish to continue to have exposure to the data centre sector, they will continue to benefit from their investment in AJD and invest alongside 360 Capital.

Except as referred to above, details of 360 Capital's non-binding indicative proposal are as set out in yesterday's announcement.

As stated previously, 360 Capital believes data centres as a real estate class is very exciting and that the facilities in AJD are world class leased to a proven operator in Next DC Limited and we look forward to working with them if we are successful in this proposal.

360 Capital is an experienced real estate manager and investor and has sufficient resources to complete the transaction itself. We continue to have discussions with a number of persons, including data centre owners and operators both locally and overseas about co-investing in this opportunity. We believe any arrangements arising from such discussions may ultimately deliver substantial benefits to AJD members.

360 Capital are disappointed that AJD directors and Next DC are refusing to engage with 360 Capital to the potential detriment of AJD members and may be placing themselves in a conflict position.

ASX Release

The relevant facts are:

- Next DC was responsible for the IPO of AJD. There have been no new directors on the AJD board since listing 4 years ago;
- Next DC is AJD's only form of income being AJD's sole tenant;
- Since 360 Capital convened the meeting of AJD members, as a defensive play NextDC has acquired 16.6% of AJD and thrown its support behind the existing directors;
- The nature of AJD register means that the ongoing appointment of AJD directors may be tied to the support of NextDC.

There are important market rent reviews approaching in December 2017 and we are concerned that AJD directors (whose ongoing tenure may require the support of NextDC) may be placed under undue pressure from AJD's second largest securityholder, Next DC.

Given the AJD board did not achieve any increase in the last market review in Melbourne and has publicly said it will not seek an increase on the Perth facility, AJD is now relying on the rent review at the Sydney Facility to increase value.

Despite numerous requests AJD's directors have refused to update the market on the progress of the process they purport to be running to maximise value for AJD securityholders.

We are also concerned that such obscurity may enable AJD's sole tenant, Next DC to secure a control position in the absence of a level playing field which will be to the detriment of AJD securityholders.

360 Capital again requests the directors of AJD to consider and engage with 360 Capital in respect of its indicative non-binding proposal to purchase all of the securities of AJD for \$1.80 cash as a matter of urgency and update the market on the process they are undertaking.

More information on the Group can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using the Group's ASX code "TGP", on the Group's website [www.360capital.com.au](http://www.360capital.com.au), by calling the 360 Capital investor enquiry line on 1300 082 130 or emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

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**About 360 Capital Group (ASX: TGP)**

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The Group actively invests in direct property assets, property securities, real estate debt and various corporate real estate investments within Australian real estate markets on a private and public equity basis.

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