



AIMS APAC REIT and its subsidiaries

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

Interim Financial Statements
For the half year ended 30 September 2023
("1H FY2024")

STATEMENTS OF FINANCIAL POSITION
As at 30 September 2023

	Note	Group		Trust	
		30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Non-current assets					
Investment properties	3	1,962,607	1,957,409	1,506,254	1,496,898
Plant and equipment	4	14,544	–	14,544	–
Subsidiaries		–	–	328,681	328,681
Joint venture	5	327,184	329,377	–	–
Trade and other receivables	6	3,689	3,465	3,689	3,465
Derivative financial instruments	7	14,119	12,064	5,392	8,041
		<u>2,322,143</u>	<u>2,302,315</u>	<u>1,858,560</u>	<u>1,837,085</u>
Current assets					
Investment property held for sale	3	–	12,153	–	12,153
Trade and other receivables	6	7,847	7,560	7,780	7,495
Derivative financial instruments	7	1,326	1,171	1,070	1,171
Cash and cash equivalents		17,300	13,223	9,793	7,728
		<u>26,473</u>	<u>34,107</u>	<u>18,643</u>	<u>28,547</u>
Total assets		<u>2,348,616</u>	<u>2,336,422</u>	<u>1,877,203</u>	<u>1,865,632</u>
Non-current liabilities					
Trade and other payables	8	27,813	15,101	27,813	15,101
Interest-bearing borrowings	9	665,399	790,988	283,897	390,011
Deferred tax liabilities		27,038	26,989	–	–
Lease liabilities		99,042	92,747	99,042	92,747
		<u>819,292</u>	<u>925,825</u>	<u>410,752</u>	<u>497,859</u>
Current liabilities					
Trade and other payables	8	40,533	37,598	33,643	32,442
Interest-bearing borrowings	9	18,590	–	–	–
Derivative financial instruments	7	10	–*	10	–*
Liabilities directly associated with the investment property held for sale	3	–	253	–	253
Lease liabilities		5,289	5,351	5,289	5,351
		<u>64,422</u>	<u>43,202</u>	<u>38,942</u>	<u>38,046</u>
Total liabilities		<u>883,714</u>	<u>969,027</u>	<u>449,694</u>	<u>535,905</u>
Net assets		<u>1,464,902</u>	<u>1,367,395</u>	<u>1,427,509</u>	<u>1,329,727</u>
Represented by:					
Unitholders' funds		1,091,354	993,849	1,053,961	956,181
Perpetual Securities holders' funds	10	373,548	373,546	373,548	373,546
		<u>1,464,902</u>	<u>1,367,395</u>	<u>1,427,509</u>	<u>1,329,727</u>
Units in issue and to be issued ('000)	11	810,147	725,039	810,147	725,039
Net asset value/net tangible asset per Unit attributable to Unitholders ¹ (\$)		<u>1.35</u>	<u>1.37</u>	<u>1.30</u>	<u>1.32</u>

* less than \$1,000

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

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

CONSOLIDATED STATEMENTS OF TOTAL RETURN
For the Half Year Ended 30 September 2023

	Note	Group	
		1 April 2023 to 30 September 2023 ("1H FY2024") \$'000	1 April 2022 to 30 September 2022 ("1H FY2023") \$'000
Gross revenue	12	86,834	83,200
Property operating expenses		(22,544)	(22,057)
Net property income		64,290	61,143
Net foreign exchange gain/(loss)		234	(995)
Interest income		256	72
Borrowing costs	13	(17,792)	(15,482)
Manager's management fees		(5,643)	(5,718)
Other trust expenses	13	(2,810)	(3,042)
Non-property expenses		(26,245)	(24,242)
Net income before joint venture's profits		38,535	35,978
Share of profits of joint venture (net of tax)		7,451	11,536
Net income		45,986	47,514
Net change in fair value of investment properties		(2,755)	8,994
Net change in fair value of derivative financial instruments		(2,496)	4,673
Gain on divestment of investment property		637	-
Total return before income tax	13	41,372	61,181
Income tax (expense)/credit		(101)	669
Total return after income tax		41,271	61,850
Attributable to:			
Unitholders		30,993	51,572
Perpetual Securities holders		10,278	10,278
		41,271	61,850
Earnings per Unit (Singapore cents)			
Basic	14	4.02	7.20
Diluted	14	4.01	7.20

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

CONSOLIDATED DISTRIBUTION STATEMENTS
For the Half Year Ended 30 September 2023

	Note	Group	
		1H FY2024 \$'000	1H FY2023 \$'000
Amount available for distribution to Unitholders at beginning of the period		19,246	16,911
Total return before income tax		41,372	61,181
Less: Amount reserved for distribution to Perpetual Securities holders		(10,278)	(10,278)
Net effect of tax adjustments	A	5,762	(9,142)
Other adjustments	B	(9,477)	(19,168)
		<u>27,379</u>	<u>22,593</u>
Amount available for distribution to Unitholders from taxable income		46,625	39,504
Capital distribution		9,417	11,192
Amount available for distribution to Unitholders		56,042	50,696
Distributions to Unitholders during the period:			
2.360 cents per Unit for the period from 1 January 2022 – 31 March 2022		–	(16,911)
2.280 cents per Unit for the period from 1 April 2022 – 30 June 2022		–	(16,348)
2.654 cents per Unit for the period from 1 January 2023 – 31 March 2023		(19,242)	–
1.800 cents per Unit for the period from 1 April 2023 – 11 June 2023		(13,051)	–
0.510 cents per Unit for the period from 12 June 2023 – 30 June 2023		(4,126)	–
		<u>(36,419)</u>	<u>(33,259)</u>
Amount available for distribution to Unitholders at end of the period		19,623	17,437
Number of Units entitled to distributions at end of the period ('000)		810,147	718,013
Distribution per Unit (Singapore cents)		<u>4.650</u>	<u>4.700</u>

	Group	
	1H FY2024 \$'000	1H FY2023 \$'000
Note A – Net effect of tax adjustments		
Amortisation and write-off of borrowing transaction costs	736	645
Net foreign exchange (gain)/loss	(67)	870
Manager's management fees paid/payable in units	2,592	1,904
Land rent paid on investment properties	(4,557)	(4,418)
Interest expense on lease liabilities	1,802	1,814
Net change in fair value of investment properties	2,755	(8,011)
Net change in fair value of derivative financial instruments	2,496	(4,422)
Depreciation of plant and equipment	101	–
Gain on divestment of investment property	(637)	–
Net tax adjustment on foreign sourced income	595	2,137
Net tax adjustment on net income from sale of electricity	(250)	–
Temporary differences and other tax adjustments	196	339
Net effect of tax adjustments	<u>5,762</u>	<u>(9,142)</u>

Note B – Other adjustments

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

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
For the Half Year Ended 30 September 2023

	Note	Group		Trust	
		1H FY2024 \$'000	1H FY2023 \$'000	1H FY2024 \$'000	1H FY2023 \$'000
Unitholders' Funds					
Balance at beginning of the period		993,849	1,000,196	956,181	902,852
Operations					
Total return after income tax, attributable to Unitholders and Perpetual Securities holders		41,271	61,850	43,047	65,533
Less: Amount reserved for distribution to Perpetual Securities holders		(10,278)	(10,278)	(10,278)	(10,278)
Net increase in net assets from operations		30,993	51,572	32,769	55,255
Foreign currency translation reserve					
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations		(4,013)	(29,085)	–	–
Hedging reserve					
Effective portion of changes in fair value of cash flow hedges		6,606	12,481	1,092	5,407
Unitholders' contributions					
Issuance of Units (including Units to be issued):					
Manager's management fees		2,592	1,904	2,592	1,904
Private placement		69,999	–	69,999	–
Preferential Offering		30,172	–	30,172	–
Issuance costs for new units		(2,425)	–	(2,425)	–
Distributions to Unitholders		(36,419)	(33,259)	(36,419)	(33,259)
Change in Unitholders' funds resulting from Unitholders' transactions		63,919	(31,355)	63,919	(31,355)
Total increase in Unitholders' funds		97,505	3,613	97,780	29,307
Balance at end of the period		1,091,354	1,003,809	1,053,961	932,159
Perpetual Securities holders' funds					
Balance at beginning of the period		373,546	373,546	373,546	373,546
Amount reserved for distribution to Perpetual Securities holders		10,278	10,278	10,278	10,278
Distributions to Perpetual Securities holders		(10,276)	(10,276)	(10,276)	(10,276)
Balance at end of the period		373,548	373,548	373,548	373,548
Units in issue and to be issued ('000)	11	810,147	718,013	810,147	718,013

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

PORTFOLIO STATEMENTS
As at 30 September 2023

	Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
						30 September 2023 %	31 March 2023 %	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 %	31 March 2023 %	30 September 2023 %	31 March 2023 %
Group and the Trust Investment properties in Singapore													
1	20 Gul Way	20 Gul Way	35 years	17.3	Logistics and Warehouse	100	100	228,711	228,700	21.0	23.0	21.7	23.9
2	27 Penjuru Lane	27 Penjuru Lane	45 years	26.0	Logistics and Warehouse	97	97	161,527	160,900	14.8	16.2	15.3	16.8
3	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	44.7	Logistics and Warehouse	100	100	161,300	161,300	14.8	16.2	15.3	16.9
4	NorthTech	29 Woodlands Industrial Park E1	60 years	31.3	Hi-Tech	100	100	135,724	133,600	12.4	13.4	12.9	14.0
5	7 Bulim Street	7 Bulim Street	30 years	18.9	Logistics and Warehouse	100	100	130,800	130,800	12.0	13.2	12.4	13.7
6	1A International Business Park	1A International Business Park	52 years	35.7	Business Park	64	64	73,700	73,700	6.8	7.4	7.0	7.7
7	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	31.5	General Industrial	100	100	56,004	55,900	5.1	5.6	5.3	5.8
8	30 Tuas West Road	30 Tuas West Road	60 years	32.3	Logistics and Warehouse	100	100	55,900	55,900	5.1	5.6	5.3	5.8
9	51 Marsiling Road	51 Marsiling Road	70 years and 5 months	20.8	General Industrial	100	100	49,400	49,400	4.5	5.0	4.7	5.2
10	23 Tai Seng Drive	23 Tai Seng Drive	60 years	26.8	Light Industrial	100	100	38,800	38,800	3.6	3.9	3.7	4.1
11	15 Tai Seng Drive	15 Tai Seng Drive	60 years	27.5	Light Industrial	99	99	34,306	34,300	3.1	3.5	3.3	3.6

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

PORTFOLIO STATEMENTS (CONTINUED)
As at 30 September 2023

	Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
						30 September 2023 %	31 March 2023 %	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 %	31 March 2023 %	30 September 2023 %	31 March 2023 %
Group and the Trust Investment properties in Singapore													
12	103 Defu Lane 10	103 Defu Lane 10	60 years	19.7	Logistics and Warehouse	100	100	33,200	33,200	3.0	3.3	3.2	3.5
13	8 Tuas Avenue 20	8 Tuas Avenue 20	59 years and 1.5 months	28.1	General Industrial	100	100	27,906	27,900	2.6	2.8	2.6	2.9
14	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	31.7	Light Industrial	100	100	26,390	26,300	2.4	2.6	2.5	2.8
15	10 Changi South Lane	10 Changi South Lane	60 years	32.7	Logistics and Warehouse	93	95	22,400	22,400	2.1	2.3	2.1	2.3
16	11 Changi South Street 3	11 Changi South Street 3	60 years	31.5	Logistics and Warehouse	90	91	21,770	21,700	2.0	2.2	2.1	2.3
17	135 Joo Seng Road	135 Joo Seng Road	60 years	30.7	Light Industrial	93	93	20,800	20,800	1.9	2.1	2.0	2.2
18	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	31.6	Logistics and Warehouse	100	100	19,800	19,800	1.8	2.0	1.9	2.1
19	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	28.9	General Industrial	100	95	19,680	19,600	1.8	2.0	1.9	2.0
20	3 Toh Tuck Link	3 Toh Tuck Link	60 years	33.1	Logistics and Warehouse	83	83	18,300	18,300	1.7	1.8	1.7	1.9
21	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	23.5	General Industrial	100	100	15,200	15,200	1.4	1.5	1.4	1.6
22	8 Senoko South Road	8 Senoko South Road	60 years	31.1	General Industrial	100	100	14,100	14,100	1.3	1.4	1.3	1.5
23	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	30.3	General Industrial	100	100	12,500	12,500	1.1	1.3	1.2	1.3

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

PORTFOLIO STATEMENTS (CONTINUED)
As at 30 September 2023

Description of property	Location	Term of land lease ¹	Remaining term of land Lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds		
					30 September 2023	31 March 2023	30 September 2023	31 March 2023	30 September 2023	31 March 2023	30 September 2023	31 March 2023	
					%	%	\$'000	\$'000	%	%	%	%	
Group and the Trust													
Investment properties in Singapore													
24	1 Kallang Way 2A	1 Kallang Way 2A	60 years	31.7	Light Industrial	100	100	12,300	12,300	1.1	1.2	1.2	1.3
25	7 Clementi Loop	7 Clementi Loop	60 years	29.7	Logistics and Warehouse	87	87	11,405	11,400	1.0	1.1	1.1	1.2
								1,401,923	1,398,800	128.4	140.6	133.1	146.4
Group													
Investment properties in Australia													
26	Woolworths HQ	1 Woolworths Way, Bella Vista, New South Wales 2153, Australia	Freehold	N.A.	Business Park	100	100	406,465	410,136	37.2	41.3	–	–
27	Boardriders Asia Pacific HQ	209-217 Burleigh Connection Road, Burleigh Waters, Queensland 4220, Australia	Freehold	N.A.	Light Industrial	100	100	49,888	50,375	4.6	5.1	–	–
Total investment properties								1,858,276	1,859,311	170.2	187.0	133.1	146.4
Group and the Trust													
Investment property held for sale in Singapore													
28	541 Yishun Industrial Park A ³	541 Yishun Industrial Park A	60 years	N.A.	General Industrial	N.A.	100	–	11,900	–	1.2	–	1.2
Total investment property held for sale								–	11,900	–	1.2	–	1.2
Total investment properties and investment property held for sale (note 3)								1,858,276	1,871,211	170.2	188.2	133.1	147.6

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

PORTFOLIO STATEMENTS (CONTINUED)
As at 30 September 2023

Description of property	Location	Term of land lease ¹	Remaining term of land lease ¹ (years)	Existing use	Occupancy rate ²		Carrying Value		Group percentage of total Unitholders' funds	
					30 September 2023 %	31 March 2023 %	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 %	31 March 2023 %
1-28 Investment properties and investment property held for sale (FS5 to FS7)							1,858,276	1,871,211	170.2	188.2
Investment properties – right-of-use (“ROU”) assets							104,331	98,098	9.6	9.9
Investment property held for sale– right-of-use assets ³							–	253	–	–
Total investment properties and investment property held for sale							1,962,607	1,969,562	179.8	198.1
Joint venture (note 5)							327,184	329,377	30.0	33.1
Investment property in Australia held by a joint venture										
29 Optus Centre	1-5 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia	Freehold	N.A.	Business Park	100	100				
Other assets and liabilities (net)							(824,889)	(931,544)	(75.6)	(93.7)
Net assets of the Group							1,464,902	1,367,395	134.2	137.5
Perpetual Securities holders' funds							(373,548)	(373,546)	(34.2)	(37.5)
Total Unitholders' funds of the Group							1,091,354	993,849	100.0	100.0

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

² The occupancy rates shown are on committed basis.

³ On 24 April 2023, the Group announced the divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore (the “Divestment”). The investment property, including the corresponding right-of-use assets, were reclassified to investment property held for sale and the corresponding lease liabilities was reclassified to liabilities directly associated with the investment property held for sale as at 31 March 2023. The Divestment was completed on 12 September 2023.

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

PORTFOLIO STATEMENTS (CONTINUED)
As at 30 September 2023

Description of property	Carrying value		Trust percentage of total Unitholders' funds	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 %	31 March 2023 %
1-25, 28 Investment properties and investment property held for sale (FS5 – FS7)	1,401,923	1,410,700	133.1	147.6
Investment properties – right-of-use assets	104,331	98,098	9.9	10.3
Investment property held for sale– right-of-use assets ³	–	253	–	–
Total investment properties and investment property held for sale	1,506,254	1,509,051	143.0	157.9
Other assets and liabilities (net)	(78,745)	(179,324)	(7.5)	(18.8)
Net assets of the Trust	1,427,509	1,329,727	135.5	139.1
Perpetual Securities holders' funds	(373,548)	(373,546)	(35.5)	(39.1)
Total Unitholders' funds of the Trust	1,053,961	956,181	100.0	100.0

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial period ended 30 September 2023 and financial year ended 31 March 2023 related wholly to investing in real estate in the industrial sector.

External valuations of the investment properties and investment property held for sale is conducted at least once annually. Independent valuations for all the investment properties and investment property held for sale were undertaken by professional valuers as at 31 March 2023. For interim financial reporting purposes, the carrying values of the investment properties as at 30 September 2023 were internally assessed by the Manager, after considering the operating parameters of the properties, current market conditions and adjusted for capital expenditure capitalised subsequent to the valuation date and foreign currency translation differences. Based on the review, there is no indication of significant changes affecting the value of AA REIT's portfolio and the fair values of investment properties approximates the fair values of the investment properties as at 31 March 2023.

Refer to note 3 of the interim financial statements for details of the valuation techniques.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half Year Ended 30 September 2023

	Note	Group	
		1H FY2024	1H FY2023
		\$'000	\$'000
Cash flows from operating activities			
Total return after income tax		41,271	61,850
Adjustments for:			
Share of profits of joint venture (net of tax)		(7,451)	(11,536)
Borrowing costs		17,792	15,482
Depreciation of plant and equipment		101	–
Net foreign exchange (gain)/loss		(234)	995
Manager's management fees in Units	A	2,592	1,904
Net change in fair value of investment properties		2,755	(8,994)
Net change in fair value of derivative financial instruments		2,496	(4,673)
Gain on divestment of investment property		(637)	–
Income tax expense/(credit)		101	(669)
Operating income before working capital changes		58,786	54,359
Changes in working capital			
Trade and other receivables		(1,629)	(715)
Trade and other payables		2,310	(1,007)
Cash generated from operations		59,467	52,637
Income tax paid		–	(246)
Net cash from operating activities		59,467	52,391
Cash flows from investing activities			
Capital expenditure on investment properties		(3,328)	(2,473)
Additions to plant and equipment	B	(243)	–
Net proceeds from divestment of investment property ¹		12,638	–
Refund of option fee received for proposed acquisition ²		–	1,020
Loan to a joint venture		(3,607)	(3,528)
Distributions and interest income received from a joint venture		9,340	9,102
Net cash from investing activities		14,800	4,121
Cash flows from financing activities			
Distributions to Unitholders		(36,925)	(33,405)
Distributions to Perpetual Securities holders		(10,276)	(10,276)
Issue costs paid in relation to new units issued		(2,296)	–
Proceeds from the issuance of new units ³		100,171	–
Proceeds from interest-bearing borrowings		32,607	187,758
Repayments of interest-bearing borrowings		(135,085)	(187,524)
Borrowing costs paid		(13,746)	(13,363)
Repayment of lease liabilities		(4,557)	(4,418)
Net cash used in financing activities		(70,107)	(61,228)
Net increase/(decrease) in cash and cash equivalents		4,160	(4,716)
Cash and cash equivalents at beginning of the period		13,223	21,395
Effect of exchange rate fluctuations on cash held		(83)	(953)
Cash and cash equivalents at end of the period		17,300	15,726

¹ This relates to the net proceeds received for the divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore.

² On 4 July 2022, the Manager announced the principal terms and conditions of the proposed acquisition of 315 Alexandra Road, Singapore 159944 were not concluded and therefore aborted. As a result, \$1.02 million option fee previously paid in the financial year ended 31 March 2021 was refunded.

³ AA REIT issued 57,660,000 new units at the issue price of \$1.214 per unit on 12 June 2023 in relation to the Private Placement and 25,376,361 new units at the issue price of \$1.189 per unit on 3 July 2023 in relation to the Preferential Offering.

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

Significant non-cash transactions

Note A:

During 1H FY2024, 2,071,411 (1H FY2023: 1,429,640) of new Units amounting to \$2,592,000 (1H FY2023: \$1,904,000) were issued/issuable as partial payment for the Manager's management fees.

Refer to note 11 of the interim financial statements.

Note B:

During 1H FY2024, the Manager completed the installation of rooftop solar photovoltaic systems ("Systems") across 6 of AA REIT's properties in Singapore and are recognised as plant and equipment (refer to notes 4 and 8 of the interim financial statements).

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 GENERAL

AIMS APAC REIT (the “Trust”) is a Singapore-domiciled real estate unit trust constituted pursuant to the trust deed dated 5 December 2006, subsequently amended by the supplemental deed of appointment and retirement of Trustee dated 8 March 2007, the first amending and restating deed dated 8 March 2007, the first supplemental deed dated 31 May 2010, the second amending and restating deed dated 17 July 2017, the second supplemental deed dated 8 August 2018, the third supplemental deed dated 30 November 2018, the fourth supplemental deed dated 11 April 2019, the fifth supplemental deed dated 13 July 2020, the sixth supplemental deed dated 31 January 2022, the seventh supplemental deed dated 6 April 2023 and the eighth supplemental deed dated 28 July 2023 (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 1967.

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

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

2 BASIS OF PREPARATION

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

The interim financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2023.

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

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

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

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the interim financial statements are included in note 3 – Investment properties.

New standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 April 2023. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

3 INVESTMENT PROPERTIES

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Beginning of financial period/year	1,957,409	1,992,582	1,496,898	1,464,250
Capital expenditure capitalised	3,123	2,553	3,123	2,342
Transfer to investment property held for sale	–	(12,153)	–	(12,153)
Remeasurement of right-of-use assets due to revised lease payments and recognition of lease extension option	8,988	9,595	8,988	9,595
Net change in fair value of investment properties recognised in the statement of total return	–	30,519	–	38,158
Net change in fair value of right-of-use assets	(2,755)	(5,294)	(2,755)	(5,294)
Foreign currency translation and other movements	(4,158)	(60,393)	–	–
End of financial period/year	<u>1,962,607</u>	<u>1,957,409</u>	<u>1,506,254</u>	<u>1,496,898</u>

On 24 April 2023, the Group announced the divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore, at a sale price of \$12.88 million (the “Divestment”). The investment property, including the corresponding right-of-use assets, was reclassified to investment property held for sale and the corresponding lease liabilities was reclassified to liabilities directly associated with the investment property held for sale as at 31 March 2023. The Divestment was completed on 12 September 2023.

Details of the properties are shown in the Portfolio Statements.

Security

As at the reporting date, certain investment properties including investment property held for sale have been pledged as security for loan facilities granted by financial institutions to the Group (see note 9). The aggregate market value of the mortgaged investment properties are as follows:

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Investment properties including investment property held for sale	<u>1,425,082</u>	<u>1,438,211</u>	<u>968,729</u>	<u>977,700</u>

Fair value hierarchy

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

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Fair value of investment properties	1,858,276	1,859,311	1,401,923	1,398,800
Add: carrying amount of lease liabilities	104,331	98,098	104,331	98,098
Investment properties	<u>1,962,607</u>	<u>1,957,409</u>	<u>1,506,254</u>	<u>1,496,898</u>
Fair value of investment property held for sale (based on valuation report)	–	11,900	–	11,900
Add: carrying amount of lease liabilities	–	253	–	253
Investment property held for sale	<u>–</u>	<u>12,153</u>	<u>–</u>	<u>12,153</u>

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, including the investment property held for sale, is presented in the table above.

(ii) Valuation techniques

External valuation of the investment properties, including the investment property held for sale are conducted at least once annually. For interim financial reporting purposes, the carrying values of the investment properties as at 30 September 2023 were internally assessed by the Manager, after considering the operating parameters of the properties, current market conditions and adjusted for capital expenditure capitalised subsequent to the valuation date and foreign currency translation differences. Based on the review, there is no indication of significant changes affecting the value of AA REIT's portfolio and the fair values of investment properties approximates the fair values of the investment properties as at 31 March 2023.

Investment properties, including the investment property held for sale, as at 31 March 2023 are stated at fair values based on valuations performed by independent professional valuers at the reporting date. 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 values as at 31 March 2023. The key assumptions used to determine the fair values of investment properties include market-corroborated discount rate, terminal capitalisation rate and capitalisation rate.

4 PLANT AND EQUIPMENT

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Cost				
Beginning of financial period/year	–	–	–	–
Additions	14,645	–	14,645	–
End of financial period/year	<u>14,645</u>	<u>–</u>	<u>14,645</u>	<u>–</u>
Accumulated depreciation				
Beginning of financial period/year	–	–	–	–
Depreciation charges	101	–	101	–
End of financial period/year	<u>101</u>	<u>–</u>	<u>101</u>	<u>–</u>
Net book value				
As at end of financial period/year	<u>14,544</u>	<u>–</u>	<u>14,544</u>	<u>–</u>

The plant and equipment relates to the completed installation of rooftop solar photovoltaic systems (“Systems”) at 6 Singapore properties for the generation of electricity.

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost include expenditure that is directly attributable to the installation of the Systems, including:

- the cost of material and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended uses;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense under the “Property operating expenses” in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful life of the depreciable plant and equipment are as follows:

	<u>Useful life</u>
Systems	Over 18 to 20 years

Depreciation method, useful lives and residual values are reviewed at end of each reporting period and adjusted if appropriate.

5 JOINT VENTURE

	Group	
	30 September 2023 \$'000	31 March 2023 \$'000
	Investment in joint venture	284,336
Amounts due from joint venture, at amortised cost:		
- Interest-bearing loan	42,848	39,809
	327,184	329,377

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

The amounts due from joint venture of \$42.8 million (31 March 2023: \$39.8 million) relates to an unsecured loan facility of AUD100 million extended by the Unitholders of the joint venture (the "parties") based on their proportionate interests in the joint venture. On 30 May 2023, the unsecured loan facility was increased from AUD100 million to AUD126 million.

Details of the unsecured loan:

- Purpose: to fund capital expenditure requirement and other related lease obligations in relation to Optus Centre.
- Tenure: six years from the first utilisation date or such later date as may be agreed between the parties.
- Effective interest rate: based on Bank Bill Swap Bid Rate ("BBSY") + margin, reprices at each interest period as mutually agreed between the parties.

As at 30 September 2023, the Group's share of the capital commitments of the joint venture is \$5.7 million (31 March 2023: \$6.0 million).

6 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
	Trade receivables	1,620	1,314	1,620
Less: Impairment loss	-	-	-	-
	1,620	1,314	1,620	1,314
Deposits	29	69	29	69
Amount due from subsidiaries	-	-	34	12
Distribution receivable from a subsidiary	-	-	3,098	3,148
Distribution receivable from a joint venture	1,324	1,340	-	-
Interest receivable from banks	867	672	447	540
Other receivables	1,631	2,002	176	249
	5,471	5,397	5,404	5,332
Prepayments	6,065	5,628	6,065	5,628
	11,536	11,025	11,469	10,960
Non-current	3,689	3,465	3,689	3,465
Current	7,847	7,560	7,780	7,495
	11,536	11,025	11,469	10,960

The amount due from subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand.

Other receivables comprise mainly of the withholding tax refund. Prepayments comprise the unamortised marketing service commission for leases. The non-current receivables relate to the prepaid unamortised marketing commission of leases with tenors of more than one year.

The Manager believes that no provision of impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due and the rest of these balances mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantees or cash security deposits.

7 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Non-current assets				
Interest rate swaps				
- designated as cash flow hedge	14,119	12,064	5,392	8,041
Current assets				
Interest rate swaps				
- at fair value through statement of total return ("FVTPL")	-	-	-	317
- designated as cash flow hedge	1,245	939	989	622
Currency forward contracts				
- at FVTPL	81	232	81	232
	1,326	1,171	1,070	1,171
Current liabilities				
Currency forward contracts				
- at FVTPL	(10)	(-*)	(10)	(-*)
	(10)	(-*)	(10)	(-*)

* less than \$1,000

Measurement of fair value

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

8 TRADE AND OTHER PAYABLES

	Group		Trust	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Trade payables and accrued expenses	18,124	17,016	16,052	14,846
Trade amounts due to:				
- the Manager	895	1,169	895	1,169
- the Property Manager	1,395	1,722	1,395	1,722
- the Trustee	61	59	61	59
- entities controlled by corporate shareholders of the Manager	288	288	-	-
Goods and services tax payable	2,745	2,532	2,585	2,532
Rental received in advance	3,325	2,587	1,511	2,587
Rental and security deposits	22,625	22,099	22,625	22,099
Interest payable	4,853	5,227	2,297	2,529
Deferred consideration	14,016	-	14,016	-
Provision for income tax	19	-	19	-
	<u>68,346</u>	<u>52,699</u>	<u>61,456</u>	<u>47,543</u>
Non-current	27,813	15,101	27,813	15,101
Current	40,533	37,598	33,643	32,442
	<u>68,346</u>	<u>52,699</u>	<u>61,456</u>	<u>47,543</u>

The Group's and the Trust's deferred consideration of \$14,016,000 relates to the present value of all payments payable to the vendor of the Systems, based on minimum output of electricity generated by the Systems at the relevant rates, and over a period of 18 to 20 years (note 4). The current and non-current portion of the deferred consideration as at 30 September 2023 amounted to \$949,000 and \$13,067,000 respectively (31 March 2023: Nil).

9 INTEREST-BEARING BORROWINGS

	Note	Group		Trust	
		30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
Non-current					
Secured					
Bank borrowings	(a),(b)	569,371	695,967	186,125	292,882
Unsecured					
Medium term notes	(c)	100,000	100,000	100,000	100,000
		<u>669,371</u>	<u>795,967</u>	<u>286,125</u>	<u>392,882</u>
Less: Unamortised borrowing transaction costs		(3,972)	(4,979)	(2,228)	(2,871)
		<u>665,399</u>	<u>790,988</u>	<u>283,897</u>	<u>390,011</u>
Current					
Secured					
Bank borrowings	(b)	18,640	-	-	-
		<u>18,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Unamortised borrowing transaction costs		(50)	-	-	-
		<u>18,590</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>683,989</u>	<u>790,988</u>	<u>283,897</u>	<u>390,011</u>

(a) The Trust has 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 October 2025;
- a four-year revolving credit facility of AUD50.0 million maturing in October 2025;
- a five-year term loan facility of \$100.0 million maturing in October 2026; and
- a five-year term loan facility of AUD50.0 million maturing in October 2026.

The credit facilities are secured on the following:

- (i) first legal mortgage over 15 (31 March 2023:16) 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; and
 - (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.
- (b) The secured term loan facilities of wholly-owned subsidiaries of the Trust:
- (i) A secured five-year term loan facility maturing July 2024 of AUD21.2 million was granted to a wholly-owned subsidiary of the Trust which is guaranteed by the Trust and secured by a mortgage over a property and a general security agreement over all present and after acquired property of the subsidiary.
 - (ii) A secured five-year term loan facility maturing November 2026 of AUD277.95 million was granted to a wholly-owned subsidiary of the Trust and secured by a mortgage over a property, a security interest in all present and future assets of the subsidiary and a security interest in all units of the subsidiary held by immediate holding trust of the subsidiary.
 - (iii) A secured five-year term loan facility maturing June 2027 of AUD212.27 million was granted to a wholly-owned subsidiary of the Trust and secured by a security interest in all of the present and future assets of the subsidiary, primarily, the units which the subsidiary holds in the Macquarie Park Trust and a security interest in all units of the subsidiary held by immediate holding trust of the subsidiary.

(c) Unsecured medium term notes

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

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

(d) Capital management

	Group	
	30 September 2023	31 March 2023
Key financial ratios		
Aggregate leverage ratio ¹ (%)	32.1%	36.1%
Interest coverage ratio ² (times)	3.6	3.8
Adjusted Interest coverage ratio ³ (times)	2.2	2.3

As at 30 September 2023, the Group had total cash and bank balances and undrawn committed facilities of approximately \$188.0 million (31 March 2023: \$182.3 million) to fulfil their liabilities as and when they fall due.

There were no breaches of loan covenants as at 30 September 2023 and 31 March 2023.

10 PERPETUAL SECURITIES

As at 30 September 2023, \$375.0 million subordinated perpetual securities (“Perpetual Securities”) under the \$750 million Multicurrency Debt Issuance Programme, established in November 2018 had been issued comprising:

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

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

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

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

As at 30 September 2023, the \$373.5 million (31 March 2023: \$373.5 million) presented in the statements of financial position of the Group and the Trust represent the carrying value of the \$375.0 million (31 March 2023: \$375.0 million) Perpetual Securities issued, net of issue costs and includes the total return attributable to the Perpetual Securities holders from the last distribution date or the issuance date, as the case may be.

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

² The interest coverage ratio (“ICR”) is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees. The borrowing-related fees excludes the unwinding of discounting effect on the present value of lease liabilities and the deferred consideration.

³ The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders in the interest expense. The adjusted ICR excludes the unwinding of discounting effect on the present value of lease liabilities and deferred consideration.

11 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	1H FY2024	1H FY2023
	'000	'000
Units in issue at beginning of the period	720,344	712,017
<u>Units in issue relating to:</u>		
Manager's management fees	2,307	1,672
Manager's performance fees	3,420	3,318
Private Placement	57,660	–
Preferential Offering	25,376	–
Units in issue at end of the period	809,107	717,007
<u>Units to be issued relating to:</u>		
Manager's management fees	1,040	1,006
Total Units in issue at end of the period	810,147	718,013

During the 1H FY2023, these were the following issuances of Units:

- (i) On 29 April 2022, 1,247,794 new Units at an average price of \$1.4007 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2022 to 31 March 2022 and 3,317,930 new Units at an issue price of \$1.3922 as payment of the performance component of the Manager's management fees incurred for the financial year ended 31 March 2022.
- (ii) On 28 July 2022, 423,700 new Units at an average price of \$1.3752 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 April 2022 to 30 June 2022.

During 1H FY2023, these were the following Units to be issued to the Manager:

- (i) 1,005,940 new Units at an average price of \$1.3140 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 July 2022 to 30 September 2022.

During the 1H FY2024, these were the following issuances of Units:

- (i) On 9 May 2023, 1,274,492 new Units at an average price of \$1.3358 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2023 to 31 March 2023 and 3,420,035 new Units at an issue price of \$1.3088 as payment of the performance component of the Manager's management fees for the financial year ended 31 March 2023.
- (ii) On 12 June 2023, 57,660,000 new Units were issued at the issue price of \$1.2140 in relation to the Private Placement¹.
- (iii) On 3 July 2023, 25,376,361 new Units were issued at the issue price of \$1.1890 in relation to the Preferential Offering¹.
- (iv) On 1 August 2023, 1,031,723 new Units at an average price of \$1.2484 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 April 2023 to 30 June 2023.

¹ Please refer to announcement titled "Launch Of Equity Fund Raising To Raise Gross Proceeds Of Approximately S\$100.0 Million" dated 31 May 2023, announcement titled "Issue Of 57,660,000 New Units In AIMS APAC REIT Pursuant To The Private Placement" dated 12 June 2023, and announcement titled "Issue Of 25,376,361 New Units In AIMS APAC REIT Pursuant To The Preferential Offering" dated 3 July 2023.

During 1H FY2024, these were the following Units to be issued to the Manager:

- (i) 1,039,688 new Units at an average price of \$1.2540 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 July 2023 to 30 September 2023.

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.

12 GROSS REVENUE

	Group	
	1H FY2024	1H FY2023
	\$'000	\$'000
Property rental income	64,844	62,833
Service charge, land rent and property tax	12,436	11,352
Other property expenses recoverable from tenants and other property income	9,199	9,015
	86,479	83,200
<u>Others</u>		
Sale of electricity	355	–
	86,834	83,200

13 TOTAL RETURN BEFORE INCOME TAX

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

	Group	
	1H FY2024	1H FY2023
	\$'000	\$'000
Interest expense on borrowings	14,498	12,059
Interest expense on lease liabilities	1,802	1,814
Interest expense on unwinding of deferred consideration	70	–
Amortisation of borrowing transaction costs	1,029	1,131
Others	393	478
Borrowing costs	17,792	15,482
Audit fees to:		
- auditors of the Trust	92	96
- other auditors	35	37
Non-audit fees to auditors of the Trust	26	28
Trustees fees to:		
- HSBC Institutional Trust Services (Singapore) Limited (the "Trustee")	183	186
- other trustee	8	8
Valuation fees	–	85
Professional fees	96	23
Transaction costs written-off	–	221
Investment management fees	1,735	1,886
Other expenses	635	472
Other trust expenses	2,810	3,042

14 EARNINGS PER UNIT

	Group	
	1H FY2024	1H FY2023
<u>Basic EPU</u>		
Weighted average number of Units ('000)	771,862	716,035
Earnings per Unit (Singapore cents)	4.02	7.20
 <u>Diluted EPU</u>		
Weighted average number of Units ('000)	772,041	716,111
Earnings per Unit (Singapore cents)	4.01	7.20

The basic EPU is computed using total return after tax over the weighted average number of Units issued for the period. The diluted EPU is computed using total return after tax over the weighted average number of Units issued for the period and adjusted for the effects of Units to be issued to the Manager as partial payment of the Manager's management fees incurred for the period from 1 July 2023 to 30 September 2023 as follows:

	Group	
	1H FY2024	1H FY2023
	\$'000	\$'000
Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders	41,271	61,850
Less: Amount reserved for distribution to Perpetual Securities holders	(10,278)	(10,278)
	30,993	51,572

	Trust	
	Number of Units	
	1H FY2024	1H FY2023
	'000	'000
<u>Basic EPU</u>		
Units in issue at beginning of the period	720,344	712,017
Effect of Units issued relating to:		
- Manager's management fees	1,354	1,208
- Manager's performance fees	2,710	2,810
- Private Placement	34,974	-
- Preferential Offering	12,480	-
Weighted average number of Units at end of the period	771,862	716,035
 <u>Diluted EPU</u>		
Units in issue at beginning of the period	720,344	712,017
Effect of Units issued/issuable relating to:		
- Manager's management fees	1,533	1,284
- Manager's performance fees	2,710	2,810
- Private Placement	34,974	-
- Preferential Offering	12,480	-
Weighted average number of Units at end of the period	772,041	716,111

15 COMMITMENTS

As at 30 September 2023, the Group had \$1.6 million (31 March 2023: \$3.7 million) of capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements.

The wholly owned subsidiary of the Trust has a sub-lease agreement with the existing tenant that allows the tenant the right to call on an option for the wholly owned subsidiary to complete the construction of a certain building on the site. This option is coterminous with the wholly owned subsidiary's existing sub-lease and expires on 29 September 2031. As at 30 September 2023, the option has not been exercised.

16 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	1H FY2024	1H FY2023
	\$'000	\$'000
The Manager		
Manager's management fees		
- Base fees	5,643	5,718
- Divestment fees	64	-
Entities controlled by corporate shareholders of the Manager		
Investment management fees	1,735	1,886
The Property Manager		
Property management fees	1,023	958
Lease management fees	512	479
Marketing services commissions	1,499	1,769
Project management fees	434	80
Property tax services fees	21	-
Reimbursement of site staff costs ¹	453	376
The Trustee		
Trustee fees	183	186
Joint venture		
Interest income	1,383	688

¹ Represents the employment costs and remuneration to the employees of the Property Manager based on-site that are engaged solely and exclusively for management of the relevant properties.

17 SEGMENT REPORTING

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

Information about reportable segments

1H FY2024	Singapore \$'000	Australia \$'000	Total \$'000
Revenue and expenses			
Gross revenue	73,146	13,688	86,834
Property operating expenses	(22,507)	(37)	(22,544)
Net property income	50,639	13,651	64,290
Share of profits of joint venture (net of tax)	–	7,451	7,451
Net change in fair value of right-of-use assets	(2,755)	–	(2,755)
Net change in fair value of derivative financial instruments	(1,681)	(815)	(2,496)
Gain on divestment of investment property	637	–	637
	<u>46,840</u>	<u>20,287</u>	<u>67,127</u>
Interest income	181	75	256
Borrowing costs	(7,149)	(10,643)	(17,792)
Trust and other expenses	(6,592)	(1,861)	(8,453)
	<u>33,280</u>	<u>7,858</u>	<u>41,138</u>
Unallocated item:			
Net foreign exchange gain			234
Total return before income tax			<u>41,372</u>
Income tax expense			(101)
Total return after income tax			<u>41,271</u>
Total assets	1,543,171	805,445	2,348,616
Other segment items:			
Joint venture	–	327,184	327,184
Capital expenditure ²	3,123	–	3,123
Additions to plant and equipment ³	14,645	–	14,645
Total liabilities	(388,231)	(495,483)	(883,714)
1H FY2023			
Revenue and expenses			
Gross revenue	68,257	14,943	83,200
Property operating expenses	(22,049)	(8)	(22,057)
Net property income	46,208	14,935	61,143
Share of profits of joint venture (net of tax) ¹	–	11,536	11,536
Net change in fair value of investment properties	10,615	983	11,598
Net change in fair value of right-of-use assets	(2,604)	–	(2,604)
Net change in fair value of derivative financial instruments	752	3,921	4,673
	<u>54,971</u>	<u>31,375</u>	<u>86,346</u>
Interest income	60	12	72
Borrowing costs	(6,720)	(8,762)	(15,482)
Trust and other expenses	(6,582)	(2,178)	(8,760)
	<u>41,729</u>	<u>20,447</u>	<u>62,176</u>
Unallocated items:			
Net foreign exchange loss			(995)
Total return before income tax			<u>61,181</u>
Income tax credit			669
Total return after income tax			<u>61,850</u>
Total assets	1,508,629	854,238	2,362,867
Other segment items:			
Joint venture	–	342,789	342,789
Capital expenditure ²	1,085	212	1,297
Total liabilities	(463,810)	(521,700)	(985,510)

¹ Included in the share of profits of joint venture (net of tax) is the share of revaluation gain recognised on the valuation of Optus Centre of \$3.5 million during 1H FY2023.

² Capital expenditure consists of additions of investment properties.

³ During 1H FY2024, the Manager completed the installation of rooftop solar photovoltaic systems (“Systems”) across 6 of AA REIT’s properties in Singapore and are recognised as plant and equipment (refer to notes 4 and 8 of the interim financial statements).

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

Major tenants

Rental income from one major tenant of the Group's reportable segment represents approximately \$12.1 million (1H FY2023: \$13.2 million) of the Group's rental income.

18 FINANCIAL RATIOS

	Group	
	1H FY2024	1H FY2023
	%	%
Expenses to weighted average net assets ¹		
- Expense ratio excluding performance-related fee	1.21	1.24
- Expense ratio including performance-related fee	1.53	1.57
Portfolio turnover rate ²	–	–

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

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

19 SUBSEQUENT EVENT

On 3 November 2023, the Manager approved a distribution of 2.340 Singapore cents per Unit in respect of the period from 1 July 2023 to 30 September 2023 to be paid on 22 December 2023.

**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 sustainable growth.

As at 30 September 2023, the Group¹ has a portfolio of 28² industrial properties, 25² of which are located throughout Singapore, one industrial property located in Gold Coast, Queensland, Australia, one business park located in New South Wales, Australia, and one business park property located in Macquarie Park, New South Wales (“NSW”), Australia³.

2 SUMMARY OF AIMS APAC REIT GROUP RESULTS

	Note	1H FY2024	1H FY2023	+/(–)
		S\$’000	S\$’000	%
Gross revenue	(a)	86,834	83,200	4.4
Net property income	(a)	64,290	61,143	5.1
Share of profits of joint venture (net of tax)	(b)	7,451	11,536	(35.4)
Distributions to Unitholders		36,135	33,724	7.1
Distribution per Unit (“DPU”) (Singapore cents)		4.650	4.700	(1.1)

Breakdown of DPU by quarter

	Note	1H FY2024	1H FY2023	+/(–)
		Singapore Cents	Singapore Cents	%
For the first quarter ended 30 June	(c)	2.310	2.280	1.3
For the second quarter ended 30 September	(d)	2.340	2.420	(3.3)
For the half year ended 30 September		4.650	4.700	(1.1)

Notes:

- (a) Please refer to section 3.2 Consolidated Statements of Total Return, Note (a) for explanation of the variances.
- (b) Please refer to section 3.2 Consolidated Statements of Total Return, Note (g) for explanation of variances.
- (c) The distribution for the period 1 April 2023 to 11 June 2023 and for the period from 12 June 2023 to 30 June 2023 have been paid on 20 July 2023 and 22 September 2023 respectively (first quarter ended 30 June 2022 has been paid on 23 September 2022).
- (d) The distribution for the second quarter ended 30 September 2023 will be payable on 22 December 2023 (second quarter ended 30 September 2022 has been paid on 23 December 2022).

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

² On 12 September 2023, AA REIT completed the divestment of 541 Yishun Industrial Park A in Singapore for a sale consideration of S\$12.88 million.

³ AA REIT has a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.

Distribution and Record Date

Distribution	For 1 July 2023 to 30 September 2023
Distribution Type	(a) Taxable Income (b) Capital Distribution ¹
Distribution Rate	(a) Taxable Income Distribution: 1.784 cents per Unit (b) Capital Distribution ¹ : <u>0.556 cents per Unit</u> <u>2.340 cents per Unit</u>
Record Date	15 November 2023
Payment Date	22 December 2023

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

3 REVIEW OF PERFORMANCE OF THE GROUP

3.1 Statements of Financial Position as at 30 September 2023 vs. 31 March 2023

	Note	Group			Trust		
		30 September 2023 S\$'000	31 March 2023 S\$'000	+ / (-) %	30 September 2023 S\$'000	31 March 2023 S\$'000	+ / (-) %
Non-current assets							
Investment properties	(a)	1,962,607	1,957,409	0.3	1,506,254	1,496,898	0.6
Plant and equipment	(b)	14,544	–	NM	14,544	–	NM
Subsidiaries		–	–	–	328,681	328,681	–
Joint venture	(c)	327,184	329,377	(0.7)	–	–	–
Trade and other receivables	(d)	3,689	3,465	6.5	3,689	3,465	6.5
Derivative financial instruments	(e)	14,119	12,064	17.0	5,392	8,041	(32.9)
		2,322,143	2,302,315	0.9	1,858,560	1,837,085	1.2
Current assets							
Investment property held for sale	(a)	–	12,153	(100.0)	–	12,153	(100.0)
Trade and other receivables	(d)	7,847	7,560	3.8	7,780	7,495	3.8
Derivative financial instruments	(e)	1,326	1,171	13.2	1,070	1,171	(8.6)
Cash and cash equivalents	(f)	17,300	13,223	30.8	9,793	7,728	26.7
		26,473	34,107	(22.4)	18,643	28,547	(34.7)
Total assets		2,348,616	2,336,422	0.5	1,877,203	1,865,632	0.6
Non-current liabilities							
Trade and other payables	(g)	27,813	15,101	84.2	27,813	15,101	84.2
Interest-bearing borrowings	(h)	665,399	790,988	(15.9)	283,897	390,011	(27.2)
Deferred tax liabilities	(i)	27,038	26,989	0.2	–	–	–
Lease liabilities	(j)	99,042	92,747	6.8	99,042	92,747	6.8
		819,292	925,825	(11.5)	410,752	497,859	(17.5)
Current liabilities							
Trade and other payables	(k)	40,533	37,598	7.8	33,643	32,442	3.7
Interest-bearing borrowings	(h)	18,590	–	NM	–	–	–
Derivative financial instruments	(e)	10	–*	>100.0	10	–*	>100.0
Liabilities directly associated with the investment property held for sale	(j)	–	253	(100.0)	–	253	(100.0)
Lease liabilities	(j)	5,289	5,351	(1.2)	5,289	5,351	(1.2)
		64,422	43,202	49.1	38,942	38,046	2.4
Total liabilities		883,714	969,027	(8.8)	449,694	535,905	(16.1)
Net assets		1,464,902	1,367,395	7.1	1,427,509	1,329,727	7.4
Represented by:							
Unitholders' funds		1,091,354	993,849	9.8	1,053,961	956,181	10.2
Perpetual Securities holders' funds		373,548	373,546	< 0.1	373,548	373,546	< 0.1
		1,464,902	1,367,395	7.1	1,427,509	1,329,727	7.4

* less than \$1,000

NM: Not meaningful

- (a) The increase in investment properties was largely due to capital expenditure capitalised during 1H FY2024 for Singapore properties, partially offset by the foreign currency translation loss from the Australian properties as a result of the weakening of Australian dollar ("AUD") against Singapore dollar ("SGD").

Investment property held for sale relates to the leasehold property at 541 Yishun Industrial Park A in Singapore. On 24 April 2023, the Group announced the divestment of the leasehold property at 541 Yishun Industrial Park A in Singapore, at a sale price of S\$12.88 million (the "Divestment"). The investment property, including the corresponding right-of-use assets, was reclassified to investment property held for sale and the corresponding lease liabilities was reclassified to liabilities directly associated with the investment property held for sale as at 31 March 2023. The Divestment was completed on 12 September 2023.

- (b) The plant and equipment relate to the completed installation of rooftop solar photovoltaic systems ("Systems") at 6 Singapore properties for the generation of electricity during 1H FY2024.
- (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 foreign currency translation loss as a result of the weakening of AUD against SGD, partially offset by the additional loan to joint venture as at 30 September 2023.
- (d) Non-current trade and other receivables relate to the unamortised portion of the marketing services commission for leases with tenors of more than one year.

Current trade and other receivables as at 30 September 2023 of S\$7.8 million was S\$0.3 million higher compared to 31 March 2023. The increase was mainly due to the higher prepaid expenses from the unamortised portion of the marketing services commission with tenors of less than one year.

- (e) The derivative financial instruments as at 30 September 2023 and 31 March 2023 reflect the fair values of the interest rate swaps and foreign currency forward contracts entered into for the Group and the Trust to hedge its interest rate and foreign currency risks.
- (f) Cash and cash equivalents increased mainly due to net cash inflow from operating activities, net proceeds from the divestment of investment property and net proceeds from the issuance of new units in relation to the Equity Fund Raising launched on 31 May 2023, partially offset by net cash outflow from financing activities arising mainly from repayment of borrowings, interest payments, distributions to Unitholders and Perpetual Securities holders during 1H FY2024. Please refer to page FS10 and FS11 of the Interim Financial Statements for the Consolidated Statement of Cash Flows.
- (g) Non-current trade and other payables comprised mainly rental deposits received from tenants with remaining lease tenors of more than one year and the non-current portion of the deferred consideration. The deferred consideration relates to the present value of all payments payable to the vendor for the installation of the Systems at 6 Singapore properties based on the minimum output of electricity generated by the Systems at the relevant rates.

The increase in non-current trade and other payables was mainly due to the non-current portion of the deferred consideration as at 30 September 2023 of S\$13.1 million (31 March 2023: Nil), partially offset by the decrease in the rental deposits received from tenants with remaining lease tenors of more than one year.

- (h) The total borrowings of the Group as at 30 September 2023 of S\$684.0 million was S\$107.0 million lower compared to 31 March 2023 mainly due to repayment of borrowings using the proceeds received from the Equity Fund Raising launched on 31 May 2023 and part of the proceeds from the divestment of investment property at 541 Yishun Industrial Park A in Singapore. The lower total borrowings were also caused by the weakening of AUD against SGD on AUD denominated borrowings.
- (i) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.

- (j) 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 the non-current lease liabilities was mainly due to the recognition of the lease liabilities on the lease extension option for the property at 135 Joo Seng Road, partially offset by the land rent payments during 1H FY2024.

Lease liabilities directly associated with the investment property held for sale in respect of the leasehold property at 541 Yishun Industrial Park A in Singapore were reclassified to liabilities directly associated with the investment property held for sale as at 31 March 2023. The divestment was completed on 12 September 2023.

- (k) Current trade and other payables as at 30 September 2023 of S\$40.5 million was S\$2.9 million higher compared to 31 March 2023. The increase was mainly due to the current portion of the deferred consideration of the Systems as at 30 September 2023 amounted to S\$0.9 million (31 March 2023: Nil), higher trade payables for property operating expenses, higher rental received in advance and higher rental deposits received from tenants with remaining lease tenors within one year.

As at 30 September 2023, the Group's current liabilities exceeded its current assets by approximately S\$38.0 million mainly due to refundable rental deposits placed by tenants and interest-bearing borrowings due within one year. Notwithstanding the net current liabilities position, the Group had total cash and bank balances and undrawn committed facilities of approximately S\$188.0 million to fulfil their liabilities as and when they fall due.

3.2 Consolidated Statements of Total Return

	Note	Group		+/(-) %
		1H FY2024 S\$'000	1H FY2023 S\$'000	
Gross revenue	(a)	86,834	83,200	4.4
Property operating expenses	(a)	(22,544)	(22,057)	2.2
Net property income	(a)	<u>64,290</u>	<u>61,143</u>	5.1
Net property income margin	(a)	74.0%	73.5%	
Net foreign exchange gain/(loss)	(b)	234	(995)	>(100.0)
Interest income	(c)	256	72	>100.0
Borrowing costs	(d)	(17,792)	(15,482)	14.9
Manager's management fees	(e)	(5,643)	(5,718)	(1.3)
Other trust expenses	(f)	(2,810)	(3,042)	(7.6)
Non-property expenses		<u>(26,245)</u>	<u>(24,242)</u>	8.3
Net income before joint venture's profits		38,535	35,978	7.1
Share of profits of joint venture (net of tax)	(g)	7,451	11,536	(35.4)
Net income		45,986	47,514	(3.2)
Net change in fair value of investment properties	(h)	(2,755)	8,994	>(100.0)
Net change in fair value of derivative financial instruments	(i)	(2,496)	4,673	>(100.0)
Gain on divestment of investment property	(j)	637	–	NM
Total return before income tax		41,372	61,181	(32.4)
Income tax (expense)/credit	(k)	(101)	669	>(100.0)
Total return after income tax		<u>41,271</u>	<u>61,850</u>	(33.3)
Attributable to:				
Unitholders		30,993	51,572	(39.9)
Perpetual Securities holders	(l)	10,278	10,278	–
		<u>41,271</u>	<u>61,850</u>	(33.3)
Distributions to Unitholders	(m)	36,135	33,724	7.1
DPU (Singapore cents)	(m)	4.650	4.700	(1.1)

- (a) Gross revenue for 1H FY2024 of S\$86.8 million was S\$3.6 million higher as compared to 1H FY2023. The increase in gross revenue was mainly due higher rental and recoveries from AA REIT's logistics and warehouse and industrial properties such as the properties at 27 Penjuru Lane, 20 Gul Way, 8 & 10 Pandan Crescent, 30 Tuas West Road, 8 Tuas Avenue 20 and 23 Tai Seng Drive, and partially offset by lower gross revenue from Australian properties due to the foreign exchange differences from the weakening of AUD against SGD.

Property operating expenses for 1H FY2024 of S\$22.5 million was S\$0.5 million higher as compared to 1H FY2023. Depreciation of plant and equipment included in the property operating expenses amounted to S\$0.1 million (1H FY2023: Nil) relates to the completed installation of rooftop solar photovoltaic systems.

Net property income for 1H FY2024 of S\$64.3 million was S\$3.1 million higher than 1H FY2023 mainly due to higher gross revenue. As a result, net property income margin increased to 74.0% in 1H FY2024 compared to 73.5% in 1H FY2023.

- (b) Net foreign exchange gain for 1H FY2024 of S\$0.2 million was mainly due to realised gain from the settlement of the foreign currency forward contracts, and partially offset by foreign exchange differences caused by the weakening of Australian dollar against the Singapore dollar during 1H FY2024. Net foreign exchange loss for 1H FY2023 of S\$1.0 million was mainly due to foreign exchange differences caused by the weakening of Australian dollar against the Singapore dollar during 1H FY2023.
- (c) Interest income for 1H FY2024 of S\$0.3 million was S\$0.2 million higher compared to 1H FY2023 mainly due to higher fixed deposit placements and higher fixed deposit rates in 1H FY2024.
- (d) Borrowing costs comprise interest expense on loans and interest rate swaps, amortisation of borrowing transaction costs and interest expense relating to lease liabilities and deferred consideration. Please refer to page FS22 of the Interim Financial Statements for the borrowing costs.

Borrowing costs for 1H FY2024 of S\$17.8 million was S\$2.3 million higher compared to 1H FY2023 mainly due higher floating interest rates, partially offset by loan repayment during 1H FY2024.

- (e) Manager's management fees for 1H FY2024 was in line with 1H FY2023.
- (f) Other trust expenses for 1H FY2024 of S\$2.8 million was marginally lower by S\$0.2 million compared to 1H FY2023.
- (g) The decrease in the share of profits of joint venture in 1H FY2024 was mainly due to foreign exchange differences from the weakening of AUD against SGD and no revaluation gain for Optus Centre in 1H FY2024. The share of profits of joint venture in 1H FY2023 included the share of revaluation gain recognised based on an independent valuation performed for Optus Centre of S\$3.5 million.
- (h) The net change in fair value of investment properties for 1H FY2024 was due to the fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 Leases ("FRS 116").

Independent valuations were performed at 30 September 2022. The net change in fair value of investment properties for 1H FY2023 of S\$9.0 million was largely due to revaluation gain from investment properties of S\$11.6 million, partially offset by S\$2.6 million fair value adjustments of ROU assets in accordance with FRS 116.

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) The net change in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts and foreign currency forward contracts. The net change in fair value of derivative financial instruments is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.
- (j) The gain on divestment of investment property arose from the divestment of 541 Yishun Industrial Park A in Singapore. The divestment was completed on 12 September 2023 for a consideration of S\$12.88 million.

- (k) The income tax expense for 1H FY2024 was largely due to withholding tax arising from the distribution from Australia and deferred tax liability recognised on the changes in the valuation of the investment properties in Australia.

The income tax credit for 1H FY2023 was largely due to withholding tax refund for Australia and foreign currency translation gain on deferred tax liability.

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

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

- (m) Distribution to Unitholders for 1H FY2024 of S\$36.1 million was S\$2.4 million higher as compared to 1H FY2023. The increase in 1H FY2024 was largely due to higher net property income arising mainly from higher rental and recoveries from AA REIT's logistics and warehouse and industrial properties such as the properties at 27 Penjuru Lane, 20 Gul Way, 8 & 10 Pandan Crescent, 30 Tuas West Road, 8 Tuas Avenue 20 and 23 Tai Seng Drive. This was partially offset by higher borrowing costs in 1H FY2024.

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2023.

During the period, the Group completed the installation of rooftop solar photovoltaic systems ("System") at 6 properties. Please refer to note 4 in FS15 for the accounting policy for plant and equipment.

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

Not applicable.

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

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

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

Please refer to FS1 of the interim financial statements.

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

As at 30 September 2023, the Trust had 809,106,978 units (31 March 2023: 720,344,367 units)

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

Not applicable.

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

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

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

The US Federal Reserve left interest rates unchanged in its recent November 2023 meeting. Stubborn inflation and higher-for-longer interest rates will continue to hinder the recovery of global growth which is expected to slow from 3.5% in 2022 to 3% for 2023 and 2.9% for 2024¹.

Singapore

With the weakening of global demand, the Ministry of Trade and Industry narrowed 2023 GDP growth forecasts to a range of 0.5 – 1.5% from 0.5 – 2.5%². Despite the headwinds, the Purchasing Managers' Index for September 2023 saw the first expansionary reading since July 2022 at 50.1, improving 0.2 points from August 2023. This indicates the resilience of Singapore's manufacturing sector, reinforcing its appeal as an attractive and compelling regional hub for businesses.

Prices and rents of most industrial properties remain on an upward trend due to limited supply and strong demand for quality and high-specification industrial spaces³. This demand is driven by industries such as advanced manufacturing, logistics, biomedical, and food sectors, with several corporations expanding their facilities or establishing a presence in Singapore⁴.

Australia

Economic growth is expected to stay subdued as cost-of-living pressures and the rise in interest rates continue to weigh on domestic demand. The Reserve Bank of Australia held rates steady at 4.10% in its October 2023 meeting but cautioned potential further tightening to control inflation.

AA REIT's two business parks in Sydney are located within Macquarie Park and the Norwest Business Park which continue to benefit from significant infrastructure investments. Macquarie Park is slated for transformation into a world-class innovation precinct and is set to play a key role as an economic powerhouse in Sydney's North District. The Sydney Metro's extension to the city, expected to be completed in 2024⁵, will also create a catchment area of surrounding talent pools for Macquarie Park and Norwest Business Park. The Norwest Business Park is poised to be a beneficiary of the state-significant development of Bella Vista into a major business precinct and the upcoming Western Sydney Airport in 2026.

Management Outlook

The Manager remains confident in AA REIT's high-quality assets and the on-going execution of its four strategic value-creation pillars. Operational performance and occupancy at the Singapore assets remain well-supported by encouraging rental growth and sustained demand for quality industrials and logistics space. In Australia, strong tenant covenants on long lease terms and built-in rental escalations continue to bolster income stability of the portfolio, even amid volatile macroeconomic conditions.

Post completion of the EFR in July 2023 and the divestment of a Singapore property in September 2023, AA REIT's balance sheet is well capitalised to drive further organic growth and capture acquisition opportunities as they arise. To this end, the Manager is focused on implementing its two identified AELs with the aim of meeting occupiers' demands. In October 2023, AA REIT entered into a non-binding Letter of Intent to carry out a building upgrade and a long-term lease with a global logistics and warehouse end user.

Prudent capital management remains a key priority amidst the macroeconomic uncertainty and high interest rate environment. The Manager maintains a disciplined organic growth strategy in its efforts to continue achieving long-term sustainable returns for its Unitholders.

¹ World Economic Outlook, October 2023: Navigating Global Divergences, International Monetary Fund.

² Ministry of Trade and Industry Singapore: Economic Survey of Singapore Second Quarter 2023.

³ Savills: Singapore Industrial Briefing Q2 2023.

⁴ Colliers: Industrial market's eleventh consecutive quarter of growth, defying gravity.

⁵ Metro campaign aims to elevate convenience of Macquarie Park — Connect Macquarie Park Innovation District (connectmpid.com.au).

14 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: **71st distribution, for the period from 1 July 2023 to 30 September 2023**

Distribution Type¹ Taxable Income
Capital Distribution

Distribution Rate: Taxable Income 1.784 cents per Unit
Capital Distribution 0.556 cents per Unit
Total 2.340 cents per Unit

Par value of units: Not applicable

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

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

Record date: 15 November 2023

Date payable: 22 December 2023

¹ No tax-exempt income distribution was declared for the period from 1 July 2023 to 30 September 2023.

(ii) Name of distribution: **70th distribution, for the period from 12 June 2023 to 30 June 2023**

Distribution Type¹ Taxable Income
Capital Distribution

Distribution Rate: Taxable Income 0.384 cents per Unit
Capital Distribution 0.126 cents per Unit
Total 0.510 cents per Unit

Par value of units: Not applicable

Tax Rate: **Taxable Income Distributions**

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

Capital Distributions

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

Remarks: Distribution of 0.510 cents per unit for the period from 12 June 2023 to 30 June 2023 was paid on 22 September 2023.

¹ No tax-exempt income distribution was declared for the period from 12 June 2023 to 30 June 2023.

(iii) Name of distribution:	69th distribution, for the period from 1 April 2023 to 11 June 2023	
Distribution Type ¹	Taxable Income Capital Distribution	
Distribution Rate:	Taxable Income	1.263 cents per Unit
	Capital Distribution	<u>0.537 cents per Unit</u>
	Total	<u>1.800 cents per Unit</u>
Par value of units:	Not applicable	
Tax Rate:	<u>Taxable Income Distributions</u> 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.	
	<u>Capital Distributions</u> Capital distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable for Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.	
Remarks:	Advanced distribution of 1.800 cents per unit for the period from 1 April 2023 to 11 June 2023 was paid on 20 July 2023.	

¹ No tax-exempt income distribution was declared for the period from 1 April 2023 to 11 June 2023.

(b) Corresponding period of the immediate preceding year

Any distributions declared for the previous corresponding financial period: Yes

(i) Name of distribution: **66th distribution, for the period from 1 July 2022 to 30 September 2022**

Distribution Type¹ Taxable Income
 Capital Distribution

Distribution Rate:	Taxable Income	1.740 cents per Unit
	Capital Distribution	<u>0.680 cents per Unit</u>
	Total	<u>2.420 cents per Unit</u>

Par value of units: Not applicable

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

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

Remarks: Distribution of 2.420 cents per unit for the period from 1 July 2022 to 30 September 2022 was paid on 23 December 2022.

¹ No tax-exempt income distribution was declared for the period from 1 July 2022 to 30 September 2022.

(ii) Name of distribution: **65th distribution, for the period from 1 April 2022 to 30 June 2022**

Distribution Type¹: Taxable Income
 Capital Distribution

Distribution Rate:	Taxable Income	1.400 cents per Unit
	Capital Distribution	<u>0.880 cents per Unit</u>
	Total	<u>2.280 cents per Unit</u>

Not applicable

Par value of units:

Taxable Income Distributions

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

Capital Distributions

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

Remarks: Distribution of 2.280 cents per unit for the period from 1 April 2022 to 30 June 2022 was paid on 23 September 2022.

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

Not applicable.

¹ No tax-exempt income distribution was declared for the period from 1 April 2022 to 30 June 2022.

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

	Group		
	1H FY2024	1H FY2023	+ / (-)
	S\$'000	S\$'000	%
<u>Gross Revenue</u>			
Singapore	73,146	68,257	7.2
Australia	13,688	14,943	(8.4)
	86,834	83,200	4.4
 <u>Net property income</u>			
Singapore	50,639	46,208	9.6
Australia	13,651	14,935	(8.6)
	64,290	61,143	5.1

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

Increase in gross revenue and net property income was mainly contributed by higher rental and recoveries for the Singapore properties.

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

18 General Mandate Relating to Interested Person Transactions

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

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

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

20 Directors' Confirmation pursuant to Rule 705(5) of the Listing Manual

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

21 Directors' Confirmation on the next 12-month cashflow forecast

The Board of Directors of AIMS APAC REIT Management Limited (as Manager of AA REIT) is satisfied that the Group will be able to discharge its liabilities as and when they fall due based on the next 12-month cashflow forecast from the date of the interim financial statements.

22 Use of proceeds raised from equity fund raising pursuant to Chapter 8 of the Listing Manual

In relation to the gross proceeds of approximately S\$100.0 million from the equity fund raising launched on 31 May 2023 (the “**Equity Fund Raising**”), approximately S\$97 million¹ (which is equivalent to approximately 97% of the gross proceeds of the Equity Fund Raising) has been used to repay existing debts, pending the use of such amount in the manner set out under paragraph 3 (*Use of Proceeds*) of the announcement of AA REIT dated 1 June 2023 titled “Results of the Private Placement and Pricing of New Units under the Private Placement and the Preferential Offering” (the “**Close of Private Placement Announcement**”). Such use of proceeds arising from the Equity Fund Raising was in accordance with the Close of Private Placement Announcement.

In addition, approximately S\$2.3 million (which is equivalent to approximately 2.3% of the gross proceeds of the Equity Fund Raising) has been used to pay the estimated professional and other fees and expenses incurred or to be incurred by AA REIT in connection with the Equity Fund Raising. Such use of proceeds arising from the Equity Fund Raising was in accordance with the stated use and was in accordance with the percentage of the gross proceeds of the Equity Fund Raising allocated to such use as set out in the Close of Private Placement Announcement.

¹ Please see the announcements of AA REIT titled “Use of Proceeds from the Equity Fund Raising” dated 26 June 2023, 6 July 2023 and 24 July 2023.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

By Order of the Board

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

Russell Ng
Chief Executive Officer
3 November 2023