



AIMS APAC REIT and its subsidiaries

**(constituted in the Republic of Singapore pursuant to a
trust deed dated 5 December 2006) (as amended and
restated)**

**Interim Financial Statements
For the second half and full year ended 31 March 2022**

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2022

	Note	Group		Trust	
		31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Non-current assets					
Investment properties	3	1,992,582	1,489,030	1,464,250	1,443,489
Subsidiaries		–	–	328,681	108,764
Joint venture	4	367,763	335,704	–	–
Trade and other receivables		3,086	3,041	3,086	3,041
Derivative financial instruments	5	9,989	1,126	7,216	1,126
		<u>2,373,420</u>	<u>1,828,901</u>	<u>1,803,233</u>	<u>1,556,420</u>
Current assets					
Trade and other receivables		8,846	6,521	9,802	6,255
Cash and cash equivalents		21,395	11,159	11,599	8,884
		<u>30,241</u>	<u>17,680</u>	<u>21,401</u>	<u>15,139</u>
Total assets		<u>2,403,661</u>	<u>1,846,581</u>	<u>1,824,634</u>	<u>1,571,559</u>
Non-current liabilities					
Trade and other payables		13,135	10,780	13,135	10,780
Interest-bearing borrowings	6	817,782	510,740	405,184	347,146
Derivative financial instruments	5	1,495	6,770	1,495	6,642
Deferred tax liabilities		27,944	21,419	–	–
Lease liabilities		88,621	89,974	88,621	89,974
		<u>948,977</u>	<u>639,683</u>	<u>508,435</u>	<u>454,542</u>
Current liabilities					
Trade and other payables		39,767	32,052	33,832	31,293
Interest-bearing borrowings	6	35,206	80,716	–	80,716
Derivative financial instruments	5	540	1,444	540	1,444
Lease liabilities		5,429	5,315	5,429	5,315
		<u>80,942</u>	<u>119,527</u>	<u>39,801</u>	<u>118,768</u>
Total liabilities		<u>1,029,919</u>	<u>759,210</u>	<u>548,236</u>	<u>573,310</u>
Net assets		<u>1,373,742</u>	<u>1,087,371</u>	<u>1,276,398</u>	<u>998,249</u>
Represented by:					
Unitholders' funds		1,000,196	962,758	902,852	873,636
Perpetual Securities holders' funds	7	373,546	124,613	373,546	124,613
		<u>1,373,742</u>	<u>1,087,371</u>	<u>1,276,398</u>	<u>998,249</u>
Units in issue and to be issued ('000)	8	<u>716,583</u>	<u>706,663</u>	<u>716,583</u>	<u>706,663</u>
Net asset value/net tangible asset per Unit attributable to Unitholders ¹ (\$)		<u>1.40</u>	<u>1.36</u>	<u>1.26</u>	<u>1.24</u>

¹ Net asset value/net tangible asset is based on the net assets attributable to Unitholders and excluded the net assets attributable to Perpetual Securities holders. Number of units is based on Units in issue and to be issued at the end of the year.

The accompanying notes form an integral part of these interim financial statements.

CONSOLIDATED STATEMENTS OF TOTAL RETURN
For the Second Half and Full Year Ended 31 March 2022

	Note	Group			
		1 October 2021 to 31 March 2022 ("2H FY2022") \$'000	1 October 2020 to 31 March 2021 ("2H FY2021") \$'000	1 April 2021 to 31 March 2022 ("FY2022") \$'000	1 April 2020 to 31 March 2021 ("FY2021") \$'000
Gross revenue	9	77,144	64,901	142,390	122,633
Property operating expenses		(21,668)	(17,322)	(39,205)	(35,101)
Net property income		55,476	47,579	103,185	87,532
Net foreign exchange gain/(loss)		57	90	(86)	296
Interest income		296	344	719	631
Borrowing costs		(12,162)	(10,693)	(22,828)	(22,127)
Manager's management fees		(5,563)	(4,314)	(10,012)	(8,411)
Manager's performance fees		(4,619)	–	(4,619)	–
Other trust expenses		(3,057)	(2,627)	(4,595)	(3,579)
Non-property expenses		(25,401)	(17,634)	(42,054)	(34,117)
Net income before joint venture's profits		30,428	30,379	61,764	54,342
Share of profits of joint venture (net of tax)		20,876	27,730	48,140	35,354
Net income		51,304	58,109	109,904	89,696
Net change in fair value of investment properties		(20,945)	(10,479)	(5,828)	(31,806)
Net change in fair value of derivative financial instruments		6,953	2,772	8,219	2,178
Total return before income tax	10	37,312	50,402	112,295	60,068
Income tax expense		(3,818)	(5,225)	(8,187)	(8,047)
Total return after income tax		33,494	45,177	104,108	52,021
Attributable to:					
Unitholders		23,272	41,656	89,241	47,571
Perpetual Securities holders		10,222	3,521	14,867	4,450
		33,494	45,177	104,108	52,021
Earnings per Unit (Singapore cents)					
Basic and diluted	11	3.28	5.89	12.59	6.73

The accompanying notes form an integral part of these interim financial statements.

CONSOLIDATED DISTRIBUTION STATEMENTS
For the Second Half and Full Year Ended 31 March 2022

	Note	Group			
		2H FY2022	2H FY2021	FY2022	FY2021
		\$'000	\$'000	\$'000	\$'000
Amount available for distribution to Unitholders at beginning of the period/year		18,496	14,875	20,493	14,134
Total return before income tax		37,312	50,402	112,295	60,068
Less: Amount reserved for distribution to Perpetual Securities holders		(10,222)	(3,521)	(14,867)	(4,450)
Net effect of tax adjustments	A	(2,290)	12,335	(8,516)	37,249
Other adjustments	B	(1,641)	(30,016)	(37,495)	(39,322)
		<u>23,159</u>	<u>29,200</u>	<u>51,417</u>	<u>53,545</u>
Amount available for distribution to Unitholders from taxable income		41,655	44,075	71,910	67,679
Distribution from tax-exempt income		2,242	353	2,242	2,473
Capital distribution		7,433	4,685	13,588	7,229
Amount available for distribution to Unitholders		<u>51,330</u>	<u>49,113</u>	<u>87,740</u>	<u>77,381</u>
Distributions to Unitholders during the period/year:					
2.00 cents per Unit for the period from 1 January 2020 – 31 March 2020		–	–	–	(14,134)
2.00 cents per Unit for the period from 1 April 2020 – 30 June 2020		–	–	–	(14,134)
2.00 cents per Unit for the period from 1 July 2020 – 30 September 2020		–	(14,134)	–	(14,134)
2.05 cents per Unit for the period from 1 October 2020 – 31 December 2020		–	(14,486)	–	(14,486)
2.90 cents per Unit for the period from 1 January 2021 – 31 March 2021		–	–	(20,493)	–
2.25 cents per Unit for the period from 1 April 2021 – 30 June 2021		–	–	(15,917)	–
2.50 cents per Unit for the period from 1 July 2021 – 30 September 2021		(17,686)	–	(17,686)	–
2.35 cents per Unit for the period from 1 October 2021 – 31 December 2021		(16,733)	–	(16,733)	–
		<u>(34,419)</u>	<u>(28,620)</u>	<u>(70,829)</u>	<u>(56,888)</u>
Amount available for distribution to Unitholders at end of the period/year		<u>16,911</u>	<u>20,493</u>	<u>16,911</u>	<u>20,493</u>
Number of Units entitled to distributions at end of the period/year ('000)		716,583	706,663	716,583	706,663
Distribution per Unit (Singapore cents)		<u>4.71</u>	<u>4.95</u>	<u>9.46</u>	<u>8.95</u>

The accompanying notes form an integral part of these interim financial statements.

CONSOLIDATED DISTRIBUTION STATEMENTS (CONTINUED)
For the Second Half and Full Year Ended 31 March 2022

	Note	Group			FY2021 \$'000
		2H FY2022 \$'000	2H FY2021 \$'000	FY2022 \$'000	
Note A - Net effect of tax adjustments					
Amortisation and write-off of borrowing transaction costs		690	417	1,224	871
Net foreign exchange loss/(gain)		78	(52)	162	(177)
Manager's management fees paid/payable in units		3,649	-	4,731	-
Manager's performance fees payable in units		4,619	-	4,619	-
Land rent paid on investment properties		(4,363)	(4,333)	(8,726)	(8,669)
Interest expense on lease liabilities		1,720	1,744	3,488	3,535
Net change in fair value of investment properties		(5,506)	13,845	(11,878)	36,886
Net change in fair value of derivative financial instruments		(6,546)	(2,664)	(7,793)	(2,160)
Net tax adjustment on foreign sourced income		2,369	2,104	4,270	4,556
Temporary differences and other tax adjustments		1,000	1,274	1,387	2,407
Net effect of tax adjustments		<u>(2,290)</u>	<u>12,335</u>	<u>(8,516)</u>	<u>37,249</u>

Note B – Other adjustments

Other adjustments for the Group comprised primarily the net accounting results of the Trust's subsidiaries.

The accompanying notes form an integral part of these interim financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
For the Year Ended 31 March 2022

	Note	Group		Trust	
		FY2022 \$'000	FY2021 \$'000	FY2022 \$'000	FY2021 \$'000
Unitholders' Funds					
Balance at beginning of the year		962,758	954,955	873,636	911,844
Operations					
Total return after income tax, attributable to Unitholders and Perpetual Securities holders		104,108	52,021	98,033	22,512
Less: Amount reserved for distribution to Perpetual Securities holders		(14,867)	(4,450)	(14,867)	(4,450)
Net increase in net assets from operations		89,241	47,571	83,166	18,062
Foreign currency translation reserve					
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations		(284)	16,502	–	–
Hedging reserve					
Effective portion of changes in fair value of cash flow hedges		5,393	618	2,962	618
Unitholders' contributions					
Issuance of Units (including Units to be issued):					
Manager's management fees		4,731	–	4,731	–
Manager's performance fees		4,619	–	4,619	–
Manager's acquisition fees		4,597	–	4,597	–
Issuance costs for new units		(30)	–	(30)	–
Distributions to Unitholders		(70,829)	(56,888)	(70,829)	(56,888)
Change in Unitholders' funds resulting from Unitholders' transactions		(56,912)	(56,888)	(56,912)	(56,888)
Total increase/(decrease) in Unitholders' funds		37,438	7,803	29,216	(38,208)
Balance at end of the year		1,000,196	962,758	902,852	873,636
Perpetual Securities holders' funds					
Balance at beginning of the year		124,613	–	124,613	–
Issue of Perpetual Securities		250,000	125,000	250,000	125,000
Issuance cost		(2,208)	(1,277)	(2,208)	(1,277)
Amount reserved for distribution to Perpetual Securities holders		14,867	4,450	14,867	4,450
Distributions to Perpetual Securities holders		(13,726)	(3,560)	(13,726)	(3,560)
Balance at end of the year		373,546	124,613	373,546	124,613
Units in issue and to be issued (‘000)	8	716,583	706,663	716,583	706,663

The accompanying notes form an integral part of these interim financial statements.

PORTFOLIO STATEMENTS
As at 31 March 2022

Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value ³		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds		
					31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	
					%	%	\$'000	\$'000	%	%	%	%	
Group and the Trust Investment properties in Singapore													
1	20 Gul Way	20 Gul Way	35 years	18.8	Logistics and Warehouse	100	100	222,300	219,300	22.2	22.8	24.6	25.1
2	27 Penjuru Lane	27 Penjuru Lane	45 years	27.5	Logistics and Warehouse	97	97	160,100	160,400	16.0	16.7	17.7	18.4
3	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	46.2	Logistics and Warehouse	98	96	153,600	148,000	15.4	15.4	17.0	16.9
4	7 Bulim Street	7 Bulim Street	30 years	20.4	Logistics and Warehouse	100	100	130,500	130,000	13.0	13.5	14.5	14.9
5	NorthTech	29 Woodlands Industrial Park E1	60 years	32.8	Hi-Tech	100	100	128,000	120,000	12.8	12.5	14.2	13.7
6	1A International Business Park	1A International Business Park	52 years	37.2	Business Park	65	61	75,100	75,100	7.5	7.8	8.3	8.6
7	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	33.0	General Industrial	100	100	54,300	54,000	5.4	5.6	6.0	6.2
8	30 Tuas West Road	30 Tuas West Road	60 years	33.8	Logistics and Warehouse	100	100	53,400	53,000	5.3	5.5	5.9	6.1
9	51 Marsiling Road	51 Marsiling Road	70 years and 5 months	22.3	General Industrial	100	100	48,900	47,600	4.9	4.9	5.4	5.4
10	15 Tai Seng Drive	15 Tai Seng Drive	60 years	29.0	Light Industrial	99	38	33,000	32,400	3.3	3.4	3.7	3.7
11	103 Defu Lane 10	103 Defu Lane 10	60 years	21.2	Logistics and Warehouse	100	100	30,700	30,200	3.1	3.1	3.4	3.5

The accompanying notes form an integral part of these interim financial statements.

PORTFOLIO STATEMENTS (CONTINUED)
As at 31 March 2022

	Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value ³		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
						31 March 2022 %	31 March 2021 %	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 %	31 March 2021 %	31 March 2022 %	31 March 2021 %
Group and the Trust Investment properties in Singapore													
12	8 Tuas Avenue 20	8 Tuas Avenue 20	59 years and 1.5 months	29.6	General Industrial	100	100	27,900	28,200	2.8	2.9	3.1	3.2
13	23 Tai Seng Drive	23 Tai Seng Drive	60 years	28.3	Light Industrial	100	100	26,200	24,200	2.6	2.5	2.9	2.8
14	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	33.2	Light Industrial	100	89	25,600	25,200	2.6	2.6	2.8	2.9
15	10 Changi South Lane	10 Changi South Lane	60 years	34.2	Logistics and Warehouse	95	95	22,300	22,100	2.2	2.3	2.5	2.5
16	11 Changi South Street 3	11 Changi South Street 3	60 years	33.0	Logistics and Warehouse	92	71	21,000	21,000	2.1	2.2	2.3	2.4
17	3 Toh Tuck Link	3 Toh Tuck Link	60 years	34.6	Logistics and Warehouse	83	100	20,700	21,200	2.1	2.2	2.3	2.4
18	135 Joo Seng Road	135 Joo Seng Road	60 years	32.2	Light Industrial	88	82	20,200	20,200	2.0	2.1	2.2	2.3
19	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	30.4	General Industrial	77	66	19,600	19,000	2.0	2.0	2.2	2.2
20	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	33.1	Logistics and Warehouse	100	98	18,700	19,100	1.9	2.0	2.1	2.2
21	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	25.0	General Industrial	100	100	16,100	16,100	1.6	1.7	1.8	1.8
22	8 Senoko South Road	8 Senoko South Road	60 years	32.6	General Industrial	100	100	14,100	14,200	1.4	1.5	1.6	1.6
23	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	31.8	General Industrial	100	100	12,200	11,900	1.2	1.2	1.4	1.4
24	7 Clementi Loop	7 Clementi Loop	60 years	31.2	Logistics and Warehouse	80	94	12,000	11,800	1.2	1.2	1.3	1.4

The accompanying notes form an integral part of these interim financial statements.

PORTFOLIO STATEMENTS (CONTINUED)
As at 31 March 2022

Description of property	Location	Term of land lease ¹	Remaining term of land Lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value ³		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds		
					31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	
					%	%	\$'000	\$'000	%	%	%	%	
Group and the Trust													
Investment properties in Singapore													
25	541 Yishun Industrial Park A	541 Yishun Industrial Park A	60 years	32.2	General Industrial	100	100	11,900	12,000	1.2	1.2	1.3	1.4
26	1 Kallang Way 2A	1 Kallang Way 2A	60 years	33.2	Light Industrial	100	100	11,800	12,000	1.2	1.2	1.3	1.4
								1,370,200	1,348,200	137.0	140.0	151.8	154.4
Group													
Investment properties in Australia													
27	Woolworths HQ ⁴	1 Woolworths Way, Bella Vista, New South Wales 2153, Australia	Freehold	N.A.	Business Park	100	N.A.	474,131	–	47.4	–	–	–
28	Boardriders Asia Pacific HQ	209-217 Burleigh Connection Road, Burleigh Waters, Queensland 4220, Australia	Freehold	N.A.	Light Industrial	100	100	54,201	45,541	5.4	4.7	–	–
Investment properties, at valuation (note 3)								1,898,532	1,393,741	189.8	144.7	151.8	154.4

The accompanying notes form an integral part of these interim financial statements.

PORTFOLIO STATEMENTS (CONTINUED)
As at 31 March 2022

Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value ³		Group percentage of total Unitholders' funds	
					31 March 2022 %	31 March 2021 %	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 %	31 March 2021 %
1-28	Investment properties – fair value (FS6 to FS8)						1,898,532	1,393,741	189.8	144.7
	Investment properties – right-of-use assets						94,050	95,289	9.4	9.9
	Total investment properties						<u>1,992,582</u>	<u>1,489,030</u>	<u>199.2</u>	<u>154.6</u>
	Joint venture (note 4)						367,763	335,704	36.8	34.9
	Investment property in Australia held by a joint venture									
29	Optus Centre ⁵	1-5 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia	Freehold	N.A.	Business Park	100	100			
	Other assets and liabilities (net)						<u>(986,603)</u>	<u>(737,363)</u>	<u>(98.6)</u>	<u>(76.6)</u>
	Net assets of the Group						<u>1,373,742</u>	<u>1,087,371</u>	<u>137.4</u>	<u>112.9</u>
	Perpetual Securities holders' funds						<u>(373,546)</u>	<u>(124,613)</u>	<u>(37.4)</u>	<u>(12.9)</u>
	Total Unitholders' funds of the Group						<u><u>1,000,196</u></u>	<u><u>962,758</u></u>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

¹ Includes the period covered by the relevant options to renew.

² The occupancy rates shown are on committed basis.

³ The carrying value of investment properties are based on independent full valuation.

⁴ On 15 November 2021, the Group completed the acquisition of Woolworths HQ in 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia for approximately AUD463.3 million. As at 31 March 2022, the property was valued at AUD468.0 million (equivalent to approximately \$474.1 million).

⁵ The Group has a 49.0% (2021: 49.0%) interest in Optus Centre. As at 31 March 2022, the property was valued at AUD744.0 million (equivalent to approximately \$753.7 million) (31 March 2021: AUD660.0 million (equivalent to approximately \$675.4 million)).

The accompanying notes form an integral part of these interim financial statements.

PORTFOLIO STATEMENTS (CONTINUED)
As at 31 March 2022

Description of property	Carrying value		Trust percentage of total Unitholders' funds	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 %	31 March 2021 %
1-26 Investment properties – fair value (FS6 – FS8)	1,370,200	1,348,200	151.8	154.4
Investment properties – right-of-use assets	94,050	95,289	10.4	10.9
Total investment properties	1,464,250	1,443,489	162.2	165.3
Other assets and liabilities (net)	(187,852)	(445,240)	(20.8)	(51.0)
Net assets of the Trust	1,276,398	998,249	141.4	114.3
Perpetual Securities holders' funds	(373,546)	(124,613)	(41.4)	(14.3)
Total Unitholders' funds of the Trust	902,852	873,636	100.0	100.0

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial years ended 31 March 2022 and 31 March 2021 related wholly to investing in real estate in the industrial sector.

As at 31 March 2022, the investment properties in Singapore were valued by Savills Valuation and Professional Services (S) Pte Ltd or Jones Lang LaSalle Property Consultants Pte Ltd (2021: CBRE Pte. Ltd. or Cushman & Wakefield VHS Pte Ltd) and the investment properties in Australia were valued by Jones Lang LaSalle Advisory Services Pty Ltd or Knight Frank NSW Valuations & Advisory Pty Ltd (2021: Jones Lang LaSalle Advisory Services Pty Ltd). The independent valuation of the investment property held through a joint venture was carried out by Jones Lang LaSalle Advisory Services Pty Ltd as at 31 March 2022 and 31 March 2021.

The Manager believes that the independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations of the investment properties were based on income capitalisation method, discounted cash flow analysis and/or direct comparison method. Refer to note 3 of the financial information for details of the valuation techniques.

The accompanying notes form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Second Half and Full Year Ended 31 March 2022

	Group			
Note	2H FY2022	2H FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Total return after income tax	33,494	45,177	104,108	52,021
Adjustments for:				
Share of profits of joint venture (net of tax)	(20,876)	(27,730)	(48,140)	(35,354)
Borrowing costs	12,162	10,693	22,828	22,127
Net foreign exchange (gain)/loss	(57)	(90)	86	(296)
Manager's management fees in Units	A 3,649	–	4,731	–
Manager's performance fees in Units	A 4,619	–	4,619	–
Net change in fair value of investment properties	20,945	10,479	5,828	31,806
Net change in fair value of derivative financial instruments	(6,953)	(2,772)	(8,219)	(2,178)
Income tax expense	3,818	5,225	8,187	8,047
Operating income before working capital changes	50,801	40,982	94,028	76,173
Changes in working capital				
Trade and other receivables	(2,701)	(235)	(3,814)	228
Trade and other payables	9,631	502	8,456	2,199
Cash generated from operations	57,731	41,249	98,670	78,600
Income tax (paid)/ refund	(768)	88	(1,662)	(744)
Net cash from operating activities	56,963	41,337	97,008	77,856
Cash flows from investing activities				
Capital expenditure on investment properties	(3,414)	(963)	(7,418)	(3,195)
Acquisition of investment properties (including acquisition costs) ¹	(462,363)	(134,703)	(485,242)	(136,009)
Loan to a joint venture	(2,673)	(11,732)	(5,374)	(19,606)
Distributions from a joint venture	9,628	8,224	18,561	15,840
Net cash used in investing activities	(458,822)	(139,174)	(479,473)	(142,970)
Cash flows from financing activities				
Distributions to Unitholders	(34,536)	(28,469)	(70,960)	(57,080)
Distributions to Perpetual Securities holders	(10,224)	(3,560)	(13,726)	(3,560)
Proceeds from issuance of Perpetual Securities	–	–	250,000	125,000
Issue costs paid in relation to Perpetual Securities	(60)	(19)	(2,212)	(1,273)
Issue costs paid in relation to new units issued	(30)	–	(30)	–
Proceeds from interest-bearing borrowings	499,736	75,635	508,437	183,509
Repayments of interest-bearing borrowings	(121,958)	(63,904)	(247,958)	(163,904)
Borrowing costs paid	(13,952)	(8,517)	(22,233)	(18,651)
Repayment of lease liabilities	(4,363)	(4,333)	(8,726)	(8,669)
Net cash from/(used in) financing activities	314,613	(33,167)	392,592	55,372
Net (decrease)/increase in cash and cash equivalents	(87,246)	(131,004)	10,127	(9,742)
Cash and cash equivalents at beginning of the period/year	108,320	141,994	11,159	20,449
Effect of exchange rate fluctuations on cash held	321	169	109	452
Cash and cash equivalents at end of the period/year	21,395	11,159	21,395	11,159

Significant non-cash transactions

On 19 November 2021, 3,232,196 of new Units amounting to \$4,597,000 were issued as payment of Manager's acquisition fees incurred for the acquisition of 1 Woolworths Way, Bella Vista, New South Wales, Australia.

Note A:

During FY2022, 3,370,484 of new Units amounting to \$4,731,000 were issued/issuable as partial payment for the Manager's management fees and 3,317,930 of new Units amounting to \$4,619,000 were issuable as payment of Manager's performance fees.

¹ This relates to the acquisition of 1 Woolworths Way, Bella Vista, New South Wales, Australia in FY2022, of which approximately S\$22.8 million relates to initial deposit paid during 1H FY2022 (FY2021: This relates to the acquisition of 7 Bulim Street and proposed acquisition of 315 Alexandra Road).

The accompanying notes form an integral part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 GENERAL

AIMS APAC REIT (the “Trust”) is a Singapore-domiciled real estate unit trust constituted pursuant to the trust deed dated 5 December 2006, subsequently amended by the supplemental deed of appointment and retirement of Trustee dated 8 March 2007, the first amending and restating deed dated 8 March 2007, the first supplemental deed dated 31 May 2010, the second amending and restating deed dated 17 July 2017, the second supplemental deed dated 8 August 2018, the third supplemental deed dated 30 November 2018, the fourth supplemental deed dated 11 April 2019, the fifth supplemental deed dated 13 July 2020 and the sixth supplemental deed dated 31 January 2022 (collectively the “Trust Deed”), entered into between AIMS APAC REIT Management Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 April 2007 (the “Listing Date”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on 21 February 2007. On 21 March 2007, the Trust was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337.

The consolidated interim financial statements (“interim financial statements”) relate to the Trust and its subsidiaries (the “Group”) and the Group’s interest in its joint venture.

The principal activity of the Trust is to invest in a diversified portfolio of income-producing real estate located throughout the Asia-Pacific region that is used for industrial purposes, including, but not limited to, warehousing and distribution activities, business park activities and manufacturing activities.

2 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* (“RAP 7”) issued by the Institute of Singapore Chartered Accountants (“ISCA”), the applicable requirements of the Code on Collective Investment Schemes (“CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards (“FRS”).

The interim financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2021.

The interim financial statements have been prepared on the historical cost basis, except for investment properties, derivative financial instruments and certain financial assets and liabilities, which are stated at fair value.

The interim financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars and rounded to the nearest thousand, unless otherwise stated.

The preparation of the interim financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are included in note 3 – Valuation of investment properties.

The accounting policies applied by the Group in the interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 March 2021, except for the adoption of the revised version of RAP 7 and the new and revised standards that are effective for the annual periods beginning on 1 April 2021.

New standards and amendments

The Interest Rate Benchmark Reform—Phase 2 (Amendments to FRS109, FRS 39, FRS 107, FRS 104 and FRS 116) is effective from 1 April 2021, replacing existing benchmark offered rates (IBORs) with alternative rates. Loan and interest rate swaps held by the Group are indexed to SOR which have yet to transition as of 31 March 2022. The Group has assessed that there is no significant impact on the Group's financial statements.

New standards, interpretations and revised recommended accounting practice not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these interim financial statements.

The new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's interim financial statements and the Company's statement of financial position.

3 INVESTMENT PROPERTIES

	Group		Trust	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Beginning of financial year	1,489,030	1,366,789	1,443,489	1,332,742
Acquisition of investment property	489,839	134,882	–	134,882
Capital expenditure capitalised	4,884	2,270	4,884	2,270
Remeasurement of right-of-use assets due to revised lease payments and recognition of lease extension option	3,999	10,481	3,999	10,481
Net change in fair value of investment properties recognised in the statement of total return	(590)	(26,672)	17,116	(31,752)
Net change in fair value of right-of-use assets	(5,238)	(5,134)	(5,238)	(5,134)
Foreign currency translation and other movements	10,658	6,414	–	–
End of financial year	<u>1,992,582</u>	<u>1,489,030</u>	<u>1,464,250</u>	<u>1,443,489</u>

Details of the properties are shown in the Portfolio Statement.

Security

As at the reporting date, certain investment properties have been pledged as security for loan facilities granted by financial institutions to the Group (see note 6). The aggregate market value of the mortgaged investment properties are as follows:

	Group		Trust	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Investment properties	1,467,932	965,041	939,600	919,500

Fair value hierarchy

The fair value measurement for investment properties has been categorised as Level 3 fair values based on inputs to the valuation techniques used.

	Group		Trust	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Fair value of investment properties (based on valuation reports)	1,898,532	1,393,741	1,370,200	1,348,200
Add: carrying amount of lease liabilities	94,050	95,289	94,050	95,289
Investment properties	1,992,582	1,489,030	1,464,250	1,443,489

Level 3 fair value measurements

(i) Reconciliation of movements in Level 3 fair value measurement

The reconciliation of Level 3 fair value measurements for investment properties is presented in the table above.

(ii) Valuation techniques

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 March 2022. The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation. Valuations of the investment properties are carried out at least once a year.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated discount rate, terminal capitalisation rate and capitalisation rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions and the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flow analysis and/or direct comparison method in arriving at the open market value as at the reporting date.

As at 31 March 2022, the valuation reports highlighted that in light of the heightened uncertainty and unknown impact that COVID-19 might have on the real estate market in the future, a degree of caution should be exercised when relying upon the valuation as at the reporting date. Given the unknown future impact that COVID-19 might have on the real estate market, values and incomes may change more rapidly and significantly than during standard market conditions.

The discounted cash flow analysis involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow analysis requires the valuers to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted against anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised at an appropriate investment yield. Thereafter, various adjustments including assumed vacancy allowance are made, where appropriate, for the capitalisation method. The direct comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence is available.

(iii) Significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	• Discount rate of 6.13% to 7.75% (2021: 7.50% to 8.00%)	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	• Terminal capitalisation rate of 5.50% to 7.00% (2021: 6.00% to 7.50%)	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
Capitalisation method	• Capitalisation rate of 5.13% to 6.50% (2021: 5.75% to 7.00%)	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).
Direct comparison method	• Adjusted price per square meter	The estimated fair value would increase (decrease) if adjusted price per square meter was higher (lower).

4 JOINT VENTURE

	Group	
	31 March 2022 \$'000	31 March 2021 \$'000
Investment in joint venture	332,539	305,602
Amounts due from joint venture, at amortised cost:		
- Interest-bearing loan	35,224	30,102
	367,763	335,704

The joint venture relates to the Group's investment in Macquarie Park Trust ("MPT"), an unlisted joint arrangement in which the Group has joint control via unitholders' agreement with a joint venture partner and 49.0% equity interest. MPT holds Optus Centre, a Grade A business park complex located in Macquarie Park, New South Wales 2113, Australia. MPT is structured as a trust vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in MPT as a joint venture, which is equity-accounted.

The unitholders of the joint venture have extended an unsecured loan of up to AUD100 million to the joint venture based on their proportionate interests in the joint venture to fund the capital expenditure requirement in relation to Optus Centre. The term of the loan is for three years from the first utilisation date or such later date as may be agreed between the parties. The effective interest rate of the loan at the reporting date is BBSY¹ + margin and the interest rates are repriced at each interest period as mutually agreed between the parties.

¹ Bank Bill Swap Bid Rate.

As at 31 March 2022, the Group's share of the capital commitments of the joint venture is \$6.8 million (31 March 2021: \$5.6 million).

5 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Non-current assets				
Interest rate swaps				
- at fair value through statement of total return ("FVTPL")	4,567	1,126	4,254	1,126
- used for hedging	5,422	-	2,962	-
	9,989	1,126	7,216	1,126
Non-current liabilities				
Interest rate swaps				
- at FVTPL	(1,495)	(6,770)	(1,495)	(6,642)
Current liabilities				
Interest rate swaps				
- at FVTPL	(49)	-	(49)	-
Currency forward contracts				
- at FVTPL	(491)	-	(491)	-
Cross currency interest rate swaps				
- at FVTPL	-	(1,444)	-	(1,444)
	(540)	(1,444)	(540)	(1,444)

Measurement of fair value

The fair values of the derivative financial instruments are based on broker quotes at the reporting date and are categorised within Level 2 of the fair value hierarchy.

6 INTEREST-BEARING BORROWINGS

	Note	Group		Trust	
		31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Non-current					
Secured					
Bank borrowings	(a),(b)	723,698	412,933	309,236	248,611
Unsecured					
Medium term notes	(c)	100,000	100,000	100,000	100,000
		823,698	512,933	409,236	348,611
Less: Unamortised borrowing transaction costs		(5,916)	(2,193)	(4,052)	(1,465)
		817,782	510,740	405,184	347,146
Current					
Secured					
Bank borrowings	(a)	35,224	30,851	–	30,851
Unsecured					
Medium term notes	(c)	–	50,000	–	50,000
		35,224	80,851	–	80,851
Less: Unamortised borrowing transaction costs		(18)	(135)	–	(135)
		35,206	80,716	–	80,716
Total		852,988	591,456	405,184	427,862

(a) Secured credit facilities of the Trust and its wholly-owned subsidiary

The Trust and its indirect wholly-owned trust, AA REIT Macquarie Park Investment Trust, have secured credit facilities from a syndicate of financial institutions which comprised of the following:

- a three-year revolving credit facility of AUD50.0 million maturing in June 2022;
- a five-year term loan facility of AUD110.0 million maturing in July 2023;
- a three-year term loan facility of AUD32.5 million maturing in November 2023;
- a four-year term loan facility of \$100.0 million maturing in July 2024;
- a four-year revolving credit facility of \$120.0 million maturing in October 2025;
- a four-year revolving credit facility of AUD50.0 million maturing in October 2025;
- a five-year term loan facility of \$100.0 million maturing in October 2026; and
- a five-year term loan facility of AUD50.0 million maturing in October 2026.

The credit facilities are secured on the following:

- (i) first legal mortgage over 16 investment properties of the Trust (the “Mortgaged Properties”);
- (ii) assignment of rights, benefits, title and interest in, *inter alia*, the building agreement and/or leases of two investment properties of the Trust;
- (iii) assignment of rights, benefits, title and interest in the property management agreements, insurances, tenancy agreements, sale agreements, performance guarantees (including sale proceeds and rental proceeds) relating to the Mortgaged Properties and assignment of rights, benefits, title and interest in moneys credited in certain accounts; and
- (iv) first ranking security over the bank account and units in Macquarie Park Trust held by AA REIT Investments (Australia) Pty Limited in its capacity as trustee of AA REIT Macquarie Park Investment Trust (a wholly-owned subsidiary of the Trust).

- (b) Secured term loan facility of a wholly-owned subsidiaries
- (i) A secured five-year term loan facility maturing July 2024 of AUD21.2 million was granted to a wholly-owned subsidiary of the Trust which is guaranteed by the Trust and secured by a mortgage over a property and a general security agreement over all present and after acquired property of the subsidiary.
 - (ii) A secured five-year term loan facility maturing November 2026 of AUD277.95 million was granted to a wholly-owned subsidiary of the Trust and secured by a mortgage over a property and a general security agreement over all present and after acquired property of the subsidiary.

- (c) Unsecured medium term notes

\$100 million five-year medium term notes with a fixed rate of 3.60% per annum, payable semi-annually in arrears and will mature on 12 November 2024 which had been issued by the Trust under the \$750 million Multicurrency Debt Issuance Programme, established in November 2018.

The medium term notes shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the respective issuers.

Capital management

On 16 April 2020, the Monetary Authority of Singapore (“MAS”) announced that the aggregate leverage limit for S-REITs will be raised from 45% to 50% with immediate effect. MAS had announced for S-REITs to have a new minimum adjusted interest coverage ratio of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%) with effect from 1 January 2022.

As at 31 March 2022, the Group’s aggregate leverage¹ was 37.5% (31 March 2021: 33.9%) and its interest coverage ratio² and adjusted interest coverage ratio² were 5.1 times (31 March 2021: 4.0 times) and 2.9 times (31 March 2021: 3.4 times), respectively.

7 PERPETUAL SECURITIES

As at 31 March 2022, \$375.0 million subordinated perpetual securities (“Perpetual Securities”) under the \$750 million Multicurrency Debt Issuance Programme, established in November 2018 had been issued comprising:

- (i) \$125.0 million perpetual securities issued on 14 August 2020. The Perpetual Securities will confer a right to receive distribution payments at a rate of 5.65% per annum with the first distribution rate reset falling on 14 August 2025 and subsequent resets occurring every five years thereafter; and
- (ii) \$250.0 million perpetual securities issued on 1 September 2021. The Perpetual Securities will confer a right to receive distribution payments at a rate of 5.375% per annum with the first distribution rate reset falling on 1 September 2026 and subsequent resets occurring every five years thereafter.

¹ The aggregate leverage includes lease liabilities that are entered into in the ordinary course of AA REIT’s business on or after 1 April 2019 in accordance with Monetary Authority of Singapore (“MAS”) guidelines.

² The interest coverage ratio (“ICR”) is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees. The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders in the interest expense. The ICR and adjusted ICR excluded interest expense on lease liabilities.

The key terms and conditions of the Perpetual Securities are as follows:

- the Perpetual Securities may be redeemed at the option of the Trust;
- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the Perpetual Securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the terms and conditions) of the Trust.

Accordingly, the Perpetual Securities are classified as equity. The expenses relating to the issue of the Perpetual Securities are deducted against the proceeds from the issue.

As at 31 March 2022, the \$373.5 million (31 March 2021: \$124.6 million) presented in the statements of financial position of the Group and the Trust represent the carrying value of the \$375.0 million (31 March 2021: \$125.0 million) Perpetual Securities issued, net of issue costs and includes the total return attributable to the Perpetual Securities holders from the last distribution date or the issuance date, as the case may be.

8 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	FY2022	FY2021
	'000	'000
Units in issue at beginning of the year	706,663	706,663
<u>Units in issue relating to:</u>		
Manager's management fees	2,122	–
Manager's acquisition fees	3,232	–
Units in issue at end of the year	712,017	706,663
<u>Units to be issued relating to:</u>		
Manager's management fees	1,248	–
Manager's performance fees	3,318	–
Total Units in issue at end of the year	716,583	706,663

On 13 July 2021, 772,640 new Units at an average price of S\$1.4008 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2021 to 30 June 2021.

On 19 November 2021, 3,232,196 new Units at an average price of S\$1.4222 were issued to the Manager as payment of the Manager's acquisition fees incurred for the acquisition of Woolworths HQ in 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia.

On 12 January 2022, 1,350,050 new Units at an average price of S\$1.4079 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2021 to 31 December 2021.

The issue price for management fees paid/payable in Units was determined based on the volume weighted average traded price for a Unit for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the fees accrue.

9 GROSS REVENUE

	Group			
	2H FY2022 \$'000	2H FY2021 \$'000	FY2022 \$'000	FY2021 \$'000
Property rental income	58,467	46,358	105,710	84,932
Service charge, land rent and property tax	11,104	10,364	21,808	20,903
Other property expenses recoverable from tenants and other property income	7,573	8,179	14,872	16,798
	<u>77,144</u>	<u>64,901</u>	<u>142,390</u>	<u>122,633</u>

10 TOTAL RETURN BEFORE INCOME TAX

The following items have been included in arriving at total return before income tax:

	Group			
	2H FY2022 \$'000	2H FY2021 \$'000	FY2022 \$'000	FY2021 \$'000
Interest expense on borrowings	9,079	8,049	17,007	16,706
Interest expense on lease liabilities	1,720	1,744	3,488	3,535
Amortisation of borrowing transaction costs	995	573	1,685	1,169
Others	368	327	648	717
Borrowing costs	<u>12,162</u>	<u>10,693</u>	<u>22,828</u>	<u>22,127</u>
Audit fees to:				
- auditors of the Trust	104	91	198	183
- other auditors	44	20	66	42
Non-audit fees payable to auditors of the Trust	22	76	47	103
Trustees' fees	195	223	359	493
Valuation fees	86	71	144	96
Professional fees	172	28	189	46
Acquisition fees written-off	-	100	87	117
Investment management fees	1,812	1,652	2,645	1,804
Other expenses	622	366	860	695
Other trust expenses	<u>3,057</u>	<u>2,627</u>	<u>4,595</u>	<u>3,579</u>

11 EARNINGS PER UNIT

	Group			
	2H FY2022 cents	2H FY2021 cents	FY2022 cents	FY2021 cents
Earnings per Unit				
Basic and diluted	<u>3.28</u>	<u>5.89</u>	<u>12.59</u>	<u>6.73</u>

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The earnings per Unit (“EPU”) is computed using total return after tax over the weighted average number of Units outstanding as follows:

	Group			
	2H FY2022 \$'000	2H FY2021 \$'000	FY2022 \$'000	FY2021 \$'000
Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders	33,494	45,177	104,108	52,021
Less: Amount reserved for distribution to Perpetual Securities holders	(10,222)	(3,521)	(14,867)	(4,450)
	23,272	41,656	89,241	47,571

	Number of Units			
	2H FY2022 '000	2H FY2021 '000	FY2022 '000	FY2021 '000
<u>Basic EPU</u>				
Units in issue at beginning of the period	707,000	706,663	706,663	706,663
Effect of Units issued relating to:				
- Manager’s management fees	586	–	846	–
- Manager’s acquisition fees	2,362	–	1,178	–
Weighted average number of Units at end of the period	709,948	706,663	708,687	706,663

	2H FY2022 '000	2H FY2021 '000	FY2022 '000	FY2021 '000
<u>Diluted EPU</u>				
Units in issue at beginning of the period	707,000	706,663	706,663	706,663
Effect of Units issued/issuable relating to:				
- Manager’s management fees	749	–	927	–
- Manager’s performance fees	18	–	9	–
- Manager’s acquisition fees	2,362	–	1,178	–
Weighted average number of Units at end of the period	710,129	706,663	708,777	706,663

12 COMMITMENTS

On 27 January 2021, the Group had entered into a Put and Call Option Agreement to acquire 315 Alexandra Road for a purchase consideration of \$102.0 million. The target date to obtain regulatory approval has been extended to 8 June 2022.

As at 31 March 2022, the Group had \$1.2 million (31 March 2021: Nil) of capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements. These projects are targeted to complete in 2022.

13 SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the interim financial statements, significant related party transactions carried out on terms agreed between the parties are as follows:

	2H FY2022 \$'000	2H FY2021 \$'000	Group FY2022 \$'000	FY2021 \$'000
The Manager				
Manager's management fees				
- Base fees	5,563	4,314	10,012	8,411
- Performance fees	4,619	–	4,619	–
- Acquisition fees	4,597	1,296	4,597	1,296
Entities controlled by corporate shareholders of the Manager				
Investment management fees ¹	1,812	1,652	2,645	1,804
Trustees' fees ¹	–	63	–	185
The Property Manager				
Property management fees	934	891	1,843	1,629
Lease management fees	466	447	921	815
Marketing services commissions	1,103	860	2,768	1,764
Project management fees	6	73	44	83
Reimbursement of site staff costs	438	–	438	–
The Trustee				
Trustee's fees	185	149	338	293
Joint venture				
Interest income	240	323	655	496

¹ During the third quarter of the financial year ended 31 March 2021, the Group finalised the revision of the investment management fees, which are paid/payable to AA REIT Management Australia Pty Limited (the Australian investment manager of the Group's properties located in Australia), for the period from 15 July 2019 to 31 August 2024. Following the finalisation of the fee revision, the Australian investment management fees now include the trustee fees.

14 SEGMENT REPORTING

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by two countries: Singapore and Australia. For each of the reporting segments, the Manager reviews internal management reports on a monthly basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Certain assets and liabilities, borrowing costs and Trust expenses are not allocated to the segments as treasury activities are centrally managed by the Group.

Information about reportable segments

	Singapore \$'000	Australia \$'000	Total \$'000
FY2022			
Revenue and expenses			
Gross revenue	128,819	13,571	142,390
Property operating expenses	(39,200)	(5)	(39,205)
Net property income	89,619	13,566	103,185
Share of profits of joint venture (net of tax)	–	48,140 ¹	48,140
Net change in fair value of investment properties	17,116	(17,706)	(590)
Net change in fair value of right-of-use assets	(5,238)	–	(5,238)
Net change in fair value of derivative financial instruments	2,796	5,423	8,219
			<u>153,716</u>
Unallocated items:			
Foreign exchange loss			(86)
Interest income			719
Borrowing costs			(22,828)
Trust and other expenses			(19,226)
Total return before income tax			<u>112,295</u>
Income tax expense			(8,187)
Total return after income tax			<u>104,108</u>
Non-current assets ²	1,467,336	896,095	2,363,431
Other segment items:			
Joint venture	–	367,763	367,763
Capital expenditure ³	4,884	–	4,884
Acquisition of investment property	–	489,839	489,839
			<u>861,486</u>
FY2021			
Revenue and expenses			
Gross revenue	119,112	3,521	122,633
Property operating expenses	(35,060)	(41)	(35,101)
Net property income	84,052	3,480	87,532
Share of profits of joint venture (net of tax)	–	35,354 ¹	35,354
Net change in fair value of investment properties	(31,752)	5,080	(26,672)
Net change in fair value of right-of-use assets	(5,134)	–	(5,134)
Net change in fair value of derivative financial instruments	1,360	818	2,178
			<u>93,258</u>
Unallocated items:			
Foreign exchange gain			296
Interest income			631
Borrowing costs			(22,127)
Trust and other expenses			(11,990)
Total return before income tax			<u>60,068</u>
Income tax expense			(8,047)
Total return after income tax			<u>52,021</u>
Non-current assets ²	1,446,530	381,245	1,827,775
Other segment items:			
Joint venture	–	335,704	335,704
Capital expenditure ³	2,270	–	2,270
Acquisition of investment property	134,882	–	134,882
			<u>472,856</u>

¹ Included in the share of profits of joint venture (net of tax) is the share of revaluation surplus recognised on the valuation of Optus Centre of \$32.3 million (2021: \$21.7 million).

² Excluding derivative financial instruments.

³ Capital expenditure consists of additions of investment properties.

No business segment information has been prepared as all investment properties are used mainly for industrial (including warehousing and business park) purposes and they are similar in terms of purpose, economic characteristics, types of tenants and nature of services provided to tenants. As such, the Group's chief operating decision makers are of the view that the Group has only one reportable segment, which is the leasing of investment properties. Accordingly, no operating segment information has been prepared. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Major tenants

Rental income from one major tenant of the Group's reportable segment represents approximately \$10.3 million (FY2021: \$8.3 million) of the Group's rental income.

15 FINANCIAL RATIOS

	Group	
	FY2022	FY2021
	%	%
Expenses to weighted average net assets ¹		
- Expense ratio excluding performance-related fee	1.16	1.14
- Expense ratio including performance-related fee	1.52	1.14
Portfolio turnover rate ²	–	–

¹ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs, changes in fair value of financial derivatives, investment properties, investment property under development and foreign exchange gains/(losses).

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

16 SUBSEQUENT EVENT

On 27 April 2022 the Manager approved a distribution of 2.36 cents per Unit in respect of the period from 1 January 2022 to 31 March 2022 to be paid on 24 June 2022.

**Other Information
Required By Listing Rule Appendix 7.2**

1 INTRODUCTION

AIMS APAC REIT (“AA REIT” or the “Trust”) is a real estate investment trust which was listed on the Main Board of the SGX-ST on 19 April 2007. AA REIT is externally managed by AIMS APAC REIT Management Limited (the “Manager”). The principal investment objective of the Manager is to invest in a diversified portfolio of income-producing real estate assets located in Singapore and throughout the Asia-Pacific region that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The Manager’s key objectives are to deliver stable distributions to Unitholders and to provide long-term capital growth.

The Group¹ has a portfolio of 29 industrial properties, 26 of which are located throughout Singapore, one industrial property located in Gold Coast, Queensland, Australia, one business park located in New South Wales, Australia, and one business park property located in Macquarie Park, New South Wales (“NSW”), Australia².

2 SUMMARY OF AIMS APAC REIT GROUP RESULTS

	Note	2H FY2022	2H FY2021	+/(-)	FY2022	FY2021	+/(-)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	77,144	64,901	18.9	142,390	122,633	16.1
Net property income	(a)	55,476	47,579	16.6	103,185	87,532	17.9
Share of profits of joint venture (net of tax)	(a)	20,876	27,730	(24.7)	48,140	35,354	36.2
Distributions to Unitholders		33,644	34,979	(3.8)	67,247	63,247	6.3
Distribution per Unit (“DPU”) (cents)		4.71	4.95	(4.8)	9.46	8.95	5.7

Breakdown of DPU by quarter

	Note	FY2022	FY2021	+/(-)
		Cents	Cents	%
For the first quarter ended 30 June	(b)	2.25	2.00	12.5
For the second quarter ended 30 September	(b)	2.50	2.00	25.0
For the third quarter ended 31 December	(b)	2.35	2.05	14.6
For the fourth quarter ended 31 March		2.36	2.90	(18.6)
For the year ended 31 March		9.46	8.95	5.7

Notes:

- (a) Please refer to section 3 on “Review of performance of the Group” for explanation of the variances.
 (b) The payment of distribution for the:
- i. first quarter ended 30 June 2021 on 22 September 2021
 - ii. second quarter ended 30 September 2021 on 17 December 2021
 - iii. third quarter ended 31 December 2021 on 25 March 2022

¹ The Group comprises AIMS APAC REIT, its wholly-owned subsidiaries and its interest in a joint venture.

² AA REIT has a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.

Distribution and Record Date

Distribution	For 1 January 2022 to 31 March 2022
Distribution Type	(a) Taxable Income (a) Tax-Exempt Income (b) Capital Distribution ¹
Distribution Rate	(a) Taxable Income Distribution: 1.616 cents per Unit (b) Tax-Exempt Income 0.134 cents per Unit (c) Capital Distribution ¹ : <u>0.610 cents per Unit</u> <u>2.360 cents per Unit</u>
Record Date	10 May 2022
Payment Date	24 June 2022

¹ This relates to the tax deferred component arising from the distributions remitted from the Group's investments in Australia.

3 REVIEW OF PERFORMANCE OF THE GROUP

3.1 Statements of Financial Position as at 31 March 2022 vs. 31 March 2021

	Note	Group			Trust		
		31 March 2022 S\$'000	31 March 2021 S\$'000	+ / (-) %	31 March 2022 S\$'000	31 March 2021 S\$'000	+ / (-) %
Non-current assets							
Investment properties	(a)	1,992,582	1,489,030	33.8	1,464,250	1,443,489	1.4
Subsidiaries	(b)	–	–	–	328,681	108,764	>100.0
Joint venture	(c)	367,763	335,704	9.5	–	–	–
Trade and other receivables	(d)	3,086	3,041	1.5	3,086	3,041	1.5
Derivative financial instruments	(h)	9,989	1,126	>100.0	7,216	1,126	>100.0
		<u>2,373,420</u>	<u>1,828,901</u>	<u>29.8</u>	<u>1,803,233</u>	<u>1,556,420</u>	<u>15.9</u>
Current assets							
Trade and other receivables	(d)	8,846	6,521	35.7	9,802	6,255	56.7
Cash and cash equivalents	(e)	21,395	11,159	91.7	11,599	8,884	30.6
		<u>30,241</u>	<u>17,680</u>	<u>71.0</u>	<u>21,401</u>	<u>15,139</u>	<u>41.4</u>
Total assets		<u>2,403,661</u>	<u>1,846,581</u>	<u>30.2</u>	<u>1,824,634</u>	<u>1,571,559</u>	<u>16.1</u>
Non-current liabilities							
Trade and other payables	(f)	13,135	10,780	21.8	13,135	10,780	21.8
Interest-bearing borrowings	(g)	817,782	510,740	60.1	405,184	347,146	16.7
Derivative financial instruments	(h)	1,495	6,770	(77.9)	1,495	6,642	(77.5)
Deferred tax liabilities	(i)	27,944	21,419	30.5	–	–	–
Lease liabilities	(j)	88,621	89,974	(1.5)	88,621	89,974	(1.5)
		<u>948,977</u>	<u>639,683</u>	<u>48.4</u>	<u>508,435</u>	<u>454,542</u>	<u>11.9</u>
Current liabilities							
Trade and other payables	(k)	39,767	32,052	24.1	33,832	31,293	8.1
Interest-bearing borrowings	(g)	35,206	80,716	(56.4)	–	80,716	(100.0)
Derivative financial instruments	(h)	540	1,444	(62.6)	540	1,444	(62.6)
Lease liabilities	(j)	5,429	5,315	2.1	5,429	5,315	2.1
		<u>80,942</u>	<u>119,527</u>	<u>(32.3)</u>	<u>39,801</u>	<u>118,768</u>	<u>(66.5)</u>
Total liabilities		<u>1,029,919</u>	<u>759,210</u>	<u>35.7</u>	<u>548,236</u>	<u>573,310</u>	<u>(4.4)</u>
Net assets		<u>1,373,742</u>	<u>1,087,371</u>	<u>26.3</u>	<u>1,276,398</u>	<u>998,249</u>	<u>27.9</u>
Represented by:							
Unitholders' funds		1,000,196	962,758	3.9	902,852	873,636	3.3
Perpetual Securities holders' funds	(l)	373,546	124,613	>100.0	373,546	124,613	>100.0
		<u>1,373,742</u>	<u>1,087,371</u>	<u>26.3</u>	<u>1,276,398</u>	<u>998,249</u>	<u>27.9</u>

(a) The increase in investment properties was largely due to the acquisition of a property at 1 Woolworths Way, Bella Vista, New South Wales, Australia ("Woolworths HQ") in November 2021, offset by the net revaluation loss mainly from the transaction cost capitalised for the Woolworths HQ acquisition.

(b) This relates to the Trust's interests in its wholly-owned subsidiaries, AACI REIT MTN Pte. Ltd., AIMS APAC REIT (Australia) Trust, AACI REIT Opera Pte. Ltd., AA REIT Alexandra Trust and AA REIT Alexandra Pte. Ltd. The increase in subsidiaries was due to the constitution of the indirect wholly-owned trusts, AA REIT Australia Trust (NSW) and Bella Vista Trust in relation to the acquisition of the Woolworths HQ.

- (c) This relates to the Group's 49.0% interest in Macquarie Park Trust, the Australian trust which holds Optus Centre, located in Macquarie Park, NSW, Australia and a proportionate unitholder loan to the joint venture. The increase was mainly due to the share of revaluation surplus following the valuation of the property as at 31 March 2022.
- (d) Non-current trade and other receivables relate to the unamortised portion of the marketing services commission for leases with tenors of more than one year.
- Current trade and other receivables as at 31 March 2022 of S\$8.8 million was S\$2.3 million higher compared to balances as at 31 March 2021. The increase was mainly due to refundable deposit paid for utilities.
- (e) Cash and cash equivalents increased mainly due to acquisition of Woolworths HQ, funded by interest-bearing borrowings and Perpetual Securities. Please refer to page FS11 of the Interim Financial Statements for the Consolidated Statement of Cash Flows.
- (f) Non-current trade and other payables mainly comprised rental deposits received from tenants with remaining lease tenors of more than one year. The increase was mainly due to rental deposits received from tenants for leases with lease tenors of more than one year.
- (g) The total borrowings of the Group as at 31 March 2022 of S\$853.0 million was S\$261.5 million higher compared to balances as at 31 March 2021 mainly due to additional loan drawn down for the acquisition of Woolworths HQ and offset by net loan repayments during the year.
- (h) The derivative financial instruments as at 31 March 2022 were in relation to interest rate swap and foreign currency forward contracts.
- (i) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia. The increase in deferred tax liabilities is in relation to the deferred tax liability recognised on the share of revaluation surplus on Optus Centre and the fair value gain recorded for the investment property at Boardriders Asia Pacific HQ.
- (j) This relates to the recognition of lease liabilities in relation to the capitalisation of land rent payments in accordance with FRS 116. The decrease in lease liabilities was mainly due to land rent payments during FY2022, partially offset by the recognition of the lease liability on the extension option for the property at 61 Yishun Industrial Park A, in accordance with FRS 116.
- (k) The increase in current trade and other payables was mainly due to higher accrued property operating expenses and interest payable contributed from the acquisition of Woolworths HQ in November 2021. As at 31 March 2022, the Group and the Trust had total undrawn committed facilities of approximately S\$160.4 million to fulfil their liabilities as and when they fall due.
- (l) On 1 September 2021, the Trust issued S\$250.0 million of Perpetual Securities under its S\$750 million Multicurrency Debt issuance Programme. The carrying value represents the Perpetual Securities issued, net of issue costs and includes the amount reserved for distribution to the Perpetual Securities holders from the last distribution date or the issuance date, as the case may be.

As at 31 March 2022, the Group's current liabilities exceeded its current assets by S\$50.7 million mainly due to interest bearing borrowings due in the next 12 months and accrued property expenses. The Group has sufficient banking facilities available to meet its current obligations as and when they fall due.

3.2 Consolidated Statements of Total Return

	Group			Group		
	2H FY2022 S\$'000	2H FY2021 S\$'000	+/(-) %	FY2022 S\$'000	FY2021 S\$'000	+/(-) %
Gross revenue	77,144	64,901	18.9	142,390	122,633	16.1
Property operating expenses	(21,668)	(17,322)	25.1	(39,205)	(35,101)	11.7
Net property income	55,476	47,579	16.6	103,185	87,532	17.9
Net foreign exchange gain/(loss)	57	90	(36.7)	(86)	296	>(100.0)
Interest income	296	344	(14.0)	719	631	13.9
Borrowing costs	(12,162)	(10,693)	13.7	(22,828)	(22,127)	3.2
Manager's management fees	(5,563)	(4,314)	29.0	(10,012)	(8,411)	19.0
Manager's performance fees	(4,619)	–	NM	(4,619)	–	NM
Other trust expenses	(3,057)	(2,627)	16.4	(4,595)	(3,579)	28.4
Non-property expenses	(25,401)	(17,634)	44.0	(42,054)	(34,117)	23.3
Net income before joint venture's profits	30,428	30,379	0.2	61,764	54,342	13.7
Share of profits of joint venture (net of tax)	20,876	27,730	(24.7)	48,140	35,354	36.2
Net income	51,304	58,109	(11.7)	109,904	89,696	22.5
Net change in fair value of investment properties	(20,945)	(10,479)	99.9	(5,828)	(31,806)	(81.7)
Net change in fair value of derivative financial instruments	6,953	2,772	>100.0	8,219	2,178	>100.0
Total return before income tax	37,312	50,402	(26.0)	112,295	60,068	86.9
Income tax expense	(3,818)	(5,225)	(26.9)	(8,187)	(8,047)	1.7
Total return after income tax	33,494	45,177	(25.9)	104,108	52,021	>100.0
Attributable to:						
Unitholders	23,272	41,656	(44.1)	89,241	47,571	87.6
Perpetual Securities holders	10,222	3,521	>100.0	14,867	4,450	>100.0
	33,494	45,177	(25.9)	104,108	52,021	>100.0
Distributions to Unitholders	33,644	34,979	(3.8)	67,247	63,247	6.3
DPU (Singapore cents)	4.71	4.95	(4.8)	9.46	8.95	5.7

NM: Not meaningful

2H FY2022 vs 2H FY2021

Gross revenue for 2H FY2022 of S\$77.1 million was S\$12.2 million higher as compared to 2H FY2021. The increase in gross revenue was mainly contributed by the acquisition of Woolworths HQ in November 2021 amounting to approximately S\$10.0 million, higher rental and recoveries for the properties at 20 Gul Way, 27 Penjuru Lane, 15 Tai Seng Drive and 541 Yishun Industrial Park A (rental contribution from the new master tenant commenced in January 2021).

Property operating expenses for 2H FY2022 of S\$21.7 million was S\$4.3 million higher as compared to 2H FY2021. The increase was largely due to the increase in the electricity cost during the fourth quarter of FY2022 and the increase in repair and maintenance expenses.

Net property income for 2H FY2022 of S\$55.5 million was S\$7.9 million higher than 2H FY2021 mainly due to higher gross revenue.

Borrowing costs for 2H FY2022 of S\$12.2 million was S\$1.5 million higher compared to 2H FY2021 mainly due to the interest from the new term loan of approximately AUD277.9 million used for the acquisition of Woolworths HQ.

Manager's management fees for 2H FY2022 of S\$5.6 million was S\$1.2 million higher compared to 2H FY2021. The increase was mainly due to higher value of the Deposited Property from the acquisition of Woolworths HQ in November 2021 and the higher valuation of Optus Centre.

Performance fee is computed at 0.2% per annum of the value of the Deposited Property, provided that the annual growth in distribution per unit ("DPU") in a given financial year exceeded 5.0%. Based on AA REIT FY2022 performance, the Manager is entitled to receive S\$4.6 million of performance fee.

Other trust expenses for 2H FY2022 of S\$3.1 million was S\$0.4 million higher compared to FY2021 mainly due to higher trustee fees and Australian investment management fees as a result of the higher value of the Deposited Property from the acquisition of Woolworths HQ,

The decrease in the share of profits of joint venture in 2H FY2022 was mainly due to lower share of revaluation surplus recognised from the valuation of Optus Centre of S\$7.8 million.

The net change in fair value of investment properties for 2H FY2022 was largely due to revaluation loss from the Woolworths HQ of S\$26.3 million mainly arising from transaction cost capitalised and S\$2.6 million fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 Leases ("FRS 116"). This is partially offset by the net revaluation gain of the Group's remaining 27 properties of S\$8.0 million.

The net changes in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts, cross-currency interest rate swap contracts and foreign currency forward contracts. The net change in fair value of derivative financial instruments is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

The income tax expense comprises mainly withholding tax arising from distribution from Australia and the provision for deferred tax liability recognised on the share of revaluation surplus on Optus Centre and the fair value gain recorded for the investment property at Boardriders Asia Pacific HQ.

On 1 September 2021, the Trust issued S\$250.0 million Perpetual Securities. The Perpetual Securities confer a right to its holders to receive distribution payments at a rate of 5.375% per annum, with the first distribution rate reset falling on 1 September 2026 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

FY2022 vs FY2021

Gross revenue for FY2022 of S\$142.4 million was S\$19.8 million higher as compared to FY2021. The increase in gross revenue was mainly contributed by the recent acquisition of Woolworths HQ in November 2021 amounting to approximately S\$10.0 million, full year contribution from 7 Bulim Street acquired in October 2020, higher rental and recoveries for the properties at 20 Gul Way, 8 & 10 Pandan Crescent, 29 Woodlands Industrial Park and 541 Yishun Industrial Park A (rental contribution from the new master tenant commenced in January 2021). In addition, the lower gross revenue for FY2021 was due to an estimated provision for waiver of rent for eligible tenants under the Singapore rental relief framework from SMEs of approximately S\$1.7 million.

Property operating expenses for FY2022 of S\$39.2 million was S\$4.1 million higher as compared to FY2021. The increase was largely due to the increase in the electricity cost during the fourth quarter of FY2022 and the increase in the repair and maintenance expenses.

Net property income for FY2022 of S\$103.2 million was S\$15.7 million higher than FY2021 mainly due to higher gross revenue.

The increase in interest income for FY2022 was mainly due to the interest income earned on a proportionate unitholder loan to a joint venture to fund AA REIT's share of the asset enhancement initiative at Optus Centre.

Borrowing costs for FY2022 of S\$22.8 million was S\$0.7 million higher compared to FY2021 mainly due to the additional interest expense from the new term loan facility for acquisition of Woolworths HQ of approximately AUD277.95 million. This is partially offset by the loan repayments during the year.

Manager's management fees for FY2022 of S\$10.0 million was S\$1.6 million higher compared to FY2021. The increase was mainly due to higher value of the Deposited Property from the acquisition of Woolworths HQ in November 2021 and the higher valuation of Optus Centre.

Performance fee is computed at 0.2% per annum of the value of the Deposited Property, provided that the annual growth in distribution per unit ("DPU") in a given financial year exceeded 5.0%. Based on AA REIT's distribution for FY2022, the Manager is entitled to receive S\$4.6 million of performance fee.

Other trust expenses for FY2022 of S\$4.6 million was S\$1.0 million higher compared to FY2021 mainly due to higher trustee fees and Australian investment management fees as a result of the higher value of the Deposited Property from the acquisition of Woolworths HQ, and higher valuation of Optus Centre.

The increase in the share of profits of joint venture in FY2022 was mainly due to higher share of revaluation surplus recognised from the valuation of Optus Centre of S\$10.7 million.

The net change in fair value of investment properties for FY2022 was largely due to revaluation loss from the Woolworths HQ of S\$26.3 million mainly arising from transaction cost capitalised and S\$5.2 million fair value adjustments of ROU assets included in investment properties in accordance with FRS 116 Leases ("FRS 116"). This is partially offset by the net revaluation gain of the Group's remaining 27 properties of S\$25.7 million.

As at 31 March 2022, the independent valuations of the Trust's 26 investment properties in Singapore were carried out by Savills Valuation and Professional Services (S) Pte Ltd or Jones Lang LaSalle Property Consultants Pte Ltd while the valuation of 2 investment properties in Australia were carried out by Jones Lang LaSalle Advisory Services Pty Ltd or Knight Frank NSW Valuations & Advisory Pty Ltd.

The net change in fair value of investment properties is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

The net changes in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts, cross-currency interest rate swap contracts and foreign currency forward contracts. The net change in fair value of derivative financial instruments is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

The income tax expense comprises mainly withholding tax for Australia income and the provision for deferred tax liability recognised on the share of revaluation surplus on Optus Centre and the fair value gain recorded for the investment property at Boardriders Asia Pacific HQ.

On 14 August 2020, the Trust issued S\$125.0 million of subordinated perpetual securities ("Perpetual Securities"). The Perpetual Securities confer a right to its holders to receive distribution payments at a rate of 5.65% per annum, with the first distribution rate reset falling on 14 August 2025 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

On 1 September 2021, the Trust issued S\$250.0 million Perpetual Securities. The Perpetual Securities confer a right to its holders to receive distribution payments at a rate of 5.375% per annum, with the first distribution rate reset falling on 1 September 2026 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

4 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by auditors.

5 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

6 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2021.

7 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

8 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the financial period

Please refer to FS2 and FS3 of the interim financial statements.

9 Net Asset Value ("NAV") per unit at the end of the year

Please refer to FS1 of the interim financial statements.

10 To show the total number of issued units excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2022, the Trust had 712,017,469 units (31 March 2021: 706,662,583 units)

11 A statement showing all sales, transfers, cancellation and/or use of treasury units and subsidiary holdings as at the end of the current financial period reported on

Not applicable.

12 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Trust has not disclosed to the market any forecast in relation to the current financial period.

13 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

The International Monetary Fund is expecting global economic growth to slow to 3.6% in 2022 and 2023, due to rising food and energy prices, and elevated inflation exacerbated by global spillovers from the ongoing war in Ukraine which has distorted energy markets and added further pressures to the pandemic disrupted supply chains. Amidst concerns about rising inflation, central banks have continued to tighten monetary policy.

Singapore

According to advanced estimates from the Ministry of Trade and Industry released on 14 April 2022, the Singapore's economy grew by 3.4% on a year-on-year basis in the first quarter of 2022, moderating from the 6.1% growth in the preceding quarter. As Singapore's COVID-19 situation has stabilised, the government has eased islandwide safe management and border measures to return to pre-pandemic conditions.

Separately, the Monetary Authority of Singapore ("MAS") tightened its monetary policy on 14 April 2022 for the third time since October 2021, stating that the move will slow inflation momentum from soaring prices made worse by the Ukraine war and global supply disruptions. In this move, the MAS re-centered the midpoint of the exchange rate policy band at the prevailing level and slightly increased the slope or rate of currency appreciation. A stronger currency would help to absorb some of the inflation from imported goods and raw materials. The MAS has also raised its inflation forecast for 2022, with overall inflation now projected at 4.5% to 5.5%, from the earlier range of 2.5% to 3.5%.

The manufacturing sector expanded by 6.0% year-on-year in the first quarter of 2022, moderating from the 15.5% growth in the preceding quarter, supported by the electronics and precision engineering clusters which were driven by sustained global demand for semiconductors and semiconductor equipment.

Based on JTC Corporation's market report for 4Q 2021 released on 27 January 2022, the occupancy rate for the overall industrial property market remained unchanged from the previous quarter at 90.1% in 4Q 2021, while rentals and prices of industrial space have continued to rise. As the economy recovers in 2022, demand for industrial space is projected to remain robust. Approximately 2.8 million sqm of new industrial space is expected to be completed in 2022.

Australia

Australian Gross Domestic Product ("GDP") rose by 3.4% in 4Q 2021, according to statistics released by the Australian Bureau of Statistics on 2 March 2022. It was mainly driven by domestic demand with high levels of household spending, particularly in states that have emerged from COVID-19 lockdowns.

The Australian economy remains resilient with spending picking up. While inflation has increased in Australia, it remains lower than in many other countries. At the most recent April meeting, the Reserve Bank of Australia announced that it is maintaining the target cash rate¹ of 10 basis points and that it will not increase the cash rate until actual inflation is sustainably within its target range of 2% to 3%.

Australia's stable economy and its resilience during the pandemic has allowed the reopening of cities which has seen workers gradually returning to offices. Demand for commercial space in suburban Central Business District locations is expected to be supported as businesses continue to see offices as integral to their operations.

Overview

The broad recovery in the Singapore and Australia economies has provided support for the industrial and business park sectors. Factors such as delays in completion of new stock, rising rentals and prices of industrial space will continue to prop up demand for industrial space, reinforcing the resilience of the industrial sector.

The Manager will actively pursue growth opportunities through strategic acquisitions, asset enhancements and potential re-development of selected properties notwithstanding macro uncertainties including geopolitical tensions, rising energy prices, supply disruption and inflation. The REIT's stabilised portfolio, with contributions from the new Woolworths HQ acquisition, will enable it to strengthen its business. The Manager will continue to proactively manage its portfolio to deliver sustainable distributions and create long-term value for Unitholders.

¹ Cash rate refers to the interest rate on unsecured overnight loans between banks. It is the risk-free benchmark rate.

14 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: **64th distribution, for the period from 1 January 2022 to 31 March 2022**

Distribution Type
Taxable Income
Tax-Exempt Income
Capital Distribution

Distribution Rate:
Taxable Income 1.616 cents per Unit
Tax-Exempt Income 0.134 cents per Unit
Capital Distribution 0.610 cents per Unit
Total 2.360 cents per Unit

Par value of units: Not applicable

Tax Rate:

Taxable Income Distributions

Taxable income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions

Capital distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable for Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Record date: 10 May 2022

Date payable: 24 June 2022

(ii) Name of distribution: **63rd distribution, for the period from 1 October 2021 to 31 December 2021**

Distribution Type Taxable Income
 Tax-Exempt Income
 Capital Distribution

Distribution Rate: Taxable Income 1.74 cents per Unit
 Tax-Exempt Income 0.18 cents per Unit
 Capital Distribution 0.43 cents per Unit
 Total 2.35 cents per Unit

Par value of units: Not applicable

Tax Rate: **Taxable Income Distributions**
 Taxable income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions
 Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions
 Capital distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable for Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Remarks: Distribution of 2.35 cents per unit for the period from 1 October 2021 to 31 December 2021 was paid on 25 March 2022.

(b) Corresponding period of the immediate preceding year

Any distributions declared for the previous corresponding financial period: Yes

(i) Name of distribution: **60th distribution, for the period from 1 January 2021 to 31 March 2021**

Distribution Type¹:
 Taxable Income
 Capital Distribution

Distribution Rate	Taxable Income	2.287 cents per Unit
	Capital Distribution	<u>0.613 cents per Unit</u>
	Total	<u>2.900 cents per Unit</u>

Par value of units: Not applicable

Tax Rate: **Taxable Income Distributions**
 Taxable income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Capital Distributions
 Capital distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Remarks: Distribution of 2.90 cents per unit for the period from 1 January 2021 to 31 March 2021 was paid on 24 June 2021.

¹ No tax-exempt income distribution was declared for the period from 1 January 2021 to 31 March 2021.

(ii) Name of distribution: **59th distribution, for the period from 1 October 2020 to 31 December 2020**

Distribution Type: Taxable Income
 Tax-Exempt Income
 Capital Distribution

Distribution Rate:	Taxable Income	1.95 cents per Unit
	Tax-Exempt Income	0.05 cents per Unit
	Capital Distribution	<u>0.05 cents per Unit</u>
	Total	<u>2.05 cents per Unit</u>

Par value of units: Not applicable

Tax Rate: **Taxable Income Distributions**
 Taxable income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions
 Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions
 Capital distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Remarks: Distribution of 2.05 cents per unit for the period from 1 October 2020 to 31 December 2020 was paid on 19 March 2021.

15 If no distribution has been declared (recommended), a statement to that effect and the reason(s) for the decision

Not applicable.

16 Segmented revenue and results for business or geographical segments (of the Group) with comparative information for the immediately preceding year.

	Group		+ / (-) %
	FY2022 S\$'000	FY2021 S\$'000	
<u>Gross Revenue</u>			
Singapore	128,819	119,112	8.1
Australia	13,571	3,521	>100.0
	142,390	122,633	16.1
<u>Net property income</u>			
Singapore	89,619	84,052	6.6
Australia	13,566	3,480	>100.0
	103,185	87,532	17.9

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Increase in gross revenue and net property income in Singapore was mainly due to full year contribution from 7 Bulim Street acquired in October 2020 and higher rental and recoveries from certain Singapore properties.

Increase in gross revenue and net property income in Australia was mainly contributed by the recent acquisition of Woolworths HQ in November 2021.

Please refer to Appendix 7.2, Item 3.2 for the review of the actual performance.

18 Breakdown of sales

	Group		+ / (-) %
	FY2022 S\$'000	FY2021 S\$'000	
<u>First half of the year</u>			
Gross revenue	65,246	57,732	13.0
Total return after income tax attributable to Unitholders	65,969	5,915	>100.0
<u>Second half of the year</u>			
Gross revenue	77,144	64,901	18.9
Total return after income tax attributable to Unitholders	23,272	41,656	(44.1)

19 Breakdown of total annual distribution

	DPU (Cents)	Group	
		FY2022 S\$'000	FY2021 S\$'000
<u>Distributions paid during the year</u>			
For the period:			
1 October 2021 to 31 December 2021	2.35	16,733	-
1 July 2021 to 30 September 2021	2.50	17,686	-
1 April 2021 to 30 June 2021	2.25	15,917	-
1 January 2021 to 31 March 2021	2.90	20,493	-
1 October 2020 to 31 December 2020	2.05	-	14,486
1 July 2020 to 30 September 2020	2.00	-	14,134
1 April 2020 to 30 June 2020	2.00	-	14,134
1 January 2020 to 31 March 2020	2.00	-	14,134
		70,829	56,888

20 General Mandate Relating to Interested Person Transactions

The Trust has not obtained a general mandate from Unitholders for Interested Person Transactions other than the Exempted Agreements as disclosed in the Prospectus.

21 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, AIMS APAC REIT Management Limited (the “Company”), the manager of AA REIT, confirms that there is no person occupying a managerial position in the Company who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of AA REIT.

22 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 pursuant to Rule 720(1) of Listing Manual.

23 Additional information required pursuant to Rule 706A of the Listing Manual

On 15 November 2021, the Group completed the acquisition of Woolworths HQ in 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia for approximately AUD463.3 million¹.

Please refer to announcement dated 15 November 2021 for more information.

This release 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, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

By Order of the Board

AIMS APAC REIT Management Limited
(Company Registration No. 200615904N)
(as Manager of AIMS APAC REIT)

Russell Ng
Chief Executive Officer
27 April 2022

¹ The acquisition cost including transaction costs is approximately AUD494.3 million.