



**AIMS APAC REIT and its subsidiaries**

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

Interim Financial Statements  
For the First Quarter ended 30 June 2021 ("1Q FY2022")

**STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2021**

|   | Note | Group                     |                            | Trust                     |                            |
|---|------|---------------------------|----------------------------|---------------------------|----------------------------|
|   |      | 30 June<br>2021<br>\$'000 | 31 March<br>2021<br>\$'000 | 30 June<br>2021<br>\$'000 | 31 March<br>2021<br>\$'000 |
| <b>Non-current assets</b>   |      |                           |                            |                           |                            |
| Investment properties   | 3    | 1,490,643                 | 1,489,030                  | 1,445,657                 | 1,443,489                  |
| Subsidiaries  |      | –                         | –                          | 108,764                   | 108,764                    |
| Joint venture   | 4    | 332,972                   | 335,704                    | –                         | –                          |
| Trade and other receivables   |      | 3,574                     | 3,041                      | 3,574                     | 3,041                      |
| Derivative financial instruments  |      | 1,094                     | 1,126                      | 1,094                     | 1,126                      |
|   |      | <u>1,828,283</u>          | <u>1,828,901</u>           | <u>1,559,089</u>          | <u>1,556,420</u>           |
| <b>Current assets</b>   |      |                           |                            |                           |                            |
| Trade and other receivables   |      | 7,588                     | 6,521                      | 6,845                     | 6,255                      |
| Cash and cash equivalents   |      | 11,028                    | 11,159                     | 8,959                     | 8,884                      |
|   |      | <u>18,616</u>             | <u>17,680</u>              | <u>15,804</u>             | <u>15,139</u>              |
| <b>Total assets</b>   |      | <b><u>1,846,899</u></b>   | <b><u>1,846,581</u></b>    | <b><u>1,574,893</u></b>   | <b><u>1,571,559</u></b>    |
| <b>Non-current liabilities</b>  |      |                           |                            |                           |                            |
| Trade and other payables  |      | 11,358                    | 10,780                     | 11,358                    | 10,780                     |
| Interest-bearing borrowings   | 5    | 463,213                   | 510,740                    | 331,539                   | 347,146                    |
| Derivative financial instruments  |      | 5,389                     | 6,770                      | 5,297                     | 6,642                      |
| Deferred tax liabilities  |      | 21,226                    | 21,419                     | –                         | –                          |
| Lease liabilities   |      | 92,011                    | 89,974                     | 92,011                    | 89,974                     |
|   |      | <u>593,197</u>            | <u>639,683</u>             | <u>440,205</u>            | <u>454,542</u>             |
| <b>Current liabilities</b>  |      |                           |                            |                           |                            |
| Trade and other payables  |      | 28,957                    | 32,052                     | 27,979                    | 31,293                     |
| Interest-bearing borrowings   | 5    | 134,038                   | 80,716                     | 101,811                   | 80,716                     |
| Derivative financial instruments  |      | 1,380                     | 1,444                      | 1,380                     | 1,444                      |
| Lease liabilities   |      | 5,268                     | 5,315                      | 5,268                     | 5,315                      |
|   |      | <u>169,643</u>            | <u>119,527</u>             | <u>136,438</u>            | <u>118,768</u>             |
| <b>Total liabilities</b>  |      | <b><u>762,840</u></b>     | <b><u>759,210</u></b>      | <b><u>576,643</u></b>     | <b><u>573,310</u></b>      |
| <b>Net assets</b>   |      | <b><u>1,084,059</u></b>   | <b><u>1,087,371</u></b>    | <b><u>998,250</u></b>     | <b><u>998,249</u></b>      |
| Represented by:   |      |                           |                            |                           |                            |
| Unitholders' funds  |      | 957,685                   | 962,758                    | 871,876                   | 873,636                    |
| Perpetual Securities holders' funds   | 6    | 126,374                   | 124,613                    | 126,374                   | 124,613                    |
|   |      | <u>1,084,059</u>          | <u>1,087,371</u>           | <u>998,250</u>            | <u>998,249</u>             |
| Units in issue and to be issued ('000)  |      | <u>707,435</u>            | <u>706,663</u>             | <u>707,435</u>            | <u>706,663</u>             |
| Net asset value/net tangible asset per Unit attributable to Unitholders <sup>1</sup> (\$) |      | <u>1.35</u>               | <u>1.36</u>                | <u>1.23</u>               | <u>1.24</u>                |

<sup>1</sup> 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 period.

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

**CONSOLIDATED STATEMENTS OF TOTAL RETURN**  
**First Quarter Ended 30 June 2021 (1Q FY2022)**

|  | Note | Group<br>1Q FY2022<br>\$'000 | 1Q FY2021<br>\$'000  |
|--|------|------------------------------|----------------------|
| Gross revenue  |      | 31,813                       | 27,240               |
| Property operating expenses                                  |      | (8,733)                      | (8,611)              |
| <b>Net property income</b>                                   |      | <u>23,080</u>                | <u>18,629</u>        |
| Foreign exchange (loss)/gain                                 |      | (30)                         | 185                  |
| Interest and other income                                    |      | 210                          | 132                  |
| Borrowing costs  |      | (5,337)                      | (5,760)              |
| Manager's management fees                                    |      | (2,189)                      | (1,976)              |
| Other trust expenses   |      | (824)                        | (388)                |
| Non-property expenses  |      | <u>(8,350)</u>               | <u>(8,124)</u>       |
| <b>Net income before joint venture's profits</b>             |      | 14,910                       | 10,822               |
| Share of profits of joint venture (net of tax)               |      | 3,774                        | 3,315                |
| <b>Net income</b>  |      | <u>18,684</u>                | <u>14,137</u>        |
| Net change in fair value of investment properties            |      | (1,288)                      | (1,267)              |
| Net change in fair value of derivative financial instruments |      | 937                          | (883)                |
| <b>Total return before income tax</b>                        | 8    | <u>18,333</u>                | <u>11,987</u>        |
| Income tax expense   |      | (201)                        | (1,860)              |
| <b>Total return after income tax</b>                         |      | <u><u>18,132</u></u>         | <u><u>10,127</u></u> |
| <b>Attributable to:</b>                                      |      |                              |                      |
| Unitholders  |      | 16,371                       | 10,127               |
| Perpetual Securities holders                                 |      | 1,761                        | -                    |
|  |      | <u><u>18,132</u></u>         | <u><u>10,127</u></u> |
| <b>Earnings per Unit (cents)</b>                             |      |                              |                      |
| Basic and diluted  | 9    | <u><u>2.32</u></u>           | <u><u>1.43</u></u>   |

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

**CONSOLIDATED DISTRIBUTION STATEMENTS**  
First Quarter Ended 30 June 2021 (1Q FY2022)

|  | Note | 1Q FY2022<br>\$'000 | Group<br>1Q FY2021<br>\$'000 |
|--|------|---------------------|------------------------------|
| <b>Amount available for distribution to Unitholders at beginning of the period</b> |      | 20,493              | 14,134                       |
| Total return before income tax   |      | 18,333              | 11,987                       |
| Less: Amount reserved for distribution to Perpetual Securities holders             |      | (1,761)             | –                            |
| Net effect of tax adjustments  | A    | 904                 | 2,683                        |
| Other adjustments  | B    | (3,697)             | (3,272)                      |
|  |      | <u>13,779</u>       | <u>11,398</u>                |
| <b>Amount available for distribution to Unitholders from taxable income</b>        |      | 34,272              | 25,532                       |
| Distribution from tax-exempt income  |      | –                   | 1,625                        |
| Capital distribution   |      | 2,617               | 1,625                        |
|  |      | <u>36,889</u>       | <u>28,782</u>                |
| <b>Amount available for distribution to Unitholders</b>                            |      | 36,889              | 28,782                       |
| <b>Distributions to Unitholders during the period:</b>                             |      |                     |                              |
| 2.00 cents per Unit for the period from 1 January 2020 – 31 March 2020             |      | –                   | (14,134)                     |
| 2.90 cents per Unit for the period from 1 January 2021 – 31 March 2021             |      | (20,493)            | –                            |
|  |      | <u>(20,493)</u>     | <u>(14,134)</u>              |
| <b>Amount available for distribution to Unitholders at end of the period</b>       |      | <u>16,396</u>       | <u>14,648</u>                |
| <b>Number of Units entitled to distributions at end of the period ('000)</b>       |      | 707,435             | 706,663                      |
| <b>Distribution per Unit (cents)</b>   |      | <u>2.25</u>         | <u>2.00</u>                  |

**Note A - Net effect of tax adjustments**

|  | 1Q FY2022<br>\$'000 | Group<br>1Q FY2021<br>\$'000 |
|--|---------------------|------------------------------|
| Amortisation and write-off of borrowing transaction costs    | 203                 | 222                          |
| Foreign exchange loss/(gain)                                 | 16                  | (113)                        |
| Manager's management fees in Units                           | 1,082               | –                            |
| Land rent paid/payable on investment properties              | (2,171)             | (2,168)                      |
| Interest expense on lease liabilities                        | 883                 | 901                          |
| Net change in fair value of investment properties            | 1,288               | 1,267                        |
| Net change in fair value of derivative financial instruments | (903)               | 827                          |
| Net tax adjustment on foreign sourced income                 | 961                 | 1,161                        |
| Temporary differences and other tax adjustments              | (455)               | 586                          |
| <b>Net effect of tax adjustments</b>                         | <u>904</u>          | <u>2,683</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 financial statements.

**STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS**  
First Quarter Ended 30 June 2021 (1Q FY2022)

|   | Note | Group               |                     | Trust               |                     |
|---|------|---------------------|---------------------|---------------------|---------------------|
|   |      | 1Q FY2022<br>\$'000 | 1Q FY2021<br>\$'000 | 1Q FY2022<br>\$'000 | 1Q FY2021<br>\$'000 |
| <b>Unitholders' Funds</b>   |      |                     |                     |                     |                     |
| <b>Balance at beginning of the period</b>   |      | 962,758             | 954,955             | 873,636             | 911,844             |
| <b>Operations</b>   |      |                     |                     |                     |                     |
| Total return after income tax, attributable to Unitholders and Perpetual Securities holders                               |      | 18,132              | 10,127              | 19,412              | 4,974               |
| Less: Amount reserved for distribution to Perpetual Securities holders  |      | (1,761)             | –                   | (1,761)             | –                   |
| Net increase in net assets from operations  |      | 16,371              | 10,127              | 17,651              | 4,974               |
| <b>Foreign currency translation reserve</b>   |      |                     |                     |                     |                     |
| Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations |      | (2,033)             | 9,667               | –                   | –                   |
| <b>Hedging reserve</b>  |      |                     |                     |                     |                     |
| Effective portion of changes in fair value of cash flow hedges  |      | –                   | 114                 | –                   | 114                 |
| <b>Unitholders' contributions</b>   |      |                     |                     |                     |                     |
| Issuance of Units (including Units to be issued):   |      |                     |                     |                     |                     |
| - Manager's management fees in Units  |      | 1,082               | –                   | 1,082               | –                   |
| Distributions to Unitholders  |      | (20,493)            | (14,134)            | (20,493)            | (14,134)            |
| Change in Unitholders' funds resulting from Unitholders' transactions   |      | (19,411)            | (14,134)            | (19,411)            | (14,134)            |
| Total (decrease)/increase in Unitholders' funds   |      | (5,073)             | 5,774               | (1,760)             | (9,046)             |
| <b>Balance at end of the period</b>   |      | 957,685             | 960,729             | 871,876             | 902,798             |
| <b>Perpetual Securities holders' funds</b>  |      |                     |                     |                     |                     |
| <b>Balance at beginning of the period</b>   |      | 124,613             | –                   | 124,613             | –                   |
| Amount reserved for distribution to Perpetual Securities holders  |      | 1,761               | –                   | 1,761               | –                   |
| <b>Balance at end of the period</b>   |      | 126,374             | –                   | 126,374             | –                   |
| <b>Units in issue and to be issued ('000)</b>   | 7    | 707,435             | 706,663             | 707,435             | 706,663             |

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

**PORTFOLIO STATEMENTS**  
As at 30 June 2021

|   | Description of property        | Location                        | Term of land lease <sup>1</sup> | Remaining term of land lease <sup>1</sup> (years) | Existing use            | Occupancy rate <sup>2</sup> |               | Carrying value <sup>3</sup> |               | Group percentage of total Unitholders' funds |               | Trust percentage of total Unitholders' funds |               |
|---|--------------------------------|---------------------------------|---------------------------------|---|-------------------------|-----------------------------|---------------|-----------------------------|---------------|--|---------------|--|---------------|
|   |                                |                                 |                                 |   |                         | 30 June 2021                | 31 March 2021 | 30 June 2021                | 31 March 2021 | 30 June 2021                                 | 31 March 2021 | 30 June 2021                                 | 31 March 2021 |
|   |                                |                                 |                                 |   |                         | %                           | %             | \$'000                      | \$'000        | %  | %             | %  | %             |
| <b>Group and the Trust</b>                |                                |                                 |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| <b>Investment properties in Singapore</b> |                                |                                 |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| 1   | 20 Gul Way                     | 20 Gul Way                      | 35 years                        | 19.5  | Logistics and Warehouse | 100                         | 100           | 219,300                     | 219,300       | 22.9   | 22.8          | 25.1   | 25.1          |
| 2   | 27 Penjuru Lane                | 27 Penjuru Lane                 | 45 years                        | 28.3  | Logistics and Warehouse | 97                          | 97            | 160,400                     | 160,400       | 16.7   | 16.7          | 18.4   | 18.4          |
| 3   | 8 & 10 Pandan Crescent         | 8 & 10 Pandan Crescent          | 92 years and 8 months           | 46.9  | Logistics and Warehouse | 96                          | 96            | 148,001                     | 148,000       | 15.5   | 15.4          | 17.0   | 16.9          |
| 4   | 7 Bulim Street                 | 7 Bulim Street                  | 30 years                        | 21.2  | Logistics and Warehouse | 100                         | 100           | 130,000                     | 130,000       | 13.6   | 13.5          | 14.9   | 14.9          |
| 5   | NorthTech                      | 29 Woodlands Industrial Park E1 | 60 years                        | 33.5  | Hi-Tech                 | 100                         | 100           | 120,010                     | 120,000       | 12.5   | 12.5          | 13.8   | 13.7          |
| 6   | 1A International Business Park | 1A International Business Park  | 52 years                        | 37.9  | Business Park           | 61                          | 61            | 75,101                      | 75,100        | 7.8  | 7.8           | 8.6  | 8.6           |
| 7   | 3 Tuas Avenue 2                | 3 Tuas Avenue 2                 | 73 years                        | 33.7  | General Industrial      | 100                         | 100           | 54,022                      | 54,000        | 5.6  | 5.6           | 6.2  | 6.2           |
| 8   | 30 Tuas West Road              | 30 Tuas West Road               | 60 years                        | 34.5  | Logistics and Warehouse | 100                         | 100           | 53,000                      | 53,000        | 5.5  | 5.5           | 6.1  | 6.1           |
| 9   | 51 Marsiling Road              | 51 Marsiling Road               | 70 years and 5 months           | 23.1  | General Industrial      | 100                         | 100           | 47,600                      | 47,600        | 5.0  | 4.9           | 5.4  | 5.4           |
| 10  | 15 Tai Seng Drive              | 15 Tai Seng Drive               | 60 years                        | 29.8  | Light Industrial        | 71                          | 38            | 32,409                      | 32,400        | 3.4  | 3.4           | 3.7  | 3.7           |
| 11  | 103 Defu Lane 10               | 103 Defu Lane 10                | 60 years                        | 22.0  | Logistics and Warehouse | 100                         | 100           | 30,200                      | 30,200        | 3.2  | 3.1           | 3.5  | 3.5           |

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
As at 30 June 2021

|   | Description of property      | Location                     | Term of land lease <sup>1</sup> | Remaining term of land lease <sup>1</sup> (years) | Existing use            | Occupancy rate <sup>2</sup> |                 | Carrying value <sup>3</sup> |                      | Group percentage of total Unitholders' funds |                 | Trust percentage of total Unitholders' funds |                 |
|---|------------------------------|------------------------------|---------------------------------|---|-------------------------|-----------------------------|-----------------|-----------------------------|----------------------|--|-----------------|--|-----------------|
|   |                              |                              |                                 |   |                         | 30 June 2021 %              | 31 March 2021 % | 30 June 2021 \$'000         | 31 March 2021 \$'000 | 30 June 2021 %                               | 31 March 2021 % | 30 June 2021 %                               | 31 March 2021 % |
| <b>Group and the Trust</b>                |                              |                              |                                 |   |                         |                             |                 |                             |                      |  |                 |  |                 |
| <b>Investment properties in Singapore</b> |                              |                              |                                 |   |                         |                             |                 |                             |                      |  |                 |  |                 |
| 12  | 8 Tuas Avenue 20             | 8 Tuas Avenue 20             | 59 years and 1.5 months         | 30.4  | General Industrial      | 100                         | 100             | 28,200                      | 28,200               | 2.9  | 2.9             | 3.2  | 3.2             |
| 13  | 1 Bukit Batok Street 22      | 1 Bukit Batok Street 22      | 60 years                        | 34.0  | Light Industrial        | 90                          | 89              | 25,200                      | 25,200               | 2.6  | 2.6             | 2.9  | 2.9             |
| 14  | 23 Tai Seng Drive            | 23 Tai Seng Drive            | 60 years                        | 29.1  | Light Industrial        | 100                         | 100             | 24,200                      | 24,200               | 2.5  | 2.5             | 2.8  | 2.8             |
| 15  | 10 Changi South Lane         | 10 Changi South Lane         | 60 years                        | 35.0  | Logistics and Warehouse | 95                          | 95              | 22,100                      | 22,100               | 2.3  | 2.3             | 2.5  | 2.5             |
| 16  | 3 Toh Tuck Link              | 3 Toh Tuck Link              | 60 years                        | 35.4  | Logistics and Warehouse | 44                          | 100             | 21,200                      | 21,200               | 2.2  | 2.2             | 2.4  | 2.4             |
| 17  | 11 Changi South Street 3     | 11 Changi South Street 3     | 60 years                        | 33.8  | Logistics and Warehouse | 91                          | 71              | 21,045                      | 21,000               | 2.2  | 2.2             | 2.4  | 2.4             |
| 18  | 135 Joo Seng Road            | 135 Joo Seng Road            | 60 years                        | 33.0  | Light Industrial        | 78                          | 82              | 20,200                      | 20,200               | 2.1  | 2.1             | 2.3  | 2.3             |
| 19  | 56 Serangoon North Avenue 4  | 56 Serangoon North Avenue 4  | 60 years                        | 33.9  | Logistics and Warehouse | 98                          | 98              | 19,190                      | 19,100               | 2.0  | 2.0             | 2.2  | 2.2             |
| 20  | 61 Yishun Industrial Park A  | 61 Yishun Industrial Park A  | 60 years                        | 31.2  | General Industrial      | 77                          | 66              | 19,000                      | 19,000               | 2.0  | 2.0             | 2.2  | 2.2             |
| 21  | 2 Ang Mo Kio Street 65       | 2 Ang Mo Kio Street 65       | 60 years                        | 25.8  | General Industrial      | 100                         | 100             | 16,100                      | 16,100               | 1.7  | 1.7             | 1.8  | 1.8             |
| 22  | 8 Senoko South Road          | 8 Senoko South Road          | 60 years                        | 33.3  | General Industrial      | 100                         | 100             | 14,200                      | 14,200               | 1.5  | 1.5             | 1.6  | 1.6             |
| 23  | 541 Yishun Industrial Park A | 541 Yishun Industrial Park A | 60 years                        | 33.0  | General Industrial      | 100                         | 100             | 12,000                      | 12,000               | 1.3  | 1.2             | 1.4  | 1.4             |

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**PORTFOLIO STATEMENTS (CONTINUED)**  
As at 30 June 2021

|   | Description of property     | Location  | Term of land lease <sup>1</sup> | Remaining term of land lease <sup>1</sup> (years) | Existing use            | Occupancy rate <sup>2</sup> |               | Carrying value <sup>3</sup> |               | Group percentage of total Unitholders' funds |               | Trust percentage of total Unitholders' funds |               |
|---|-----------------------------|---|---------------------------------|---|-------------------------|-----------------------------|---------------|-----------------------------|---------------|--|---------------|--|---------------|
|   |                             |   |                                 |   |                         | 30 June 2021                | 31 March 2021 | 30 June 2021                | 31 March 2021 | 30 June 2021                                 | 31 March 2021 | 30 June 2021                                 | 31 March 2021 |
|   |                             |   |                                 |   |                         | %                           | %             | \$'000                      | \$'000        | %  | %             | %  | %             |
| <b>Group and the Trust</b>                          |                             |   |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| <b>Investment properties in Singapore</b>           |                             |   |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| 24  | 1 Kallang Way 2A            | 1 Kallang Way 2A  | 60 years                        | 34.0  | Light Industrial        | 100                         | 100           | 12,000                      | 12,000        | 1.3  | 1.2           | 1.4  | 1.4           |
| 25  | Aalst Chocolate Building    | 26 Tuas Avenue 7  | 60 years                        | 32.5  | General Industrial      | 100                         | 100           | 11,900                      | 11,900        | 1.2  | 1.2           | 1.4  | 1.4           |
| 26  | 7 Clementi Loop             | 7 Clementi Loop   | 60 years                        | 32.0  | Logistics and Warehouse | 94                          | 94            | 11,800                      | 11,800        | 1.2  | 1.2           | 1.4  | 1.4           |
|   |                             |   |                                 |   |                         |                             |               | 1,348,378                   | 1,348,200     | 140.7  | 140.0         | 154.6  | 154.4         |
| <b>Group</b>  |                             |   |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| <b>Investment property in Australia</b>             |                             |   |                                 |   |                         |                             |               |                             |               |  |               |  |               |
| 27  | Boardriders Asia Pacific HQ | 209-217 Burleigh Connection Road, Burleigh Waters, Queensland | Freehold                        | N.A.  | Light Industrial        | 100                         | 100           | 44,986                      | 45,541        | 4.7  | 4.7           | –  | –             |
| <b>Investment properties, at valuation (note 3)</b> |                             |   |                                 |   |                         |                             |               | 1,393,364                   | 1,393,741     | 145.4  | 144.7         | 154.6  | 154.4         |

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



**PORTFOLIO STATEMENTS (CONTINUED)**  
As at 30 June 2021

| Description of property | Location  | Term of land lease <sup>1</sup>                    | Remaining term of land lease <sup>1</sup> (years) | Existing use | Occupancy rate <sup>2</sup> |                 | Carrying value <sup>3</sup> |                      | Group percentage of total Unitholders' funds |                 |
|-------------------------|---|--|---|--------------|-----------------------------|-----------------|-----------------------------|----------------------|--|-----------------|
|                         |   |  |   |              | 30 June 2021 %              | 31 March 2021 % | 30 June 2021 \$'000         | 31 March 2021 \$'000 | 30 June 2021 %                               | 31 March 2021 % |
| 1-27                    | <b>Investment properties – fair value (FS5 to FS7)</b>          |  |   |              |                             |                 | 1,393,364                   | 1,393,741            | 145.4  | 144.7           |
|                         | Investment properties – right-of-use assets                     |  |   |              |                             |                 | 97,279                      | 95,289               | 10.2   | 9.9             |
|                         | <b>Total investment properties</b>                              |  |   |              |                             |                 | 1,490,643                   | 1,489,030            | 155.6  | 154.6           |
|                         | <b>Joint venture (note 4)</b>                                   |  |   |              |                             |                 | 332,972                     | 335,704              | 34.8   | 34.9            |
|                         | <b>Investment property in Australia held by a joint venture</b> |  |   |              |                             |                 |                             |                      |  |                 |
| 28                      | Optus Centre <sup>4</sup>                                       | 1-5 Lyonpark Road, Macquarie Park, New South Wales | Freehold  | N.A.         | Business Park               | 100             | 100                         |                      |  |                 |
|                         | Other assets and liabilities (net)                              |  |   |              |                             |                 | (739,556)                   | (737,363)            | (77.2)                                       | (76.6)          |
|                         | Net assets of the Group   |  |   |              |                             |                 | 1,084,059                   | 1,087,371            | 113.2  | 112.9           |
|                         | Perpetual Securities holders' funds                             |  |   |              |                             |                 | (126,374)                   | (124,613)            | (13.2)                                       | (12.9)          |
|                         | <b>Total Unitholders' funds of the Group</b>                    |  |   |              |                             |                 | 957,685                     | 962,758              | 100.0  | 100.0           |

<sup>1</sup> Includes the period covered by the relevant options to renew.

<sup>2</sup> The occupancy rates shown are on committed basis.

<sup>3</sup> The carrying value of investment properties as at 30 June 2021 were based on independent valuations as at 31 March 2021, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences.

<sup>4</sup> The Group has a 49.0% (2021: 49.0%) interest in Optus Centre. The carrying value of the investment property as at 30 June 2021 was based on an independent valuation as at 31 March 2021 of AUD660.0 million (equivalent to approximately \$675.4 million), adjusted for capital expenditure incurred subsequent to the valuation date and translation differences.

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
As at 30 June 2021

| <b>Description of property</b>                             | <b>Carrying value</b>              |                                     | <b>Trust<br/>percentage of total<br/>Unitholders' funds</b> |                                |
|--|------------------------------------|-------------------------------------|---|--------------------------------|
|  | <b>30 June<br/>2021<br/>\$'000</b> | <b>31 March<br/>2021<br/>\$'000</b> | <b>30 June<br/>2021<br/>%</b>                               | <b>31 March<br/>2021<br/>%</b> |
| <b>Trust</b>   |                                    |                                     |   |                                |
| 1-26 <b>Investment properties – fair value (FS5 – FS7)</b> | 1,348,378                          | 1,348,200                           | 154.6   | 154.4                          |
| Investment properties – right-of-use assets                | 97,279                             | 95,289                              | 11.2  | 10.9                           |
| <b>Total investment properties</b>                         | <b>1,445,657</b>                   | <b>1,443,489</b>                    | <b>165.8</b>  | <b>165.3</b>                   |
| Other assets and liabilities (net)                         | (447,407)                          | (445,240)                           | (51.3)  | (51.0)                         |
| Net assets of the Trust                                    | 998,250                            | 998,249                             | 114.5   | 114.3                          |
| Perpetual Securities holders' funds                        | (126,374)                          | (124,613)                           | (14.5)  | (14.3)                         |
| Total Unitholders' funds of the Trust                      | <b>871,876</b>                     | <b>873,636</b>                      | <b>100.0</b>  | <b>100.0</b>                   |

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial periods ended 30 June 2021 and 31 March 2021 related wholly to investing in real estate in the industrial sector.

The carrying amounts of the investment properties as at 30 June 2021 were based on independent valuations as at 31 March 2021, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The investment properties in Singapore were valued by CBRE Pte. Ltd. or Cushman & Wakefield VHS Pte Ltd and the investment property in Australia was valued by 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.

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 financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**First Quarter Ended 30 June 2021 (1Q FY2022)**

|  | Group           |                 |
|--|-----------------|-----------------|
|  | 1Q FY2022       | 1Q FY2021       |
|  | \$'000          | \$'000          |
| <b>Cash flows from operating activities</b>                  |                 |                 |
| Total return after income tax                                | 18,132          | 10,127          |
| <b>Adjustments for:</b>                                      |                 |                 |
| Share of profits of joint venture (net of tax)               | (3,774)         | (3,315)         |
| Borrowing costs  | 5,337           | 5,760           |
| Foreign exchange loss/(gain)                                 | 30              | (185)           |
| Manager's management fees in Units                           | A 1,082         | –               |
| Net change in fair value of investment properties            | 1,288           | 1,267           |
| Net change in fair value of derivative financial instruments | (937)           | 883             |
| Income tax expense   | 201             | 1,860           |
| <b>Operating income before working capital changes</b>       | <b>21,359</b>   | <b>16,397</b>   |
| <b>Changes in working capital</b>                            |                 |                 |
| Trade and other receivables                                  | (1,750)         | 123             |
| Trade and other payables                                     | 1,225           | 2,498           |
| Cash generated from operations                               | 20,834          | 19,018          |
| Income tax paid  | (394)           | (389)           |
| <b>Net cash from operating activities</b>                    | <b>20,440</b>   | <b>18,629</b>   |
| <b>Cash flows from investing activities</b>                  |                 |                 |
| Capital expenditure on investment properties                 | (3,559)         | (1,357)         |
| Loan to a joint venture                                      | (2,701)         | (940)           |
| Distributions from a joint venture                           | 4,196           | 3,688           |
| <b>Net cash (used in)/from investing activities</b>          | <b>(2,064)</b>  | <b>1,391</b>    |
| <b>Cash flows from financing activities</b>                  |                 |                 |
| Distributions to Unitholders                                 | (20,372)        | (14,296)        |
| Issue costs paid in relation to Perpetual Securities         | (4)             | –               |
| Proceeds from interest-bearing borrowings                    | 8,701           | 940             |
| Borrowing costs paid   | (4,606)         | (5,064)         |
| Repayment of lease liabilities                               | (2,171)         | (2,168)         |
| <b>Net cash used in financing activities</b>                 | <b>(18,452)</b> | <b>(20,588)</b> |
| <b>Net decrease in cash and cash equivalents</b>             | <b>(76)</b>     | <b>(568)</b>    |
| <b>Cash and cash equivalents at beginning of the period</b>  | <b>11,159</b>   | <b>20,449</b>   |
| Effect of exchange rate fluctuations on cash held            | (55)            | 235             |
| <b>Cash and cash equivalents at end of the period</b>        | <b>11,028</b>   | <b>20,116</b>   |

**Significant non-cash transactions**

**Note A**

During the financial period from 1 January 2021 to 30 June 2021, new Units to be issued of 772,640 Units amounting to \$1,082,000 as partial payment for the base fee element of the Manager's management fees.

Refer to note 7 of the 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 and the fifth supplemental deed dated 13 July 2020 (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 Unit Trusts* ("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 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. 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.

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 has been 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. The adoption of the revised version of RAP 7 and the new and revised standards did not have a significant impact on the financial statements of the Group.

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 the interim financial statements.

### 3 INVESTMENT PROPERTIES

|   | Group                              |                                     | Trust                              |                                     |
|---|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|   | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 |
| Beginning of financial period/year  | 1,489,030                          | 1,366,789                           | 1,443,489                          | 1,332,742                           |
| Capital expenditure capitalised   | 178                                | 2,270                               | 178                                | 2,270                               |
| Acquisition of investment property  | –                                  | 134,882                             | –                                  | 134,882                             |
| Remeasurement of right-of-use<br>assets due to revised lease<br>payments and recognition of lease<br>extension option | 3,278                              | 10,481                              | 3,278                              | 10,481                              |
| Net change in fair value of<br>investment properties recognised<br>in the statement of total return                   | –                                  | (26,672)                            | –                                  | (31,752)                            |
| Net change in fair value of right-of-<br>use assets   | (1,288)                            | (5,134)                             | (1,288)                            | (5,134)                             |
| Foreign currency translation and<br>other movements   | (555)                              | 6,414                               | –                                  | –                                   |
| End of financial period/year  | <u>1,490,643</u>                   | <u>1,489,030</u>                    | <u>1,445,657</u>                   | <u>1,443,489</u>                    |

Independent valuation was performed as at 31 March 2021. The carrying amounts of the investment properties as at 30 June 2021 were based on independent valuations as at 31 March 2021, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences.

No borrowing costs were capitalised in the capital expenditure (31 March 2021: \$32,000) for the first quarter ended 30 June 2021.

#### 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 5). The aggregate market value of the mortgaged investment properties are as follows:

|                       | Group                              |                                     | Trust                              |                                     |
|-----------------------|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|                       | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 |
| Investment properties | 964,587                            | 965,041                             | 919,601                            | 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                              |                                     |
|---|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|   | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 |
| Fair value of investment properties       | 1,393,364                          | 1,393,741                           | 1,348,378                          | 1,348,200                           |
| Add: carrying amount of lease liabilities | 97,279                             | 95,289                              | 97,279                             | 95,289                              |
| Investment properties                     | 1,490,643                          | 1,489,030                           | 1,445,657                          | 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 2021, and adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. 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. Certain valuation reports as at 31 March 2021 highlighted that some real estate sectors are experiencing significantly lower levels of transactional activity and liquidity. Consequently, less certainty and a higher degree of caution should be attached to their valuations than would normally be the case.

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.

The Manager has assessed the appropriateness of the fair values of the investment properties reported in the interim financial statements as at 30 June 2021.

**4 JOINT VENTURE**

|  | Group                              |                                     |
|--|------------------------------------|-------------------------------------|
|  | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 |
| Investment in joint venture                        | 300,677                            | 305,602                             |
| Amounts due from joint venture, at amortised cost: |                                    |                                     |
| - Interest-bearing loan                            | 32,295                             | 30,102                              |
|  | 332,972                            | 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, 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 BBSY<sup>1</sup> + margin and the interest rates are repriced at each interest period as mutually agreed between the parties.

<sup>1</sup> Bank Bill Swap Bid Rate.

As at 30 June 2021, the Group's share of the capital commitments of the joint venture is \$1.6 million (31 March 2021: \$5.6 million).

**5 INTEREST-BEARING BORROWINGS**

|   | Note    | Group                              |                                     | Trust                              |                                     |
|---|---------|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|   |         | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 | As at<br>30 June<br>2021<br>\$'000 | As at<br>31 March<br>2021<br>\$'000 |
| <b>Non-current</b>                            |         |                                    |                                     |                                    |                                     |
| <b>Secured</b>                                |         |                                    |                                     |                                    |                                     |
| Bank borrowings                               | (a),(b) | 365,015                            | 412,933                             | 232,771                            | 248,611                             |
| <b>Unsecured</b>                              |         |                                    |                                     |                                    |                                     |
| Medium term notes                             | (c)     | 100,000                            | 100,000                             | 100,000                            | 100,000                             |
|   |         | 465,015                            | 512,933                             | 332,771                            | 348,611                             |
| Less: Unamortised borrowing transaction costs |         | (1,802)                            | (2,193)                             | (1,232)                            | (1,465)                             |
|   |         | 463,213                            | 510,740                             | 331,539                            | 347,146                             |
| <b>Current</b>                                |         |                                    |                                     |                                    |                                     |
| <b>Secured</b>                                |         |                                    |                                     |                                    |                                     |
| Bank borrowings                               | (a)     | 84,271                             | 30,851                              | 51,976                             | 30,851                              |
| <b>Unsecured</b>                              |         |                                    |                                     |                                    |                                     |
| Medium term notes                             | (c)     | 50,000                             | 50,000                              | 50,000                             | 50,000                              |
|   |         | 134,271                            | 80,851                              | 101,976                            | 80,851                              |
| Less: Unamortised borrowing transaction costs |         | (233)                              | (135)                               | (165)                              | (135)                               |
|   |         | 134,038                            | 80,716                              | 101,811                            | 80,716                              |
| <b>Total</b>                                  |         | 597,251                            | 591,456                             | 433,350                            | 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 four-year revolving credit facility of \$120.0 million maturing in November 2021;
- a three-year revolving credit facility of AUD65.0 million maturing in June 2022;
- a four-year term loan facility of \$125.0 million maturing in July 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; and
- a four-year term loan facility of \$100.0 million maturing in July 2024.

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).

In July 2021, the Trust and its indirect wholly-owned trust, AA REIT Macquarie Park Investment Trust, have obtained commitments of up to \$220.0 million and AUD100.0 million to refinance several of its secured debt facilities totalling \$245.0 million and AUD15.0 million which are due in 2021 and 2022.

(b) Secured term loan facility of a wholly-owned subsidiary

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.

(c) Unsecured medium term notes

As at 30 June 2021, \$150.0 million unsecured Medium Term Notes had been issued comprising:

- (i) \$50 million five-year medium term notes with a fixed rate of 3.60% per annum, payable semi-annually in arrears, and will mature on 22 March 2022 which had been issued through AACI REIT MTN Pte. Ltd. under the \$500 million Multicurrency Medium Term Note Programme, established in July 2012. The payment of all amounts payable in respect of the notes are unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited in its capacity as Trustee of the Trust; and
- (ii) \$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 proposed 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%). However, the MAS has deferred the new adjusted interest coverage ratio requirement to 1 January 2022 in light of the current COVID-19 pandemic situation.

As at 30 June 2021, the Group’s aggregate leverage<sup>2</sup> was 34.3% (31 March 2021: 33.9%) and its interest coverage ratio and adjusted interest coverage ratio were 4.3 times (31 March 2021: 4.0 times) and 3.3 times (31 March 2021: 3.4 times), respectively<sup>3</sup>.

## 6 PERPETUAL SECURITIES

On 14 August 2020, the Trust issued \$125.0 million subordinated perpetual securities (“Perpetual Securities”) under the \$750 million Multicurrency Debt Issuance Programme established by the Trust. The key terms and conditions of the Perpetual Securities are as follows:

- 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;
- 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 30 June 2021, the \$126.4 million presented in the statements of financial position of the Group and the Trust represent the carrying value of the \$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.

## 7 UNITS IN ISSUE AND TO BE ISSUED

|  | <b>Group and Trust</b> |                  |
|--|------------------------|------------------|
|  | <b>1Q FY2022</b>       | <b>1Q FY2021</b> |
|  | <b>Units</b>           | <b>Units</b>     |
|  | <b>'000</b>            | <b>'000</b>      |
| Units in issue at beginning and at end of the period       | 706,663                | 706,663          |
| <u>Units to be issued:</u>                                 |                        |                  |
| Manager’s management fees                                  | 772                    | —                |
| Total Units in issue and to be issued at end of the period | 707,435                | 706,663          |

The new Units to be issued relate to 772,640 Units to be 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.

<sup>2</sup> Aggregate leverage ratio is computed as total borrowings as a percentage of total assets. Right-of-use assets and lease liabilities were excluded from the computation of aggregate leverage. The total borrowings excluded Perpetual Securities holders’ funds.

<sup>3</sup> Based on interest coverage ratio and adjusted interest coverage ratio definitions in Appendix 6 of the Code of Collective Investment Schemes (last revised on 16 April 2020). For purpose of the computation, interest expense included borrowing costs on lease liabilities and the interest expense for adjusted interest coverage ratio further included the amount reserved for distribution to Perpetual Securities holders.

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.

**8 TOTAL RETURN BEFORE INCOME TAX**

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

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>1Q FY2022</b> | <b>1Q FY2021</b> |
|  | <b>\$'000</b>    | <b>\$'000</b>    |
| Interest expense on borrowings                       | 4,034            | 4,377            |
| Interest expense on lease liabilities                | 883              | 901              |
| Amortisation of borrowing transaction costs          | 282              | 291              |
| Others   | 138              | 191              |
| <b>Borrowing costs</b>                               | <b>5,337</b>     | <b>5,760</b>     |
| Audit fees paid/payable to:                          |                  |                  |
| - auditors of the Trust                              | 46               | 46               |
| - other auditors                                     | 11               | 10               |
| Non-audit fees paid/payable to auditors of the Trust | 13               | 13               |
| Trustees' fees                                       | 79               | 131              |
| Valuation fees                                       | 38               | (17)             |
| Professional fees                                    | 8                | 9                |
| Acquisition fees written-off                         | 87               | 21               |
| Investment management fees                           | 418              | 72               |
| Other expenses                                       | 124              | 103              |
| <b>Other trust expenses</b>                          | <b>824</b>       | <b>388</b>       |

**9 EARNINGS PER UNIT**

|                                  | <b>Group</b>     |                  |
|----------------------------------|------------------|------------------|
|                                  | <b>1Q FY2022</b> | <b>1Q FY2021</b> |
| <b>Earnings per Unit (cents)</b> |                  |                  |
| Basic and diluted                | 2.32             | 1.43             |

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

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>1Q FY2022</b> | <b>1Q FY2021</b> |
|   | <b>\$'000</b>    | <b>\$'000</b>    |
| Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders | 18,132           | 10,127           |
| Less: Amount reserved for distribution to Perpetual Securities holders                                  | (1,761)          | -                |
| <b>Total return after income tax attributable to Unitholders of the Trust</b>                           | <b>16,371</b>    | <b>10,127</b>    |

|  | <b>Trust</b>           |                  |
|--|------------------------|------------------|
|  | <b>Number of Units</b> |                  |
|  | <b>1Q FY2022</b>       | <b>1Q FY2021</b> |
|  | <b>'000</b>            | <b>'000</b>      |
| <u>Basic EPU</u>   |                        |                  |
| Units in issue at beginning of the period                    | 706,663                | 706,663          |
| Effect of Units issued/issuable relating to:                 |                        |                  |
| - Manager's management fees                                  | -                      | -                |
| <b>Weighted average number of Units at end of the period</b> | <b>706,663</b>         | <b>706,663</b>   |

|   | Trust           |           |
|---|-----------------|-----------|
|   | Number of Units |           |
|   | 1Q FY2022       | 1Q FY2021 |
|   | '000            | '000      |
| <u>Diluted EPU</u>                                    |                 |           |
| Units in issue at beginning of the period             | 706,663         | 706,663   |
| Effect of Units issued/issuable relating to:          |                 |           |
| - Manager's management fees                           | 360             | -         |
| Weighted average number of Units at end of the period | 707,023         | 706,663   |

## 10 COMMITMENTS

As at 30 June 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. Other than this, the Group had no other capital expenditure contracted, but not provided for in the financial statements.

## 11 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

|   | Group     |           |
|---|-----------|-----------|
|   | 1Q FY2022 | 1Q FY2021 |
|   | \$'000    | \$'000    |
| <b>The Manager</b>  |           |           |
| Manager's management fees   | 2,189     | 1,976     |
| <b>Entities controlled by corporate shareholders of the Manager</b> |           |           |
| Investment management fees <sup>1</sup>                             | 418       | 72        |
| Trustees' fees <sup>1</sup>   | -         | 59        |
| <b>The Property Manager</b>   |           |           |
| Property management fees  | 439       | 342       |
| Lease management fees   | 219       | 171       |
| Marketing services commissions                                      | 1,428     | 342       |
| Project management fees   | 28        | 10        |
| <b>The Trustee</b>  |           |           |
| Trustee's fees  | 76        | 70        |
| <b>Joint venture</b>  |           |           |
| Interest income   | 204       | 80        |

<sup>1</sup> 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 revision of the Australian investment management fees, the trustees of AIMS APAC REIT (Australia) Trust, AA REIT Macquarie Park Investment Trust, AA REIT Australia Trust (QLD) and Burleigh Heads Trust waived their trustee fees over the same period from 15 July 2019 to 31 August 2024.

## 12 SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segments. The operations of each of the Group's geographical segments are separately managed because of different economic and regulatory environments in which they operate in. For the purpose of making resource allocation and the assessment of segment performance, the Group's CODMs have focused on its investment properties. 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*.

**Information about reportable segments**

|  | Singapore<br>\$'000 | Australia<br>\$'000 | Total<br>\$'000 |
|--|---------------------|---------------------|-----------------|
| <b>1Q FY2022</b>   |                     |                     |                 |
| <b>Revenue and expenses</b>                                  |                     |                     |                 |
| Gross revenue  | 30,900              | 913                 | 31,813          |
| Property operating expenses                                  | (8,731)             | (2)                 | (8,733)         |
| <b>Net property income</b>                                   | <b>22,169</b>       | <b>911</b>          | <b>23,080</b>   |
| Share of profits of joint venture (net of tax)               | –                   | 3,774               | 3,774           |
| Net change in fair value of right-of-use assets              | (1,288)             | –                   | (1,288)         |
| Net change in fair value of derivative financial instruments | (30)                | 967                 | 937             |
|  |                     |                     | <b>26,503</b>   |
| Unallocated items:   |                     |                     |                 |
| Foreign exchange loss  |                     |                     | (30)            |
| Interest and other income                                    |                     |                     | 210             |
| Borrowing costs  |                     |                     | (5,337)         |
| Trust expenses   |                     |                     | (3,013)         |
| <b>Total return before income tax</b>                        |                     |                     | <b>18,333</b>   |
| Income tax expense   |                     |                     | (201)           |
| <b>Total return after income tax</b>                         |                     |                     | <b>18,132</b>   |
| Non-current assets <sup>1</sup>                              | 1,449,231           | 377,958             | 1,827,189       |
| Other segment items:   |                     |                     |                 |
| Joint venture  | –                   | 332,972             | 332,972         |
| Capital expenditure <sup>2</sup>                             | (178)               | –                   | (178)           |
| <b>1Q FY2021</b>   |                     |                     |                 |
| <b>Revenue and expenses</b>                                  |                     |                     |                 |
| Gross revenue  | 26,401              | 839                 | 27,240          |
| Property operating expenses                                  | (8,594)             | (17)                | (8,611)         |
| <b>Net property income</b>                                   | <b>17,807</b>       | <b>822</b>          | <b>18,629</b>   |
| Share of profits of joint venture (net of tax)               | –                   | 3,315               | 3,315           |
| Net change in fair value of right-of-use assets              | (1,267)             | –                   | (1,267)         |
| Net change in fair value of derivative financial instruments | (151)               | (732)               | (883)           |
|  |                     |                     | <b>19,794</b>   |
| Unallocated items:   |                     |                     |                 |
| Foreign exchange gain  |                     |                     | 185             |
| Interest and other income                                    |                     |                     | 132             |
| Borrowing costs  |                     |                     | (5,760)         |
| Trust expenses   |                     |                     | (2,364)         |
| <b>Total return before income tax</b>                        |                     |                     | <b>11,987</b>   |
| Income tax expense   |                     |                     | (1,860)         |
| <b>Total return after income tax</b>                         |                     |                     | <b>10,127</b>   |
| Non-current assets <sup>1</sup>                              | 1,345,420           | 316,348             | 1,661,768       |
| Other segment items:   |                     |                     |                 |
| Joint venture  | –                   | 278,745             | 278,745         |
| Capital expenditure <sup>2</sup>                             | (89)                | –                   | (89)            |

<sup>1</sup> Excluding derivative financial instruments.

<sup>2</sup> 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 CODMs 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 \$2.6 million (1Q FY2021: \$2.1 million) rental income from one major tenant of the Group's rental income.

**13 FINANCIAL RATIOS**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>1Q FY2022</b> | <b>1Q FY2021</b> |
|  | %                | %                |
| Expenses to weighted average net assets <sup>1</sup> |                  |                  |
| - Expense ratio excluding performance-related fee    | 1.16             | 1.04             |
| - Expense ratio including performance-related fee    | 1.16             | 1.04             |
| Portfolio turnover rate <sup>2</sup>                 | -                | -                |

<sup>1</sup> 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).

<sup>2</sup> 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.

**14 SUBSEQUENT EVENT**

On 27 July 2021, the Manager approved a distribution of 2.25 cents per Unit in respect of the period from 1 April 2021 to 30 June 2021 to be paid on 22 September 2021.

**Additional Information and 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 Group<sup>1</sup> has a portfolio of 28 industrial properties, 26 of which are located throughout Singapore, one industrial property located in Gold Coast, Queensland, Australia and one business park property located in Macquarie Park, New South Wales (“NSW”), Australia<sup>2</sup>.

## 2 SUMMARY OF AIMS APAC REIT GROUP RESULTS

|  | Note | 1Q FY2022 | 1Q FY2021 | +/(-) |
|--|------|-----------|-----------|-------|
|  |      | S\$'000   | S\$'000   | %     |
| Gross revenue                                  | (a)  | 31,813    | 27,240    | 16.8  |
| Net property income                            | (a)  | 23,080    | 18,629    | 23.9  |
| Share of profits of joint venture (net of tax) | (a)  | 3,774     | 3,315     | 13.8  |
| Distributions to Unitholders                   | (b)  | 15,917    | 14,134    | 12.6  |
| Distribution per Unit (“DPU”) (cents)          |      | 2.25      | 2.00      | 12.5  |

### Notes:

- (a) Please refer to section 3 on “Review of performance of the Group” for explanation of the variances.
- (b) The Manager resolved to distribute S\$15.9 million to Unitholders for 1Q FY2022, comprising (i) taxable income of S\$13.3 million from Singapore operations; and (ii) capital distribution of S\$2.6 million remitted from the Group’s investment in Optus Centre, Macquarie Park, NSW, Australia and Boardriders Asia Pacific HQ in Gold Coast, Queensland, Australia. For 1Q FY2022, the amount available for distribution from Singapore taxable income is S\$13.8 million, the Manager resolved to distribute S\$13.3 million or 96.4% of the Singapore taxable income available for distribution to the Unitholders. AA REIT’s distribution policy is to distribute at least 90.0% of the Trust’s Singapore taxable income for the full financial year.

### Distribution and Record Date

|                   |   |  |
|-------------------|---|--|
| Distribution      | For 1 April 2021 to 30 June 2021                            |  |
| Distribution Type | (a) Taxable Income<br>(b) Capital Distribution <sup>3</sup> |  |
| Distribution Rate | (a) Taxable Income Distribution:                            | 1.88 cents per Unit                                      |
|                   | (b) Capital Distribution <sup>3</sup> :                     | <u>0.37 cents per Unit</u><br><u>2.25 cents per Unit</u> |
| Record Date       | 6 August 2021   |  |
| Payment Date      | 22 September 2021   |  |

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

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

<sup>3</sup> 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 30 June 2021 vs. 31 March 2021

|                                     | Note | Group                      |                             |                       | Trust                      |                             |                       |
|-------------------------------------|------|----------------------------|-----------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|
|                                     |      | 30 June<br>2021<br>S\$'000 | 31 March<br>2021<br>S\$'000 | +/(-)<br>%            | 30 June<br>2021<br>S\$'000 | 31 March<br>2021<br>S\$'000 | +/(-)<br>%            |
| <b>Non-current assets</b>           |      |                            |                             |                       |                            |                             |                       |
| Investment properties               | (a)  | 1,490,643                  | 1,489,030                   | 0.1                   | 1,445,657                  | 1,443,489                   | 0.2                   |
| Subsidiaries                        | (b)  | –                          | –                           | –                     | 108,764                    | 108,764                     | –                     |
| Joint venture                       | (c)  | 332,972                    | 335,704                     | (0.8)                 | –                          | –                           | –                     |
| Trade and other receivables         | (d)  | 3,574                      | 3,041                       | 17.5                  | 3,574                      | 3,041                       | 17.5                  |
| Derivative financial instruments    | (g)  | 1,094                      | 1,126                       | (2.8)                 | 1,094                      | 1,126                       | (2.8)                 |
|                                     |      | <u>1,828,283</u>           | <u>1,828,901</u>            | <u>&lt;(0.1)</u>      | <u>1,559,089</u>           | <u>1,556,420</u>            | <u>0.2</u>            |
| <b>Current assets</b>               |      |                            |                             |                       |                            |                             |                       |
| Trade and other receivables         | (d)  | 7,588                      | 6,521                       | 16.4                  | 6,845                      | 6,255                       | 9.4                   |
| Cash and cash equivalents           |      | 11,028                     | 11,159                      | (1.2)                 | 8,959                      | 8,884                       | 0.8                   |
|                                     |      | <u>18,616</u>              | <u>17,680</u>               | <u>5.3</u>            | <u>15,804</u>              | <u>15,139</u>               | <u>4.4</u>            |
| <b>Total assets</b>                 |      | <b><u>1,846,899</u></b>    | <b><u>1,846,581</u></b>     | <b><u>&lt;0.1</u></b> | <b><u>1,574,893</u></b>    | <b><u>1,571,559</u></b>     | <b><u>0.2</u></b>     |
| <b>Non-current liabilities</b>      |      |                            |                             |                       |                            |                             |                       |
| Trade and other payables            | (e)  | 11,358                     | 10,780                      | 5.4                   | 11,358                     | 10,780                      | 5.4                   |
| Interest-bearing borrowings         | (f)  | 463,213                    | 510,740                     | (9.3)                 | 331,539                    | 347,146                     | (4.5)                 |
| Derivative financial instruments    | (g)  | 5,389                      | 6,770                       | (20.4)                | 5,297                      | 6,642                       | (20.2)                |
| Deferred tax liabilities            |      | 21,226                     | 21,419                      | (0.9)                 | –                          | –                           | –                     |
| Lease liabilities                   | (h)  | 92,011                     | 89,974                      | 2.3                   | 92,011                     | 89,974                      | 2.3                   |
|                                     |      | <u>593,197</u>             | <u>639,683</u>              | <u>(7.3)</u>          | <u>440,205</u>             | <u>454,542</u>              | <u>(3.2)</u>          |
| <b>Current liabilities</b>          |      |                            |                             |                       |                            |                             |                       |
| Trade and other payables            | (i)  | 28,957                     | 32,052                      | (9.7)                 | 27,979                     | 31,293                      | (10.6)                |
| Interest-bearing borrowings         | (f)  | 134,038                    | 80,716                      | 66.1                  | 101,811                    | 80,716                      | 26.1                  |
| Derivative financial instruments    | (g)  | 1,380                      | 1,444                       | (4.4)                 | 1,380                      | 1,444                       | (4.4)                 |
| Lease liabilities                   | (h)  | 5,268                      | 5,315                       | (0.9)                 | 5,268                      | 5,315                       | (0.9)                 |
|                                     |      | <u>169,643</u>             | <u>119,527</u>              | <u>41.9</u>           | <u>136,438</u>             | <u>118,768</u>              | <u>14.9</u>           |
| <b>Total liabilities</b>            |      | <b><u>762,840</u></b>      | <b><u>759,210</u></b>       | <b><u>0.5</u></b>     | <b><u>576,643</u></b>      | <b><u>573,310</u></b>       | <b><u>0.6</u></b>     |
| <b>Net assets</b>                   |      | <b><u>1,084,059</u></b>    | <b><u>1,087,371</u></b>     | <b><u>(0.3)</u></b>   | <b><u>998,250</u></b>      | <b><u>998,249</u></b>       | <b><u>&lt;0.1</u></b> |
| Represented by:                     |      |                            |                             |                       |                            |                             |                       |
| Unitholders' funds                  |      | 957,685                    | 962,758                     | (0.5)                 | 871,876                    | 873,636                     | (0.2)                 |
| Perpetual Securities holders' funds |      | 126,374                    | 124,613                     | 1.4                   | 126,374                    | 124,613                     | 1.4                   |
|                                     |      | <u>1,084,059</u>           | <u>1,087,371</u>            | <u>(0.3)</u>          | <u>998,250</u>             | <u>998,249</u>              | <u>&lt;0.1</u>        |

- (a) The increase in investment properties was mainly due to the recognition of right-of-use asset ("ROU asset") on the extension option for the property at 61 Yishun Industrial Park A in accordance with FRS 116 Leases ("FRS 116") which also resulted in a corresponding increase in lease liabilities.



- (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.
- (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 decrease was mainly due to the weakening of the Australian dollar against the Singapore dollar which resulted in a lower translated balance.
- (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. The increase in trade and other receivables as at 30 June 2021 was mainly attributed to marketing services commission on new and renewal leases executed and timing of billing and collection of receivables.
- (e) 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.
- (f) The total borrowings of the Group as at 30 June 2021 of S\$597.3 million was S\$5.8 million higher compared to balances as at 31 March 2021 mainly due to the drawdown of credit facilities for working capital purposes of S\$6.0 million as well as the drawdown of approximately AUD2.6 million to fund AA REIT's share of the asset enhancement initiative at Optus Centre. This was partially offset by lower translated balances arising from the weakening of the Australian dollar against the Singapore dollar.

The current interest-bearing borrowings as at 30 June 2021 mainly comprised of the revolving credit facilities which are due to mature in November 2021 and June 2022, respectively as well as a S\$50.0 million five-year medium term notes ("Medium Term Notes") which is due to mature in March 2022.

In July 2021, AA REIT obtained commitments<sup>4</sup> of up to S\$220.0 million and AUD100.0 million to refinance several of its secured debt facilities totalling S\$245.0 million and AUD15.0 million which are due in 2021 and 2022.

- (g) The derivative financial instruments as at 30 June 2021 were in relation to interest rate swap and cross-currency interest rate swap contracts with a total notional amount of S\$313.5 million. As at 30 June 2021, approximately 77.2% of the Group's borrowings were on fixed rates taking into account (i) the interest rate swap contracts entered into and (ii) the Medium Term Notes. Under the interest rate swap contracts, the Group pays fixed interest rates of between 0.28% to 2.82% per annum and receives interest at the three-month Singapore swap offer rate or at the three-month Australian bank bill swap bid rates, as the case may be, to fix the floating-rate term loans. Under the cross-currency interest rate swap contracts, the Group pays a fixed interest rate of 1.57% per annum on the notional principal of AUD31.5 million and receives interest based on a three-month Singapore swap offer rate plus margin. The changes in fair value were mainly due to the revaluation of the interest rate swap contracts and cross-currency interest rate swap contracts in accordance with FRS 109.
- (h) This relates to the recognition of lease liabilities in relation to the capitalisation of land rent payments, in accordance with FRS 116. The increase in lease liabilities was mainly due to the recognition of the lease liability on the extension option for the property at 61 Yishun Industrial Park A, in accordance with FRS 116.
- (i) The decrease in current trade and other payables was mainly due to payment of final payment for development costs incurred for 3 Tuas Avenue and payments of retention sums of S\$1.2 million for 3 Tuas Avenue 2 and 51 Marsiling Road. As at 30 June 2021, the Group and the Trust had total undrawn committed facilities of S\$126.3 million to fulfil their liabilities as and when they fall due.

In July 2021, AA REIT obtained commitments<sup>4</sup> of up to S\$220.0 million and AUD100.0 million to refinance several of its secured debt facilities totalling S\$245.0 million and AUD15.0 million which are due in 2021 and 2022.

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<sup>4</sup>Subject to satisfactory documentation.

### 3.2 Consolidated Statements of Total Return

|  | Note | Group<br>1Q FY2022<br>S\$'000 | Group<br>1Q FY2021<br>S\$'000 | + / (-)<br>% |
|--|------|-------------------------------|-------------------------------|--------------|
| Gross revenue  | (a)  | 31,813                        | 27,240                        | 16.8         |
| Property operating expenses                                  | (a)  | (8,733)                       | (8,611)                       | (1.4)        |
| <b>Net property income</b>                                   | (a)  | 23,080                        | 18,629                        | 23.9         |
| <b>Net property income margin</b>                            | (a)  | 72.5%                         | 68.4%                         |              |
| Foreign exchange (loss)/gain                                 | (b)  | (30)                          | 185                           | >(100.0)     |
| Interest and other income                                    | (c)  | 210                           | 132                           | 59.1         |
| Borrowing costs  | (d)  | (5,337)                       | (5,760)                       | (7.3)        |
| Manager's management fees                                    | (e)  | (2,189)                       | (1,976)                       | 10.8         |
| Other trust expenses   | (f)  | (824)                         | (388)                         | >100.0       |
| Non-property expenses  |      | (8,350)                       | (8,124)                       | 2.8          |
| <b>Net income before joint venture's profits</b>             |      | 14,910                        | 10,822                        | 37.8         |
| Share of profits of joint venture (net of tax)               | (g)  | 3,774                         | 3,315                         | 13.8         |
| <b>Net income</b>  |      | 18,684                        | 14,137                        | 32.2         |
| Net change in fair value of investment properties            | (h)  | (1,288)                       | (1,267)                       | 1.7          |
| Net change in fair value of derivative financial instruments | (i)  | 937                           | (883)                         | >(100.0)     |
| <b>Total return before income tax</b>                        |      | 18,333                        | 11,987                        | 52.9         |
| Income tax expense   | (j)  | (201)                         | (1,860)                       | (89.2)       |
| <b>Total return after income tax</b>                         |      | 18,132                        | 10,127                        | 79.0         |
| <b>Attributable to:</b>                                      |      |                               |                               |              |
| Unitholders  |      | 16,371                        | 10,127                        | 61.7         |
| Perpetual Securities holders                                 | (k)  | 1,761                         | -                             | NM           |
|  |      | 18,132                        | 10,127                        | 79.0         |
| <b>Distributions to Unitholders</b>                          | (l)  | 15,917                        | 14,134                        | 12.6         |
| <b>DPU (cents)</b>   | (l)  | 2.25                          | 2.00                          | 12.5         |

NM: not meaningful.

(a) Gross revenue for 1Q FY2022 of S\$31.8 million was S\$4.6 million higher as compared to 1Q FY2021. The increase in gross revenue was mainly contributed by the recently acquired property at 7 Bulim Street (acquired in October 2020), higher rental and recoveries for the properties at 20 Gul Way, 8 & 10 Pandan Crescent and 541 Yishun Industrial Park A (rental contribution from the new master tenant commenced in January 2021). In addition, the lower gross revenue for 1Q 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\$2.6 million as well as the expiry of the previous master lease at 541 Yishun Industrial Park A on 2 April 2020.

Property operating expenses for 1Q FY2022 of S\$8.7 million was largely in line with 1Q FY2021.

Net property income for 1Q FY2022 of S\$23.1 million was S\$4.5 million higher than 1Q FY2021 mainly due to higher gross revenue. As a result, net property income margin increased to 72.5% in 1Q FY2022 compared to 68.4% in 1Q FY2021.

(b) The foreign exchange (loss)/gain mainly relates to the exchange differences on the Trust's Australian distribution income and Australian dollar cash and cash equivalents. The foreign exchange loss in 1Q FY2022 was contributed by the

weakening of the Australian dollar against the Singapore dollar. The foreign exchange gain in 1Q FY2021 was contributed by the strengthening of the Australian dollar against the Singapore dollar.

- (c) The increase in interest and other income 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 (see note (c) of section 3.1).
- (d) Borrowing costs for 1Q FY2022 of S\$5.3 million was S\$0.4 million lower compared to 1Q FY2021 mainly due to lower floating interest rates and lower fixed interest rates on the interest rate swaps and cross-currency interest rate swaps entered into in FY2021.
- (e) Manager's management fees for 1Q FY2022 of S\$2.2 million was S\$0.2 million higher compared to 1Q FY2021 due to higher value of the Deposited Property mainly due to acquisition of the property at 7 Bulim Street and the higher valuation of Optus Centre.
- (f) Other trust expenses for 1Q FY2022 of S\$0.8 million was S\$0.4 million higher compared to 1Q FY2021 mainly due to the finalisation of the revision in the Australian investment management fees in 3Q FY2021, applied retrospectively from 15 July 2019, being the date of completion of the acquisition of Boardriders Asia Pacific HQ.
- (g) The increase in the share of profits of joint venture was mainly due to higher rental income.
- (h) The net change in fair value of investment properties for 1Q FY2022 arose from the fair value adjustments of ROU assets included in investment properties in accordance with FRS 116 *Leases* ("FRS 116") of S\$1.3 million (1Q FY2021: S\$1.3 million).

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.

- (i) This mainly relates to changes in fair value due to the revaluation of certain interest rate swap contracts and cross-currency interest rate swap contracts in accordance with FRS 109. Please refer to note (g) of section 3.1 for further details of the 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.
- (j) The decrease in income tax expense in 1Q FY2022 was mainly due to lower provision for deferred tax liabilities arising from the weakening of the Australian dollar against the Singapore dollar.
- (k) 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.
- (l) Distributions to Unitholders for 1Q FY2022 was S\$15.9 million, an increase of S\$1.8 million compared to 1Q FY2021, mainly in line with the higher net property income (net of amount reserved for distribution to Perpetual Securities holders), partially offset by 1Q FY2021's distributions to Unitholders which included a partial release of Australian distributable income previously retained in 4Q FY2020.

|  | <b>Group</b>     | <b>Group</b>     |
|--|------------------|------------------|
|  | <b>1Q FY2022</b> | <b>1Q FY2021</b> |
|  | <b>S\$'000</b>   | <b>S\$'000</b>   |
| Distribution from Singapore taxable income   | 13,300           | 10,884           |
| Distribution from tax-exempt income (Note 1) | –                | 1,625            |
| Capital distribution (Note 2)                | 2,617            | 1,625            |
| Distributions to Unitholders                 | 15,917           | 14,134           |

Note 1: This relates to tax-exempt income arising from the distributions remitted from the Group's investments in Australia.

Note 2: This relates to the tax deferred component arising from the distributions remitted from the Group's investments in Australia.

**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 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.

**7 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**

**Macro Economy**

The world is gradually emerging from the COVID-19 pandemic as vaccination programmes are rolled out on a larger scale, albeit more effectively in developed economies, with additional fiscal stimulus and relaxed monetary policies introduced to provide support. Some countries are also seeing a resurgence of the virus, as a result of the more easily transmitted COVID-19 Delta variant, and are tightening measures to contain the virus. Overall, economic growth is recovering after the pandemic-related slowdown in 2020, though growth is likely to remain below the pre-pandemic growth trend. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022 according to the International Monetary Fund.

**Singapore**

In response to the growing COVID-19 clusters detected in Singapore, the government has tightened community safe management measures by reverting to Phase 2 (Heightened Alert) from 22 July 2021 through 18 August 2021, where group sizes will be reduced to a maximum of 2 persons and no dine-in is allowed, among other measures. Additionally, commercial landlords will be required to match the two-week rental support provided by the government to tenants during this period, with more details to be announced by the Ministry of Law.

The Singapore government has however indicated that Singapore's reopening will be aligned with the vaccination coverage of its population and will not change the Government's roadmap towards living with COVID-19 as an endemic. The Government is expecting 80% of the population to be fully vaccinated by September and is considering lifting restrictions for fully vaccinated individuals to participate in community and economic activities. It is also looking to allow quarantine-free travel for individuals who are fully vaccinated in September. This is anticipated to increase business activity and improve sentiments going forward.

Based on advance estimates for the second quarter of 2021 by the Ministry of Trade and Industry ("MTI"), the Singapore economy expanded by 14.3% year-on-year, extending the 1.3% growth from the previous quarter. This was largely due to the low base in the second quarter of 2020, when GDP fell due to the Circuit Breaker measures implemented. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy contracted by 2.0% in the second quarter of 2021, a reversal from the 3.1% growth in the preceding quarter.

The manufacturing sector grew by 18.5% year-on-year supported by output expansions in all clusters except for the biomedical manufacturing cluster. In particular, the electronics and precision engineering clusters continued to see healthy expansions due to strong demand for semiconductor and semiconductor equipment. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector contracted by 1.8%, a pullback from the 11.4% expansion in the

first quarter.

Based on JTC Corporation's market report for 2Q 2021 released on 22 July 2021, the occupancy rate for the overall industrial property market rose slightly by 0.1 percentage point to 90.1% as compared to the previous quarter, as delays in completion continue to persist. However, new completions started to pick up in 2Q 2021, and the total available stock rose by 374,000 sqm, the largest quarterly increase since 2017. In line with the broad recovery in the economy, rentals and prices of industrial space continued to rebound. An approximate 1.7 million sqm of new industrial space is expected to be completed in the second half of 2021.

### **Australia**

The economic recovery in Australia is stronger than had been expected and anticipated to continue, with the labour market recovering faster than expected. While a pick-up in inflation and wages growth is expected, it is likely to be gradual and modest. At the most recent July meeting, the Reserve Bank of Australia ("RBA") announced that it is maintaining the target cash rate of 10 basis points until actual inflation is sustainably within the 2% to 3% target range, which the central bank does not expect to happen before 2024.

### **Overview**

Despite the resurgence in COVID-19 cases globally, demand for industrial real estate has been underpinned by the manufacturing sector, which has been attributable to the expansion of the electronics, precision engineering and chemical sectors. Manufacturing firms are also anticipating favourable business sentiments for the second half of the year. However, the supply of new industrial space in the pipeline may moderate rental growth.

AA REIT's quality portfolio operates in a broad range of industries, with a well-balanced mix of multi-tenanted and master leased properties. Amidst the current macroeconomic environment, the Manager will continue to proactively manage its portfolio to deliver sustainable distributions and create long-term value for Unitholders.

## **8 Distributions**

### **(a) Current financial period**

Any distributions declared for the current financial period: Yes

Name of distribution: Sixty-first distribution, for the period from 1 April 2021 to 30 June 2021

Distribution Type<sup>5</sup>: Taxable Income  
Capital Distribution

|                    |                      |                            |
|--------------------|----------------------|----------------------------|
| Distribution Rate: | Taxable Income       | 1.88 cents per Unit        |
|                    | Capital Distribution | <u>0.37 cents per Unit</u> |
|                    | Total                | <u>2.25 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.

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<sup>5</sup> No tax-exempt income distribution was declared for the period from 1 April 2021 to 30 June 2021.

**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.

**(b) Corresponding period of the immediate preceding year**

|   |   |                |                     |                   |                     |                      |                            |       |                            |
|---|---|----------------|---------------------|-------------------|---------------------|----------------------|----------------------------|-------|----------------------------|
| Any distributions declared for the previous corresponding financial period: | Yes   |                |                     |                   |                     |                      |                            |       |                            |
| Name of distribution:   | Fifty-seventh distribution, for the period from 1 April 2020 to 30 June 2020  |                |                     |                   |                     |                      |                            |       |                            |
| Distribution Type:  | Taxable Income<br>Tax-Exempt Income<br>Capital Distribution   |                |                     |                   |                     |                      |                            |       |                            |
| Distribution Rate:  | <table border="0"> <tr> <td>Taxable Income</td> <td>1.54 cents per Unit</td> </tr> <tr> <td>Tax-Exempt Income</td> <td>0.23 cents per Unit</td> </tr> <tr> <td>Capital Distribution</td> <td><u>0.23 cents per Unit</u></td> </tr> <tr> <td>Total</td> <td><u>2.00 cents per Unit</u></td> </tr> </table> | Taxable Income | 1.54 cents per Unit | Tax-Exempt Income | 0.23 cents per Unit | Capital Distribution | <u>0.23 cents per Unit</u> | Total | <u>2.00 cents per Unit</u> |
| Taxable Income  | 1.54 cents per Unit   |                |                     |                   |                     |                      |                            |       |                            |
| Tax-Exempt Income   | 0.23 cents per Unit   |                |                     |                   |                     |                      |                            |       |                            |
| Capital Distribution  | <u>0.23 cents per Unit</u>  |                |                     |                   |                     |                      |                            |       |                            |
| Total   | <u>2.00 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.

**(c) Record date:** 6 August 2021

**(d) Date payable:** 22 September 2021

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

Not applicable.

**10 Interested Person Transactions**

The Trust has not required nor obtained a general mandate from Unitholders for Interested Person Transactions.

**11 Confirmation by the board pursuant to Rule 705(5) of the Listing Manual**

We confirm that, to the best of our knowledge, that nothing has come to the attention of the Board of Directors of AIMS APAC REIT Management Limited (as Manager of AA REIT), which may render these interim financial statements to be false or misleading in any material respect.

For and on behalf of the Board of Directors of  
AIMS APAC REIT Management Limited  
(as Manager of AIMS APAC REIT)

George Wang  
Chairman and Director

Koh Wee Lih  
Director

**12 Confirmation by the board 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 format set out in Appendix 7.7 pursuant to Rule 720(1) of Listing Manual.

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)

Koh Wee Lih  
Chief Executive Officer  
28 July 2021