

## IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**Confirmation of Your Representation:** In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) or (ii) located within the United States (“**U.S.**”). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the U.S. nor a U.S. person, as defined in Regulation S under the Securities Act nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either (i) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “**SFA**”)) pursuant to Section 274 of the SFA or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the “**SFA**” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS APAC REIT (formerly known as AIMS AMP Capital Industrial REIT) (“**AA REIT**”)), AIMS APAC REIT Management Limited (formerly known as AIMS AMP Capital Industrial REIT Management Limited) (the “**AA REIT Manager**”), AA REIT, Standard Chartered Bank (Singapore) Limited, United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

**Restrictions:** The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AA REIT), the AA REIT Manager, AA REIT, Standard Chartered Bank (Singapore) Limited or United Overseas Bank Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AA REIT), the AA REIT Manager and AA REIT in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

**Actions that You May Not Take:** If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, THE INFORMATION MEMORANDUM MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items.** If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



(A real estate investment trust constituted on 5 December 2006  
under the laws of the Republic of Singapore)

Managed by  
**AIMS APAC REIT MANAGEMENT LIMITED**  
(UEN/Company Registration No. 200615904N)

**S\$750,000,000**  
**Multicurrency Debt Issuance Programme**

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the “Notes”) and perpetual securities (the “Perpetual Securities”) and, together with the Notes, the “Securities”) to be issued from time to time by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS APAC REIT) (formerly known as AIMS AMP Capital Industrial REIT) (in such capacity, the “Issuer”) pursuant to the S\$750,000,000 Multicurrency Debt Issuance Programme (the “Programme”) may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in and the listing of and quotation for any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and the listing of and quotation for any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, AA REIT, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any), the Programme or such Securities.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirement of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Securities are subject to certain restrictions on transfer, see “Subscription, Purchase and Distribution”.

An investment in Securities issued under the Programme involves certain risks. Potential investors should pay attention to the risk factors and considerations set out in the section “Risk Factors”.

*Arrangers*



## TABLE OF CONTENTS

	Page
<b>NOTICE .....</b>	<b>1</b>
<b>FORWARD-LOOKING STATEMENTS .....</b>	<b>9</b>
<b>DEFINITIONS .....</b>	<b>10</b>
<b>CORPORATE INFORMATION .....</b>	<b>19</b>
<b>SUMMARY OF THE PROGRAMME .....</b>	<b>21</b>
<b>TERMS AND CONDITIONS OF THE NOTES .....</b>	<b>40</b>
<b>TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES .....</b>	<b>75</b>
<b>RISK FACTORS .....</b>	<b>112</b>
<b>AIMS APAC REIT .....</b>	<b>154</b>
<b>SELECTED CONSOLIDATED FINANCIAL INFORMATION .....</b>	<b>186</b>
<b>USE OF PROCEEDS .....</b>	<b>195</b>
<b>CLEARING AND SETTLEMENT .....</b>	<b>196</b>
<b>TAXATION .....</b>	<b>198</b>
<b>SUBSCRIPTION, PURCHASE AND DISTRIBUTION .....</b>	<b>203</b>
 <b>APPENDICES</b>	
<b>I: GENERAL AND OTHER INFORMATION .....</b>	<b>211</b>
<b>II: AUDITED FINANCIAL STATEMENTS OF AIMS APAC REIT AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 .....</b>	<b>213</b>
<b>III: AUDITED FINANCIAL STATEMENTS OF AIMS APAC REIT AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 .....</b>	<b>291</b>
<b>IV: UNAUDITED INTERIM FINANCIAL STATEMENTS OF AIMS APAC REIT AND ITS SUBSIDIARIES FOR THE FIRST HALF ENDED 30 SEPTEMBER 2024 .....</b>	<b>371</b>

## NOTICE

Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited (together, the **“Arrangers”**) have been authorised by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS APAC REIT (formerly known as AIMS AMP Capital Industrial REIT) (**“AA REIT”**)) (the **“Issuer”**) to continue to act as arrangers of the S\$750,000,000 Multicurrency Debt Issuance Programme (the **“Programme”**) described herein following the retirement of Standard Chartered Bank as one of the arrangers of the Programme on 4 March 2025. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the **“Notes”**) and perpetual securities (the **“Perpetual Securities”**), and together with the Notes, the **“Securities”**) denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, AA REIT, the AA REIT Manager (as defined herein), the Group (as defined herein), the Programme and the Securities.

The Issuer confirms that this Information Memorandum contains all information relating to itself (in its personal capacity as well as in its capacity as trustee of AA REIT), the AA REIT Manager, AA REIT and the Group (the **“AA REIT Sections”**) which is material in the context of the Programme or the issue and offering of the Securities, that all the information contained in the AA REIT Sections is true and accurate in all material respects, the opinions, expectations (if any) and intentions expressed in the AA REIT Sections have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held by the Issuer, and that there are no other facts relating to the AA REIT Sections the omission of which in the said context would make any such information or expressions of opinion, expectation (if any) or intention misleading in any material respect.

The AA REIT Manager confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Securities, that all the information in this Information Memorandum is true and accurate in all material respects, the opinions, expectations (if any) and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held by the AA REIT Manager, and that there are no other facts the omission of which in the said context would make any such information or expressions of opinion, expectation (if any) or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same issue date or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV (**“Euroclear”**) and/or Clearstream Banking, S.A. (**“Clearstream, Luxembourg”**) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or

below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Conditions (as defined herein) of the Notes as amended and/or supplemented by the applicable Pricing Supplement which are to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Conditions of the Perpetual Securities as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S\$750,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the AA REIT Manager, either of the Arrangers or any of the Dealer(s). Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the AA REIT Manager, AA REIT, or any of their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the AA REIT Manager, either of the Arrangers or any of the Dealer(s) to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).



Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the AA REIT Manager, either of the Arrangers or any of the Dealer(s) to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are institutional investors (as defined in Section 4A of the SFA) or accredited investors (as defined in Section 4A of the SFA) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, AA REIT, the AA REIT Manager or any of their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers and the Dealer(s) have not separately verified the information contained in this Information Memorandum. Neither of the Arrangers, any of the Dealer(s) or any of their respective officers, employees nor agents are making any representation, warranty or undertaking expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer, AA REIT, the AA REIT Manager or their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any). Neither of the Arrangers or any of the Dealer(s) undertakes to review the financial condition or affairs of the Issuer, AA REIT, the AA REIT Manager or their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any) during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Securities of any information coming to the attention of either of the Arrangers or the Dealer(s). Further, neither of the Arrangers nor any of the Dealer(s) makes any representation or warranty and no responsibility or liability is accepted by either of the Arrangers or any of the Dealer(s) as to the Issuer, AA REIT, the AA REIT Manager, their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the AA REIT Manager, either of the Arrangers or any of the Dealer(s) that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, AA REIT, the AA REIT Manager and their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial

condition and affairs and its appraisal of the creditworthiness of the Issuer, AA REIT, the AA REIT Manager and their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any). Accordingly, notwithstanding anything herein, neither of the Arrangers nor any of the Dealer(s) or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, neither of the Arrangers nor any of the Dealer(s) accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either of the Arrangers or any of the Dealer(s) or on its behalf in connection with the Issuer, the AA REIT Manager, the Group or the issue and offering of the Securities. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any series of Securities, one or more Dealers named as stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities and 60 days after the date of the allotment of the relevant series of Securities. Any stabilisation action will be conducted in accordance with all applicable laws and regulations.

**The following documents publicly announced, published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited consolidated accounts of AA REIT and its subsidiaries and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement (as defined herein) in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of the most recent published audited consolidated financial statements of AA REIT and all other documents deemed incorporated by reference in this Information Memorandum are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).**



**Website(s) referenced in this Information Memorandum are intended as guides as to where other public information relating to the Issuer, AA REIT, the AA REIT Manager and their respective subsidiaries (if any) and associated companies (if any) may be obtained free of charge. Unless otherwise incorporated by reference, information appearing on such website(s) does not form part of this Information Memorandum or any applicable Pricing Supplement and none of the Issuer, the AA REIT Manager, their respective subsidiaries (if any) or associated companies (if any), either of the Arrangers or any of the Dealers accepts any responsibility whatsoever that such information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for or purchase any of the Securities.**

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein) during normal business hours.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the AA REIT Manager, either of the Arrangers or any of the Dealer(s)) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the AA REIT Manager, the Arrangers and the Dealer(s) to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section titled "Subscription, Purchase and Distribution" on pages 203 to 210 of this Information Memorandum.

**Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.**

**It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before subscribing for, purchasing or acquiring the Securities.**

**Prospective investors should pay attention to the risk factors set out in the section titled "Risk Factors".**

**Prospective investors are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.**

**Notification under Section 309B of the SFA:** Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**MiFID II PRODUCT GOVERNANCE/TARGET MARKET** – The applicable Pricing Supplement in respect of any Securities may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET** – The applicable Pricing Supplement in respect of any Securities may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, “**EUWA**”); or (b) a customer within the meaning of the provisions of the Financial Services and Markets Act

2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (c) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT –**

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Securities pursuant to this Programme (each such offering, a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer, or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Securities subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is

otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

## FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer, AA REIT and/or the Group (including statements as to the Issuer’s, AA REIT’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer, AA REIT and/or the Group, expected growth in the Issuer, AA REIT and/or the Group and other related matters), if any, are forward-looking statements and accordingly are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, AA REIT, the AA REIT Manager and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer, AA REIT and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum under, in particular, but not limited to, the section “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, the AA REIT Manager, AA REIT or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the AA REIT Manager, the Arrangers and the Dealer(s) do not represent or warrant that the actual future results, performance or achievements of the Issuer, AA REIT or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, AA REIT, the AA REIT Manager, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, AA REIT, the AA REIT Manager, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

## DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

<b>“AA REIT”</b>	:	AIMS APAC REIT (formerly known as AIMS AMP Capital Industrial REIT).
<b>“AA REIT Investment Manager”</b>	:	AA REIT Management Australia Pty Limited.
<b>“AA REIT Manager”</b>	:	AIMS APAC REIT Management Limited (formerly known as AIMS AMP Capital Industrial REIT Management Limited) or such other manager as may be appointed under the AA REIT Trust Deed.
<b>“AA REIT Property Manager”</b>	:	AIMS APAC Property Management Pte. Ltd. (formerly known as AIMS AMP Capital Property Management Pte. Ltd.).
<b>“AA REIT Trust Deed”</b>	:	The deed of trust dated 5 December 2006 constituting AIMS APAC REIT (formerly known as AIMS AMP CAPITAL INDUSTRIAL REIT), as amended, supplemented and/or varied 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, and as further amended, supplemented and/or varied from time to time.
<b>“AA REIT Trustee”</b>	:	HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of AA REIT or such other trustee as may be appointed under the AA REIT Trust Deed, acting in such capacity.
<b>“AEI”</b>	:	Asset enhancement initiative.
<b>“Agency Agreement”</b>	:	The Agency Agreement dated 30 November 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent and CDP registrar, (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent and non-CDP registrar, and (4) the Trustee, as trustee, as amended, varied or supplemented from time to time.
<b>“AIMS Financial Group”</b>	:	Great World Financial Group Pty Ltd and its affiliates.



<b>“Arrangers”</b>	:	Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited.
<b>“Bearer Securities”</b>	:	Securities in bearer form.
<b>“business day”</b>	:	In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
<b>“CDP Registrar”</b>	:	Deutsche Bank AG, Singapore Branch.
<b>“CDP” or the “Depository”</b>	:	The Central Depository (Pte) Limited.
<b>“Certificate”</b>	:	A registered certificate representing one or more Registered Securities of the same Series, being substantially in the form set out in Part II of Schedule 1 to the Trust Deed or, as the case may be, Part II of Schedule 5 to the Trust Deed and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities comprising the entire holding by a holder of Registered Securities of that Series.
<b>“CIS Code”</b>	:	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
<b>“Clearstream, Luxembourg”</b>	:	Clearstream Banking, S.A., and includes a reference to its successors and permitted assigns.
<b>“Common Depository”</b>	:	In relation to a Series of Securities, a depository common to Euroclear and Clearstream, Luxembourg.
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended or modified from time to time.

<b>“Conditions”</b>	:	<p>(a) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and</p> <p>(b) In relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.</p>
<b>“Couponholders”</b>	:	The holders of the Coupons.
<b>“Coupons”</b>	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
<b>“Dealers”</b>	:	Persons appointed as dealers under the Programme.
<b>“Definitive Security”</b>	:	A definitive Bearer Security, being substantially in the form set out in (in the case of Notes) Part I of Schedule 1 and (in the case of Perpetual Securities) Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
<b>“Depositors”</b>	:	Persons holding the Securities in securities accounts with CDP.

<b>“Depository Agents”</b>	:	Certain corporate depositors approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the securities in such securities sub-accounts for themselves and their clients.
<b>“Deposited Property”</b>	:	All assets of AA REIT, including all the authorised investments of AA REIT for the time being held or deemed to be held upon the trust constituted under the AA REIT Trust Deed.
<b>“Directors”</b>	:	The directors (including alternate directors, if any) of the AA REIT Manager as at the date of this Information Memorandum.
<b>“Euro”</b>	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
<b>“Euroclear”</b>	:	Euroclear Bank SA/NV, and includes a reference to its successors and permitted assigns.
<b>“Extraordinary Resolution”</b>	:	A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.
<b>“FY”</b>	:	Financial year ended or ending 31 March.
<b>“GFA”</b>	:	Gross floor area.
<b>“Global Certificate”</b>	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of (a) the Common Depository, (b) the Depository and/or (c) any other clearing system.
<b>“Global Security”</b>	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or Talons.
<b>“GRI”</b>	:	Gross Rental Income.
<b>“Group”</b>	:	AA REIT and its subsidiaries.
<b>“IRAS”</b>	:	The Inland Revenue Authority of Singapore.
<b>“Issuer” or “AA REIT Trustee”</b>	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of AA REIT.

<b>“ITA”</b>	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
<b>“JTC”</b>	:	JTC Corporation.
<b>“Latest Practicable Date”</b>	:	19 February 2025.
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended or modified from time to time.
<b>“MAS”</b>	:	The Monetary Authority of Singapore.
<b>“NAV”</b>	:	Net asset value.
<b>“Non-CDP Paying Agent”</b>	:	Deutsche Bank AG, Hong Kong Branch.
<b>“Non-CDP Registrar”</b>	:	Deutsche Bank AG, Hong Kong Branch.
<b>“Noteholders”</b>	:	The holders of the Notes.
<b>“Notes”</b>	:	The notes issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
<b>“NPI”</b>	:	Net property income.
<b>“Optus Centre”</b>	:	Optus Centre, Macquarie Park, New South Wales, Australia (the Group has a 49% interest in Optus Centre as at the date of this Information Memorandum).
<b>“Permanent Global Security”</b>	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security, being substantially in the form set out in Schedule 3 or, as the case may be, Schedule 7 to the Trust Deed.
<b>“Perpetual Securities”</b>	:	The perpetual securities issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
<b>“Perpetual Securityholders”</b>	:	The holders of the Perpetual Securities.

<b>“Pricing Supplement”</b>	:	In relation to a Tranche or Series, a pricing supplement, supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 or, as the case may be, Appendix 3 to the Programme Agreement.
<b>“Principal Paying Agent”</b>	:	Deutsche Bank AG, Singapore Branch.
<b>“Programme”</b>	:	The S\$750,000,000 Multicurrency Debt Issuance Programme of the Issuer.
<b>“Programme Agreement”</b>	:	The Programme Agreement dated 30 November 2018 made between (1) the Issuer, as issuer, (2) the AA REIT Manager, as manager of AA REIT, (3) Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited, as arrangers, and (4) Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited, as dealers, as amended, varied or supplemented from time to time. By a letter dated 4 March 2025 from Standard Chartered Bank to, <i>inter alia</i> , the Issuer, the AA REIT Manager, the Arrangers and the Dealers, Standard Chartered Bank resigned as an arranger and a dealer of the Programme with effect from 4 March 2025.
<b>“Properties”</b>	:	AA REIT’s 28 properties as at the date of this Information Memorandum, comprising: (a) the following properties in Singapore: (i) 20 Gul Way, (ii) 27 Penjuru Lane, (iii) 8 & 10 Pandan Crescent, (iv) 30 Tuas West Road, (v) 103 Defu Lane 10, (vi) 3 Toh Tuck Link, (vii) 10 Changi South Lane, (viii) 11 Changi South Street 3, (ix) 56 Serangoon North Avenue 4, (x) 7 Clementi Loop, (xi) 1A International Business Park, (xii) 29 Woodlands Industrial Park E1, (xiii) 15 Tai Seng Drive, (xiv) 1 Bukit Batok Street 22, (xv) 23 Tai Seng Drive, (xvi) 135 Joo Seng Road, (xvii) 1 Kallang Way 2A, (xviii) 51 Marsiling Road, (xix) 8 Tuas Avenue 20, (xx) 61 Yishun Industrial Park A, (xxi) 2 Ang Mo Kio Street 65, (xxii) 8 Senoko South Road, (xxiii) 26 Tuas Avenue 7, (xxiv) 3 Tuas Avenue 2, and (xxv) 7 Bulim Street; and (b) the following properties in Australia: (i) Optus Centre, 1-5 Lyonpark Road, Macquarie Park, New South Wales (the Group has a 49% interest in Optus Centre), (ii) Boardriders Asia Pacific HQ, 209 – 217 Burleigh Connection Road, Burleigh Waters, QLD 4220, and (iii) Woolworths HQ, 1 Woolworths Way, Bella Vista, NSW 2153, and “Property” means each of them.
<b>“Property Funds Appendix”</b>	:	Appendix 6 to the CIS Code issued by the MAS in relation to real estate investment trusts.

<b>“Registered Securities”</b>	:	Securities in registered form.
<b>“Securities”</b>	:	The Notes and the Perpetual Securities.
<b>“Securities Accounts”</b>	:	The securities accounts of the Depositors maintained with the Depository (but does not include Sub-Accounts).
<b>“Securities Act”</b>	:	The Securities Act of 1933 of the United States, as amended or modified from time to time.
<b>“Securityholders”</b>	:	The Noteholders and the Perpetual Securityholders.
<b>“Senior Perpetual Securities”</b>	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
<b>“Series”</b>	:	(a) (In relation to Securities other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than Variable Rate Notes) interest or (in the case of Perpetual Securities) distribution and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited.
<b>“SORA”</b>	:	Singapore Overnight Rate Average.
<b>“sq m”</b>	:	Square metres.
<b>“Subordinated Perpetual Securities”</b>	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
<b>“subsidiary”</b>	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act) and, in relation to AA REIT, means any company, corporation, trust, fund, or other entity (whether or not a body corporate): <ul style="list-style-type: none"> <li>(a) which is controlled, directly or indirectly, by the AA REIT Trustee;</li> <li>(b) more than half of the voting power of which is controlled, directly or indirectly, by the AA REIT Trustee; or</li> </ul>



- (c) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (a) or (b) of this definition applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by AA REIT if AA REIT (whether through the AA REIT Trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

<b>“Sub-Accounts”</b>	:	The securities sub-accounts maintained by each Depository Agent for its own account and for the account of its clients.
<b>“Talons”</b>	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
<b>“TARGET System”</b>	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
<b>“Temporary Global Security”</b>	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed or, as the case may be, Schedule 6 to the Trust Deed.
<b>“TOP”</b>	:	Temporary Occupation Permit.
<b>“Tranche”</b>	:	Securities which are identical in all respects (including as to listing).
<b>“Trust Deed”</b>	:	The Trust Deed dated 30 November 2018 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
<b>“Trustee”</b>	:	DB International Trust (Singapore) Limited.
<b>“United States” or “U.S.”</b>	:	United States of America.
<b>“Unitholders”</b>	:	The holders of the units in AA REIT.
<b>“WALE”</b>	:	Weighted average lease term to expiry.
<b>“S\$” or “\$” or “SGD” and “cents”</b>	:	Singapore dollars and cents respectively.
<b>“A\$” or “AUD”</b>	:	Australian dollars.

<b>"%"</b>	:	per cent.
<b>"1H FY2024"</b>	:	The six months ended 30 September 2023.
<b>"1H FY2025"</b>	:	The six months ended 30 September 2024.
<b>"3Q FY2025"</b>	:	The nine months ended 31 December 2024.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

## CORPORATE INFORMATION

Issuer	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS APAC REIT)
Registered Office of the Issuer	:	10 Marina Boulevard #48-01 Marina Bay Financial Centre Tower 2 Singapore 018983
Auditors of AA REIT	:	KMPG LLP 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961
The AA REIT Manager	:	AIMS APAC REIT Management Limited
Registered Office of the AA REIT Manager	:	1 Raffles Place #39-03 One Raffles Place Singapore 048616
Board of Directors of the AA REIT Manager	:	George Wang Chia Nam Toon Chong Teck Sin Vivienne Zhaohui Yu
Company Secretary of the AA REIT Manager	:	Lim Joo Lee
Arrangers of the Programme	:	Standard Chartered Bank (Singapore) Limited Marina Bay Financial Centre, Tower 1 8 Marina Boulevard, Level 19 Singapore 018981  United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
Legal Advisers to the Arrangers and the Dealers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the AA REIT Manager	:	WongPartnership LLP 12 Marina Boulevard #28-00 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the AA REIT Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza Singapore 048624

Legal Advisers to the Trustee and the Agents (as at the date of the establishment of the Programme)	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Principal Paying Agent and CDP Registrar	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #17-10 South Tower Singapore 048583
Non-CDP Paying Agent and Non-CDP Registrar	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
Trustee for the Securityholders	:	DB International Trust (Singapore) Limited One Raffles Quay #17-10 South Tower Singapore 048583

## SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AA REIT).
Arrangers	:	Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited.
Dealers	:	Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent and CDP Registrar	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent and Non-CDP Registrar	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S\$750,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S\$750,000,000 (or its equivalent in other currencies) or such higher amount as may be determined in accordance with the terms of the Programme Agreement.
Purpose	:	The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the general corporate purposes of the Group, including to finance the general working capital, capital expenditure and investments of the Group and the partial or full refinancing of existing bank borrowings of the Group, or such other purposes as may be specified in the relevant Pricing Supplement.

- Non-Disposal Covenant : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it will not, and will ensure that none of the Material Subsidiaries (as defined in the Trust Deed) of AA REIT will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of the assets of the Issuer, AA REIT or the Material Subsidiaries of AA REIT, as the case may be, nor of any part of the assets of the Issuer, AA REIT or the Material Subsidiaries of AA REIT, as the case may be, which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.27 of the Trust Deed, is substantial in relation to the assets of the Issuer, AA REIT or the Material Subsidiaries of AA REIT, as the case may be, those of the Issuer and the subsidiaries of AA REIT, taken as a whole or, as the case may be, those of the Group or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect (as defined in the Trust Deed) on the Issuer or AA REIT. The following disposals shall not be taken into account under Clause 16.27 of the Trust Deed:
- (i) disposals in the ordinary course of business and on an arm's length basis and on normal commercial terms;
  - (ii) any transfer of assets to any Material Subsidiary of AA REIT;
  - (iii) any disposal of assets which are obsolete, excess or no longer required for the purpose of AA REIT's business, in each case, on an arm's length basis and on normal commercial terms;
  - (iv) any payment of cash as consideration for the acquisition of any asset on an arm's length basis and on normal commercial terms;
  - (v) any disposal in connection with the transfer of any of the Group's assets to another member of the Group;
  - (vi) any disposal in connection with the transfer of any of the Group's assets to a joint venture company on normal commercial terms and on an arm's length basis;
  - (vii) any exchange of assets for other assets which are similar or superior as to type and value;



- (viii) any disposal of financial assets shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on normal commercial terms and on an arm's length basis; and
- (ix) any disposal approved by the Securityholders by way of an Extraordinary Resolution.

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Securities may be issued at par or at a discount, or premium, to par.
Form and Denomination of the Securities	:	The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s).

Each Tranche or Series of bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein.

Each Tranche or Series of registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the relevant Conditions, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.

Custody of the Securities	:	Securities which are to be listed on the SGX-ST may be cleared through CDP. Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg.
Taxation	:	All payments in respect of the Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on “Taxation – Singapore Taxation” herein.
Listing	:	Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Securities is approved, such Securities will be traded on the SGX-ST in a minimum board lot size of not less than S\$200,000 (or its equivalent in foreign currencies) for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
Governing Law	:	The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

## **NOTES**

Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
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Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	<p>Floating Rate Notes which are denominated in Singapore dollars will bear interest at a rate to be determined separately for each Series by reference to S\$ Singapore Interbank Offered Rates (“<b>SIBOR</b>”) or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.</p> <p>Floating Rate Notes which are denominated in other currencies will bear interest at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).</p>
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s).
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin, in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Status of the Notes	:	The Notes and Coupons relating thereto of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Optional Redemption and Purchase	:	If so provided on the face of the Note, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption for Taxation Reasons	:	If so provided on the face of the Note, the Notes may be redeemed at the option of the Issuer for certain taxation reasons set out in Condition 6(f) of the Notes.
Mandatory Redemption upon Termination of AA REIT	:	The Notes shall be redeemed in the event that AA REIT is or is to be terminated in accordance with the provisions of the AA REIT Trust Deed.
Mandatory Redemption upon Delisting of Units in AA REIT	:	The Notes shall be redeemed in the event that the units in AA REIT are delisted from the SGX-ST or any other stock exchange(s) on which the units in AA REIT are listed for the time being.
Negative Pledge	:	<p>The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will procure that none of the Material Subsidiaries of AA REIT will, create or have outstanding any security over the whole or any part of their respective assets, present or future, save for:</p> <p>(i) (1) any security over any asset existing on or prior to the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to any member of the Group and as disclosed in writing to the Trustee on or prior to the date of the Trust Deed, and any security to be created over any asset which is the subject of such existing security in connection with the extension, refinancing or increase in the facility limit of such credit facilities secured by such asset, or (2) any security over any asset referred to in (1) created in connection with the taking out of new credit facilities extended by banks and other financial institutions to any member of the Group which ranks, in point of priority, completely after such existing security referred to in (2), provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;</p>

- (ii) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase, purchase of asset-backed securities or otherwise) acquired after the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to any member of the Group and any security created on that asset in connection with the extension, refinancing or increase in the facility limit of such credit facilities secured by the security over such asset at any time, provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;
- (iii) liens or rights of set off arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 business days or (2) is being contested in good faith and by appropriate means;
- (iv) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods;
- (v) any security created on any asset after the date of the Trust Deed for the sole purpose of securing moneys raised pursuant to the issuance (whether by it or a special purpose vehicle) of any commercial mortgage backed securities ("**CMBS**") or any security to be created over any asset to be substituted for any asset which is the subject matter of such CMBS, provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;
- (vi) any security over any assets created in connection with credit facilities extended by banks and other financial institutions to any member of the Group at any time and from time to time provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix; and
- (vii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants : The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will, at all times, ensure that:

- (i) the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix; and
- (ii) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall be at least 1.5:1.

For the purpose of this paragraph:

- (1) “**Aggregate Leverage Limit**” means the limit set out in paragraph 9.2 of the Property Funds Appendix (or such other equivalent or substitute provision as may be set out in the Property Funds Appendix from time to time);
- (2) “**CIS Code**” means the Code on Collective Investment Schemes issued by the MAS (as revised or amended from time to time);
- (3) “**Consolidated Deposited Property**” means the total assets of the Group based on the audited and unaudited consolidated financial statements of the Group calculated and interpreted in accordance with generally accepted accounting principles in Singapore, having regard to the Property Funds Appendix;
- (4) “**Consolidated EBITDA**” means, in relation to any period, the total operating profit of the Group for that period:
  - (A) before taking into account for that period:
    - (aa) Consolidated Interest Expense;
    - (bb) taxes;
    - (cc) extraordinary and exceptional items;
    - (dd) management fees paid to the AA REIT Manager in the form of units issued by AA REIT;
    - (ee) gain/loss from disposal of immovable properties;



- (ff) revaluation gain or loss of immovable properties; and
  - (gg) unrealised gain or loss from derivatives including, but not limited to, interest rate swap transactions; and
  - (B) after adding back all amounts provided for depreciation and amortisation (including, but not limited to, amortisation of borrowing costs) for that period, as determined from the financial statements of the Group;
- (5) **“Consolidated Interest Expense”** means, in relation to any period, the aggregate amount of interest and any other finance charges referred to in subparagraph (A) below (whether or not paid, payable or capitalised) incurred by the Group in that period in respect of the indebtedness of the Group including:
- (A) commitment fees, commissions and guarantee fees; and
  - (B) amounts in the nature of interest payable in respect of any shares other than equity share capital (which, for the avoidance of doubt, shall not include amounts payable in respect of any shares which are regarded by generally accepted accounting principles in Singapore as dividends),
- as determined from the financial statements of the Group. For the avoidance of doubt, Consolidated Interest Expense shall not include the amortisation of any front-end fees already paid and the interest element of the lease liabilities;
- (6) **“Consolidated Total Borrowings”** means the aggregate of total borrowings and deferred payments of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its Aggregate Leverage Limit; and
- (7) **“Property Funds Appendix”** means Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts, as the same may be modified, amended, supplemented, revised and/or replaced from time to time.

Events of Default : See Condition 10 of the Notes.

## **PERPETUAL SECURITIES**

- No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.
- Distribution Basis : Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
- Fixed Rate Perpetual Securities : Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
- Floating Rate Perpetual Securities : Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
- Distribution Discretion : If so provided on the face of the Perpetual Security, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice to the Trustee, the Principal Paying Agent, the Registrar and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out thereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (a) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer's Junior Obligations (as defined in the Conditions of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations (as defined in the Conditions of the Perpetual Securities); or
- (b) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral  
and Cumulative Deferral

: If Non-Cumulative Deferral is so provided on the face of the Perpetual Security, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

If Cumulative Deferral is so provided on the face of the Perpetual Security, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of :  
Non-Payment

If Dividend Stopper is so provided on the face of the Perpetual Security and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of the subsidiaries of AA REIT shall:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or

- (b) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of AA REIT to do so) by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Status of the Senior  
Perpetual Securities

: The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and 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 Issuer.

The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in Condition 3(b) of the Perpetual Securities.

Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in Condition 3(b) of the Perpetual Securities
Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.
Redemption for Taxation Reasons	:	<p>If so provided on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:</p> <p>(a) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:</p> <p>(i) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or</p> <p>(ii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or</p>

- (b) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons :

If so provided on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of AA REIT (the "**Relevant Accounting Standards**"), the Perpetual Securities will not or will no longer be recorded as "equity" of AA REIT pursuant to the Relevant Accounting Standards.



Redemption for Tax  
Deductibility

: If so provided on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):

- (a) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
  - (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
  - (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
  - (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

- (b) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount : If so specified on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption upon Cessation or Suspension of Trading of Units : If so specified on the face of the Perpetual Security, in the event that (i) the units of AA REIT cease to be listed and/or traded on the SGX-ST or (ii) trading in the units of AA REIT on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a **“Cessation or Suspension of Trading Event”**), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

For the purposes of this paragraph:

- (1) “**Effective Date**” means (in the case where the units in AA REIT cease to be listed or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the units in AA REIT on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (2) “**market day**” means a day on which the SGX-ST is open for securities trading.

Redemption upon a  
Regulatory Event

: If so specified on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage (as defined in Condition 5(h) of Perpetual Securities) under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Redemption upon a Ratings Event	:	<p>If so specified on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and, in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.</p>
Limited right to institute proceedings in relation to Perpetual Securities	:	<p>The right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, administration or similar proceedings (the <b>"Winding-Up"</b>) in respect of the Issuer and/or AA REIT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.</p>
Proceedings for Winding-Up	:	<p>If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or AA REIT or (ii) the Issuer does not pay any amount payable by it under any of the Perpetual Securities when due and such failure continues for a period of three business days after the due date, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of the Issuer and/or AA REIT, prove in the Winding-Up of the Issuer and/or AA REIT and/or claim in the liquidation of the Issuer and/or AA REIT for such payment.</p>

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.*

The Notes are constituted by a trust deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 30 November 2018 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS AMP Capital Industrial REIT (“**AA REIT**”)) (in such capacity, the “**Issuer**”), as issuer, and (2) DB International Trust (Singapore) Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 30 November 2018 (as amended and supplemented from time to time, the “**Deed of Covenant**”) relating to CDP Notes (as defined in the Trust Deed) executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 30 November 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”) and CDP registrar and transfer agent (in such capacity, the “**CDP Registrar**”), (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the “**Non-CDP Paying Agent**” and, together with the Principal Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and non-CDP registrar and transfer agent (in such capacity, the “**Non-CDP Registrar**” and, together with the CDP Registrar and any other transfer agents that may be appointed, the “**Transfer Agents**”), and (4) the Trustee, as trustee. The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, with respect to Non-CDP Notes (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly and (b) the Registrar means (in the case of CDP Notes) the CDP Registrar or (in the case of Non-CDP Notes) the Non-CDP Registrar, in each case, or such other registrar as may be appointed from time to time under the Agency Agreement and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Principal Paying Agent for the time being.

## 1. Form, Denomination and Title

### (a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown on the face of the Note. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

### (b) Title

- (i) Title to the Bearer Notes and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Calculation Agent, the Registrar and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or,

as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Principal Paying Agent, the Calculation Agent, the Registrar and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name the relevant Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **2. No Exchange of Notes and Transfers of Registered Notes**

### **(a) No Exchange of Notes**

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be



issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. For the avoidance of doubt, a Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.

**(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes**

In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

**(e) Transfers Free of Charge**

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Noteholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

**(f) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

**3. Status**

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and 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 Issuer.

**4. Negative Pledge and Financial Covenants**

- (a) The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will procure that none of the Material Subsidiaries (as defined in Condition 10) of AA REIT will, create or have outstanding any security over the whole or any part of their respective assets, present or future, save for:
- (i) (1) any security over any asset existing on or prior to the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to any member of the Group (as defined in the Trust Deed) and as disclosed in writing to the Trustee on or prior to the date of the Trust Deed, and any security to be created over any asset which is the subject of such existing security in connection with the extension, refinancing or increase in the facility limit of such credit facilities secured by such asset, or (2) any security over any asset referred to in (1) created in connection with the taking out of new credit facilities extended by banks and other financial institutions to any member of the Group which ranks, in point of priority, completely after such existing security referred to in (2), provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;
  - (ii) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase, purchase of asset-backed securities or otherwise) acquired after the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to any member of the Group and any security created on that asset in connection with the extension, refinancing or increase in the facility limit of such credit facilities secured by the security over such asset at any time, provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;
  - (iii) liens or rights of set off arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 business days or (2) is being contested in good faith and by appropriate means;
  - (iv) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods;

- (v) any security created on any asset after the date of the Trust Deed for the sole purpose of securing moneys raised pursuant to the issuance (whether by it or a special purpose vehicle) of any commercial mortgage backed securities (“**CMBS**”) or any security to be created over any asset to be substituted for any asset which is the subject matter of such CMBS, provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix;
  - (vi) any security over any assets created in connection with credit facilities extended by banks and other financial institutions to any member of the Group at any time and from time to time provided that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix; and
  - (vii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.
- (b) The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will, at all times, ensure that:
- (i) the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix; and
  - (ii) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall be at least 1.5:1.

For the purposes of these Conditions:

- (1) “**Aggregate Leverage Limit**” means the limit set out in paragraph 9.2 of the Property Funds Appendix (or such other equivalent or substitute provision as may be set out in the Property Funds Appendix from time to time);
- (2) “**CIS Code**” means the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“**MAS**”) (as revised or amended from time to time);
- (3) “**Consolidated Deposited Property**” means the total assets of the Group based on the audited and unaudited consolidated financial statements of the Group calculated and interpreted in accordance with generally accepted accounting principles in Singapore, having regard to the Property Funds Appendix;
- (4) “**Consolidated EBITDA**” means, in relation to any period, the total operating profit of the Group for that period:
  - (A) before taking into account for that period:
    - (aa) Consolidated Interest Expense;
    - (bb) taxes;
    - (cc) extraordinary and exceptional items;
    - (dd) management fees paid to the AA REIT Manager (as defined in the Trust Deed) in the form of units issued by AA REIT;

(ee) gain/loss from disposal of immovable properties;

(ff) revaluation gain or loss of immovable properties; and

(gg) unrealised gain or loss from derivatives including, but not limited to, interest rate swap transactions; and

(B) after adding back all amounts provided for depreciation and amortisation (including, but not limited to, amortisation of borrowing costs) for that period,

as determined from the financial statements of the Group;

(5) **“Consolidated Interest Expense”** means, in relation to any period, the aggregate amount of interest and any other finance charges referred to in sub-paragraph (A) below (whether or not paid, payable or capitalised) incurred by the Group in that period in respect of the indebtedness of the Group including:

(A) commitment fees, commissions and guarantee fees; and

(B) amounts in the nature of interest payable in respect of any shares other than equity share capital (which, for the avoidance of doubt, shall not include amounts payable in respect of any shares which are regarded by generally accepted accounting principles in Singapore as dividends),

as determined from the financial statements of the Group. For the avoidance of doubt, Consolidated Interest Expense shall not include the amortisation of any front-end fees already paid and the interest element of the lease liabilities;

(6) **“Consolidated Total Borrowings”** means the aggregate of total borrowings and deferred payments of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its Aggregate Leverage Limit; and

(7) **“Property Funds Appendix”** means Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts, as the same may be modified, amended, supplemented, revised and/or replaced from time to time.

## 5. (I) Interest on Fixed Rate Notes

### (a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) and the Agency Agreement to the Relevant Date (as defined in Condition 8).

**(b) Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

For the purposes of these Conditions, “**Fixed Rate Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**(II) Interest on Floating Rate Notes or Variable Rate Notes**

**(a) Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an **“Interest Period”**.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) and the Agency Agreement to the Relevant Date.

**(b) Rate of Interest – Floating Rate Notes**

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the **“Rate of Interest”**.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

- (1) in the case of Floating Rate Notes which are SIBOR Notes:

- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided on the face of such Floating Rate Note) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the



Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

- (C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
  - (B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and as adjusted by the Spread (if any); and
  - (C) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Calculation Agent and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation



Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

- (B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

- (C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

**(c) Rate of Interest – Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
  - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
    - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
    - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
    - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
  - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

- (iii) The Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (1) notify the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
  - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

**(d) Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

**“business day”** means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; and
- (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

**“Calculation Agent”** means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

**“Calculation Amount”** means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**Euro**” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of the relevant Note;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**Issue Date**” means the date specified as such in the applicable Pricing Supplement;

“**Primary Source**” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

“**Reference Banks**” means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent after consultation with the Issuer in the interbank market that is most closely connected with the Benchmark;

“**Relevant Currency**” means the currency in which the Notes are denominated;

**“Relevant Dealer”** means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

**“Relevant Financial Centre”** means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

**“Relevant Rate”** means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

**“Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

### **(III) Interest on Hybrid Notes**

#### **(a) Interest Rate and Accrual**

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

#### **(b) Fixed Rate Period**

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.



- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

**(c) Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown on the face of such Note as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.
- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.



- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

#### **(IV) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(h)).

#### **(V) Calculations**

##### **(a) Determination of Rate of Interest and Calculation of Interest Amounts**

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

##### **(b) Notification**

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Principal Paying Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

**(c) Determination or Calculation by the Trustee**

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

**(d) Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

**6. Redemption and Purchase**

**(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if the Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if the Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

**(b) Purchase at the Option of Issuer**

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not (unless and until ceasing to be so held) entitle the holder to vote at any meetings of the Noteholders and shall not (unless and until ceasing to be so held) be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Issuer shall comply with the rules of the SGX-ST in relation to the publication of any purchase of Notes.

**(c) Purchase at the Option of Noteholders**

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face of such Note. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.
- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not (unless and until ceasing to be so held) entitle the holder to vote at any meetings of the Noteholders and shall not (unless and until ceasing to be so held) be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

**(d) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the SGX-ST, the Issuer shall comply with the rules of the SGX-ST in relation to the publication of any redemption of Notes.

**(e) Redemption at the Option of Noteholders**

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar, the other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) Redemption for Taxation Reasons**

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer, stating that the Issuer is entitled to effect such

redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing which shall be addressed to the Trustee to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence that the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

**(g) Purchases**

The Issuer and/or any of the respective related corporations of the Issuer and AA REIT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT shall not (unless and until ceasing to be so held) entitle the holder to vote at any meetings of the Noteholders and shall not (unless and until ceasing to be so held) be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

**(h) Early Redemption of Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will

continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

**(i) Mandatory Redemption upon Termination of AA REIT**

In the event that AA REIT is terminated in accordance with the provisions of the AA REIT Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of AA REIT.

The Issuer shall forthwith notify the Trustee, the Agents (as defined in the Trust Deed) and the Noteholders of the termination of AA REIT.

**(j) Mandatory Redemption upon Delisting of Units in AA REIT**

In the event that the units in AA REIT are delisted from the SGX-ST or any other stock exchange(s) on which the units in AA REIT are listed for the time being, the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the date of such delisting.

**(k) Cancellation**

All Notes purchased by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons, if any, to the Principal Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

**7. Payments**

**(a) Principal and Interest in respect of Bearer Notes**

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or, as the case may be, Coupons at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.



**(b) Principal and Interest in respect of Registered Notes**

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any other Transfer Agent and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

**(c) Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents or transfer agents, provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, (ii) a Registrar in relation to Registered Notes and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change in appointment or any change of any specified office will be given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, materially and adversely affect the interests of the holders of the Notes or the Coupons. Any such amendment shall be binding on the Noteholders and the Couponholders.



**(e) Unmatured Coupons and Unexchanged Talons**

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

**(g) Non-business days**

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

#### **(h) Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

#### **8. Taxation**

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirement or by making or procuring the making of a declaration of residence, non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amount or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Section 1471 through 1474 of the Code (or any regulations

or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

## 9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

## 10. Events of Default

If any of the following events (“**Events of Default**”) occurs the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay the principal, the Redemption Amount or (in the case of Zero Coupon Notes) the Early Redemption Amount of, or the interest on, any of the Notes when due and such default continues for three business days after the due date;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if that default is capable of remedy, it is not remedied within 21 days after notice of such default shall have been given by the Trustee to the Issuer;
- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event or circumstance resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 21 days after notice of such non-compliance or incorrectness shall have been given by the Trustee to the Issuer;

- (d) (i) any other indebtedness of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any originally applicable grace period in any agreement relating to that indebtedness; or
- (ii) the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT fails to pay when due or expressed to be due (taking into account any originally applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

provided however that no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S\$30,000,000 or its equivalent in other currency or currencies;

- (e) the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of a material part which it will or might otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any part of its indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed, effected, declared or otherwise (by operation of law) arises in respect of or affecting all or a material part of (or of a particular type of) the indebtedness or (only in connection with a compromise or an arrangement proposed or intended to be proposed between the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT and their respective creditors or any class of those creditors) property of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT and is not discharged or stayed within 14 days;
- (g) any security on or over the whole or a material part of the assets of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT becomes enforceable;
- (h) (i) any corporate action or legal proceeding is taken with a view to the winding-up, amalgamation, reconstruction, reorganisation, merger, consolidation or termination of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT or over all or any material part of the assets of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT (except (1) (in the case of a voluntary liquidation or winding-up of a Material Subsidiary of AA REIT only not involving insolvency) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or transfer of assets to another Material Subsidiary and such event is not likely to have a material adverse effect on the Issuer or (2) on terms approved by the Trustee or the Noteholders by way of an Extraordinary Resolution before such corporate action or legal proceeding is taken); or

- (ii) a receiver, trustee, administrator, agent or similar officer of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT or over all or a material part of the assets of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT is appointed;
- (i) the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT ceases or threatens to cease to carry on all or a substantial part of its business or (save as permitted under Clause 16.27 of the Trust Deed) disposes or threatens to dispose of the whole or a substantial part of its property or assets;
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT;
- (k) any consent required for any of the purposes stated in Clause 15.6 of the Trust Deed is not obtained, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of their obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature or those contested in good faith and in each case, which are discharged within 30 days of its commencement) is current or pending against the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is reasonably likely to have a material adverse effect on the Issuer, AA REIT or any of the Material Subsidiaries of AA REIT;
- (o) if (i)(1) the AA REIT Trustee (as defined in the Trust Deed) resigns or is removed; (2) an order is made for the winding-up of the AA REIT Trustee, a receiver, judicial manager, administrator, agent or similar officer of the AA REIT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the AA REIT Trustee which prevents or restricts the ability of the Issuer to perform its obligations under any of the Issue Documents to which it is a party or any of the Notes and (ii) the replacement or substitute trustee of AA REIT is not appointed in accordance with the terms of the AA REIT Trust Deed;
- (p) the AA REIT Manager is removed pursuant to the terms of the AA REIT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the AA REIT Trust Deed;
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h), (i) or (j);

- (r) the Issuer or any of the Material Subsidiaries of AA REIT is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; or
- (s) the AA REIT Trustee loses its right to be indemnified out of the assets of AA REIT in respect of all liabilities, claims, demands and actions under or in connection with any of the Issue Documents or the Notes.

In these Conditions:

- (1) **“Material Subsidiaries”** means, at any particular time, any subsidiary of AA REIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or any part of its business, undertaking or assets to another subsidiary or AA REIT (the **“transferee”**) then:
  - (aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Material Subsidiary of AA REIT and the transferee (unless it is AA REIT) shall thereupon become a Material Subsidiary of AA REIT; and
  - (bb) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Material Subsidiary of AA REIT and the transferee (unless it is AA REIT) shall thereupon become a Material Subsidiary of AA REIT.

Any subsidiary which becomes a Material Subsidiary of AA REIT by virtue of (aa) above or which remains or becomes a Material Subsidiary of AA REIT by virtue of (bb) above shall continue to be a Material Subsidiary of AA REIT until the earlier of the date of issue of (1) the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets of the Group, as shown by such audited consolidated accounts and (2) a report by the Auditors (as defined in the Trust Deed) as described below which shows the total assets of such subsidiary to be less than 15 per cent. of the total assets of the Group, as shown by such report of the Auditors. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Material Subsidiary of AA REIT shall, in the absence of manifest error, be final, conclusive and binding; and

- (2) **“subsidiary”** has the meaning ascribed to it in the Trust Deed.

## 11. Enforcement of Rights

At any time after the Notes shall have become immediately due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes (together with accrued interest) or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in



principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

## **12. Meeting of Noteholders and Modifications**

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.



### **13. Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

### **14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, with the consent of the Trustee, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee and/or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of the Issuer and AA REIT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions. Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, credit worthiness, condition, affairs, status and nature of the Issuer or AA REIT, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

### **16. Notices**

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if

they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. In the case where the Issuer is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notice to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers or announcement on SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

## **17. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

## **18. Acknowledgement**

### **(a) Capacity**

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders agree and acknowledge that HSBC Institutional Trust Services (Singapore) Limited (“**HSBCIT**”) has entered into the Trust Deed only in its capacity as trustee of AA REIT and not in its personal capacity and all references to the Issuer in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of AA REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the Issuer under the Trust Deed, the Notes and the Coupons is given by HSBCIT only in

its capacity as trustee of AA REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons is limited to the assets of or held on trust for AA REIT over which HSBCIT, in its capacity as trustee of AA REIT, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT in its capacity as trustee of any other trust (other than AA REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken or any covenant, undertaking, representation or warranty given by the Issuer under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to AA REIT (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity.

**(b) No Recourse**

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed that the Issuer's obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity.

**(c) Legal Action or Proceedings**

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against HSBCIT in its capacity as trustee of AA REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity.

**(d) Applicability**

This Condition 18 shall survive the termination or rescission of the Trust Deed and the Notes. The provisions of this Condition 18 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Notes, as if expressly set out therein.

**19. Governing Law and Jurisdiction**

**(a) Governing Law**

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

**(b) Jurisdiction**

The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons ("**Proceedings**") shall be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

**(c) No Immunity**

The Issuer irrevocably agrees that, should the Trustee, the Noteholders or the Couponholders take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that the Issuer and its assets and AA REIT and AA REIT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Notes, the Coupons and the Trust Deed.

**Principal Paying Agent and CDP Registrar**

Deutsche Bank AG, Singapore Branch  
One Raffles Quay  
#16-00 South Tower  
Singapore 048583

**Non-CDP Paying Agent and Non-CDP Registrar**

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

## TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a trust deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 30 November 2018 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of AIMS AMP Capital Industrial REIT (“**AA REIT**”)) (in such capacity, the “**Issuer**”), as issuer, and (2) DB International Trust (Singapore) Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 30 November 2018 (as amended and supplemented from time to time, the “**Deed of Covenant**”) relating to CDP Perpetual Securities (as defined in the Trust Deed) executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 30 November 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”) and CDP registrar and transfer agent (in such capacity, the “**CDP Registrar**”), (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the “**Non-CDP Paying Agent**”) and, together with the Principal Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and non-CDP registrar and transfer agent (in such capacity, the “**Non-CDP Registrar**”) and, together with the CDP Registrar and any other transfer agents that may be appointed, the “**Transfer Agents**”), and (4) the Trustee, as trustee. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, with respect to Non-CDP Perpetual Securities (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly and (b) the Registrar means (in the case of CDP Perpetual Securities) the CDP Registrar or (in the case of Non-CDP Perpetual Securities) the Non-CDP Registrar, in each case, or such other registrar as may be appointed from time to time under the Agency Agreement and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Principal Paying Agent for the time being.

## 1. Form, Denomination and Title

### (a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown on the face of the Perpetual Security. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

### (b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Calculation Agent, the Registrar and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual



Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Principal Paying Agent, the Calculation Agent, the Registrar and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Perpetual Securityholder**” means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and “**holder**” (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name the relevant Registered Perpetual Security is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and “**Tranche**” means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities**

### **(a) No Exchange of Perpetual Securities**

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

### **(b) Transfer of Registered Perpetual Securities**

Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities



represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request. For the avoidance of doubt, a Registered Perpetual Security may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Perpetual Security will be valid unless and until entered on the Register.

**(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities**

In the case of an exercise of the Issuer's option in respect of, or a partial redemption of or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

**(e) Transfers Free of Charge**

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment by the Perpetual Securityholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Perpetual Securityholder of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

**(f) Closed Periods**

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

**3. Status**

**(a) Senior Perpetual Securities**

This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and 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 Issuer.

**(b) Subordinated Perpetual Securities**

This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

**(i) Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means any instrument or security (including without limitation any preference units in AA REIT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with an AA REIT Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

**(ii) Ranking of claims on Winding-Up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a)) of the Issuer and/or AA REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the Issuer and/or AA REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of AA REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**AA REIT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of the Issuer and/or AA REIT and so ranking *pari*

*passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer and/or AA REIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)) of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each AA REIT Notional Preferred Unit on a return of assets in such Winding-Up of the Issuer and/or AA REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

**(iii) No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of AA REIT's Winding-Up, the liquidator or, as appropriate, administrator of AA REIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of AA REIT) and accordingly any such discharge shall be deemed not to have taken place.

**4. Distribution and other Calculations**

**(I) Distribution on Fixed Rate Perpetual Securities**

**(a) Distribution Rate and Accrual**

Each Fixed Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(l) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

**(b) Distribution Rate**

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
  - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
  - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

Provided always that if a Cessation or Suspension of Trading Event (as defined in Condition 5(g)) is specified on the face of such Perpetual Security and a Cessation or Suspension of Trading Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension of Trading Event has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation or Suspension of Trading Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which a Cessation or Suspension of Trading Event occurred (or, if a Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

**“Reset Distribution Rate”** means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension of Trading Event Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(l)(b) above; and

**“Swap Offer Rate”** means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, no rate is available on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered

quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate as determined in accordance with the foregoing is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

**(c) Calculation of Distribution Rate or Reset Distribution Rate**

The Calculation Agent will, on the second business day prior to each Fixed Rate Determination Date, calculate the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

For the purposes of this Condition 4(l)(c), “**Fixed Rate Determination Date**” means each Step-Up Date, each Reset Date or (if a Cessation or Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

**(d) Publication of Distribution Rate or Relevant Reset Distribution Rate**

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Principal Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Issuer shall cause notice of the then applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**(e) Determination or Calculation by Trustee**

If the Calculation Agent does not at any material time determine or calculate the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate, the Trustee shall do so or otherwise procure the determination or calculation of such Distribution Rate or Reset Distribution Rate. In doing so, the Trustee shall apply the provisions of this Condition 4(l), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.



**(f) Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate (as the case may be) and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

For the purposes of these Conditions, “**Fixed Rate Distribution Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

**(II) Distribution on Floating Rate Perpetual Securities**

**(a) Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date (“**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the “**Specified Number of Months**”) after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a “**Distribution Period**”.



Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

**(b) Rate of Distribution – Floating Rate Perpetual Securities**

- (i) Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The “Spread” and the “Step-Up Spread” are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the **“Rate of Distribution”**.

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:
  - (1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
    - (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided on the face of such Floating Rate Perpetual Security) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
    - (B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the

Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;

- (C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

- (C) if on any Distribution Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Calculation Agent and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and
- (3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,
- and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
- (B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the

Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

- (C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.
- (iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Distribution as determined in accordance with the foregoing in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

### (c) Definitions

As used in these Conditions:

**“Benchmark”** means the rate specified as such in the applicable Pricing Supplement;

**“business day”** means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; and
- (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

**“Calculation Agent”** means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

**“Calculation Amount”** means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

**“Day Count Fraction”** means, in respect of the calculation of an amount of distribution in accordance with Condition 5:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and
- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, Distribution Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, Distribution Period falls;

“D1” is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, Distribution Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

**“Distribution Commencement Date”** means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

**“Distribution Determination Date”** means, in respect of any Distribution Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

**“Euro”** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

**“Issue Date”** means the date specified as such in the applicable Pricing Supplement;

**“Primary Source”** means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

**“Reference Banks”** means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent after consultation with the Issuer in the interbank market that is most closely connected with the Benchmark;

**“Relevant Currency”** means the currency in which the Perpetual Securities are denominated;

**“Relevant Financial Centre”** means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

**“Relevant Rate”** means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

**“Relevant Time”** means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

**“Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.



### **(III) Calculations**

#### **(a) Determination of Rate of Distribution and Calculation of Distribution Amounts**

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date, determine the Rate of Distribution and calculate the amount of distribution payable (the “**Distribution Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

#### **(b) Notification**

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Principal Paying Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

#### **(c) Determination or Calculation by the Trustee**

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

#### **(d) Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.



#### (IV) Distribution Discretion

##### (a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Principal Paying Agent, the Registrar and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

- (A) “**Junior Obligation**” means (aa) in respect of Perpetual Securities which are Senior Perpetual Securities, any class of equity capital in AA REIT and any other instrument or security issued, entered into or guaranteed by the Issuer (including without limitation any preferred units or subordinated perpetual securities) that ranks or is expressed to rank, by its terms or by operation of law, junior to all unsecured obligations of the Issuer from time to time outstanding; and (bb) In respect of Perpetual Securities which are Subordinated Perpetual Securities, any class of equity capital in AA REIT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of AA REIT; and
- (B) “**Specified Parity Obligations**” means any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof (which excludes for the avoidance of doubt (I) any payment due to be made in respect of debt owing to any (x) trade creditors and/or (y) service providers and professionals, (II) any payment due to be made in respect of credit facilities granted by banks and other financial institutions, and (III) any prepayment or redemption prior to the due date of maturity of any senior instrument or security at the option of the Issuer or, as the case may be, the issuer thereof).

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent, by a certificate signed by two authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

**(b) No Obligation to Pay**

If Optional Payment is set out on the face of the relevant Perpetual Security and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

**(c) Non-Cumulative Deferral and Cumulative Deferral**

- (i) If Non-Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

- (ii) If Cumulative Deferral is set out on the face of the relevant Perpetual Security, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.
- (iii) If Additional Distribution is set out on the face of the relevant Perpetual Security, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

**(d) Restrictions in the case of Non-Payment**

If Dividend Stopper is set out on the face of the relevant Perpetual Security and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of the subsidiaries of AA REIT shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of AA REIT to do so) by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

**(e) Satisfaction of Optional Distribution or Arrears of Distribution**

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
  - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
  - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

- (3) the date such amount becomes due under Condition 9 or on a Winding-Up of AA REIT.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

**(f) No Default**

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

**5. Redemption and Purchase**

**(a) No Fixed Redemption Date**

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

**(b) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Issuer shall comply with the rules of the SGX-ST in relation to the publication of any notice of redemption of such Perpetual Securities.

**(c) Redemption for Taxation Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
  - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or
  - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee:

- (A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) in the case of a notice of redemption pursuant to Condition 5(c)(i), the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(c)(i) or, in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings, or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax,

and the Trustee shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(c).

**(d) Redemption for Accounting Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of AA REIT (the "**Relevant Accounting Standards**"), the Perpetual Securities will not or will no longer be recorded as "equity" of AA REIT pursuant to the Relevant Accounting Standards.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

- (i) a certificate, signed by two authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of AA REIT's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standards has taken effect or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

**(e) Redemption for Tax Deductibility**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):

- (i) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
  - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
  - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or



- (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

- (ii) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate, signed by two authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect, or, in the case of a notice of redemption pursuant to Condition 5(e)(ii), the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii),

and the Trustee shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

**(f) Redemption in the case of Minimal Outstanding Amount**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).



**(g) Redemption upon Cessation or Suspension of Trading of Units**

If so provided hereon, in the event that (i) the units of AA REIT cease to be listed and/or traded on the SGX-ST or (ii) trading in the units of AA REIT on the SGX-ST is suspended for a continuous period exceeding 10 consecutive market days (each, a **“Cessation or Suspension of Trading Event”**), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption). The Issuer shall forthwith (and in any event not later than seven days after the Effective Date) notify the Trustee, the Principal Paying Agent and the Perpetual Securityholders of the occurrence of the event specified in this Condition 5(g).

Upon expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(g).

For the purposes of this Condition 5(g):

- (1) **“Effective Date”** means (in the case where the units in AA REIT cease to be listed or traded on the SGX-ST) the date of cessation of listing or, as the case may be, trading or (in the case where trading in the units in AA REIT on the SGX-ST is suspended for a continuous period of more than 10 consecutive market days) the business day immediately following the expiry of such continuous period of 10 consecutive market days; and
- (2) **“market day”** means a day on which the SGX-ST is open for securities trading.

**(h) Redemption upon a Regulatory Event**

If so provided on the face of the relevant Perpetual Security, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a **“Regulatory Event”**), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee:

- (i) a certificate, signed by two authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

- (ii) an opinion of the Issuer's independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

For the purposes of this Condition 5(h):

- (1) **"Aggregate Leverage"** means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix; and
- (2) **"Property Funds Appendix"** means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore in relation to real estate investment trusts.

**(i) Redemption upon a Ratings Event**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and, in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Prior to the publication of any notice of redemption pursuant to this Condition 5(i), the Issuer shall deliver, or procure to be delivered, to the Trustee a certificate, signed by two duly authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

**(j) Purchases**

The Issuer and/or any of the respective related corporations of the Issuer and AA REIT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT shall not (unless and until ceasing to be so held) entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not (unless and until ceasing to be so held) be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

**(k) Cancellation**

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of the related corporations of the Issuer and AA REIT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons, if any, to the Principal Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

**6. Payments**

**(a) Principal and Distribution in respect of Bearer Perpetual Securities**

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or, as the case may be, Coupons at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

**(b) Principal and Distribution in respect of Registered Perpetual Securities**

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any other Transfer Agent and in the manner provided in Condition 6(b)(ii).

- (ii) Payments of distribution on Registered Perpetual Securities shall be made to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

**(c) Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents or transfer agents, provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, (ii) a Registrar in relation to Registered Perpetual Securities and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change in appointment or any change of any specified office will be given to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the Perpetual Securityholders and the Couponholders.

**(e) Unmatured Coupons and Unexchanged Talons**

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

**(f) Talons**

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

**(g) Non-business days**

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

## 7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore, otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirement or by making or procuring the making of a declaration of residence, non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Security or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amount or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Section 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.



## **8. Prescription**

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

## **9. Non-payment**

### **(a) Non-payment when Due**

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, administration or similar proceedings (the “**Winding-Up**”) in respect of the Issuer and/or AA REIT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

### **(b) Proceedings for Winding-Up**

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or AA REIT or (ii) the Issuer does not pay any amount payable by it under any of the Perpetual Securities when due and such failure continues for a period of three business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or AA REIT, prove in the Winding-Up of the Issuer and/or AA REIT and/or claim in the liquidation of the Issuer and/or AA REIT for such payment.

### **(c) Enforcement**

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may, at its discretion and without further notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

### **(d) Entitlement of Trustee**

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

**(e) Right of Perpetual Securityholders or Couponholder**

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up or claim in the liquidation of the Issuer and/or AA REIT or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

**(f) Extent of Perpetual Securityholders' Remedy**

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities (as applicable) or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed, or the Perpetual Securities (as applicable).

**(g) Damages subject to Subordination**

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 8.3 of the Trust Deed.

**10. Meeting of Perpetual Securityholders and Modifications**

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to amend the subordination provisions of the Perpetual Securities, (g) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

## **11. Replacement of Perpetual Securities, Certificates, Coupons and Talons**

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations at the specified office of the Principal Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, with the consent of the Trustee, be constituted by the Trust Deed.

The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

### **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee and/or any corporation related to it to enter into business transactions with the Issuer or any of the respective related corporations of the Issuer and AA REIT without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions. Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, credit worthiness, condition, affairs, status and nature of the Issuer or AA REIT, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

### **14. Notices**

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. In the case where the Issuer is listed on the SGX-ST or where the Perpetual Securities are listed on the SGX-ST, notice to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers or announcement on SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Principal Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

#### **15. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

#### **16. Acknowledgement**

##### **(a) Capacity**

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, the Trustee, the Perpetual Securityholders and the Couponholders agree and acknowledge that HSBC Institutional Trust Services (Singapore) Limited (“**HSBCIT**”) has entered into the Trust Deed only in its capacity as trustee of AA REIT and not in its personal capacity and all references to the Issuer in the Trust Deed, the Perpetual Securities and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee of AA REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons is given by HSBCIT only in its capacity as trustee of AA REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities and the Coupons is limited to the assets of or held on trust for AA REIT over which HSBCIT, in its capacity as trustee of AA REIT, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT in its capacity as trustee of any other trust (other than AA REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken or any covenant, undertaking, representation or warranty given by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to AA REIT (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity.

**(b) No Recourse**

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed that the Issuer's obligations under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity.

**(c) Legal Action or Proceedings**

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against HSBCIT in its capacity as trustee of AA REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity.

**(d) Applicability**

This Condition 16 shall survive the termination or rescission of the Trust Deed and the Perpetual Securities. The provisions of this Condition 16 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Perpetual Securities, as if expressly set out therein.

**17. Governing Law and Jurisdiction**

**(a) Governing Law**

The Trust Deed, the Perpetual Securities and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

**(b) Jurisdiction**

The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons ("**Proceedings**") shall be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.



**(c) No Immunity**

The Issuer irrevocably agrees that, should the Trustee, the Perpetual Securityholders or Couponholders take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that the Issuer and its assets and AA REIT and AA REIT's assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Perpetual Securities, the Coupons and the Trust Deed.

**Principal Paying Agent and CDP Registrar**

Deutsche Bank AG, Singapore Branch  
One Raffles Quay  
#16-00 South Tower  
Singapore 048583

**Non-CDP Paying Agent and Non-CDP Registrar**

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

## RISK FACTORS

*Prior to making any investment decision, prospective investors should consider carefully all of the information in this Information Memorandum, including the risks and uncertainties described below. The business, financial condition, results of operations and/or prospects of AA REIT (including for these purposes its subsidiaries, associated companies (if any) and/or joint venture companies (if any)) could be materially adversely affected by any of these risks. The Issuer and AA REIT believe that the following factors may affect their ability to fulfil their obligations under the Securities issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor AA REIT is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer and AA REIT believe may be material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.*

*The Issuer and AA REIT believe that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the Issuer or AA REIT may be unable to pay interest, distribution, principal or other amounts on or in connection with any Securities for other reasons and the Issuer and AA REIT do not represent that the statements below regarding the risks of holding any Securities are complete or exhaustive. Additional risk factors which the Issuer and AA REIT are currently unaware of may also impair the business, financial condition, performance and/or prospects of the Issuer, AA REIT or the Group. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### LIMITATIONS OF THIS INFORMATION MEMORANDUM

***Prospective investors in the Securities should make their own investigations of the Issuer, AA REIT and the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme***

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the AA REIT Manager, the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, AA REIT, the AA REIT Manager, their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any), either of the Arrangers, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the

creditworthiness, of the Issuer, AA REIT, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any), the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the control of the Issuer, AA REIT or the Group. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled “Forward-looking statements” on page 9 of this Information Memorandum.

## **RISKS RELATING TO THE BUSINESS AND OPERATIONS OF AA REIT**

### ***Adverse economic conditions and instability in global market conditions could adversely affect the business, financial condition, results of operations and/or prospects of AA REIT***

AA REIT’s properties are diversified across Singapore and Australia and may in future be located in different markets across the globe. As AA REIT’s gross revenue is currently derived from properties located in Singapore and Australia, the results of operations currently depend upon the performance of these economies. A downturn in either of these economies (and any future markets which AA REIT enters), or the impact that an economic decline in either of these economies (and any economy which AA REIT may be exposed to), could result in reduced demand for AA REIT’s properties. These may lead to a decline in the rental income, and in turn adversely affect AA REIT’s operations, future growth and in turn AA REIT’s ability to fulfil its obligations under the Securities.

In addition, the economies in which AA REIT operates are affected by global events. Global credit markets have in the past experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Global trade wars may also impinge upon the health of the global financial system. Economic factors, including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and the availability of debt and equity capital could adversely affect the business, financial condition and results of operations of AA REIT.

In recent years, the global economy and global financial markets have experienced significant volatility as a result of, among other things:

- the occurrence of several health epidemics, such as the COVID-19 pandemic;
- a deterioration in economic and trade relations between the United States and its major trading partners, including China (including the imposition of tariffs);
- interest rate fluctuations as well as changes in policy rates by the United States Federal Reserve and other central banks;
- uncertainties resulting from the United Kingdom’s exit from the European Union;
- material escalation in geopolitical risks such as the Russia-Ukraine conflict and conflicts in the Middle East (including the Israel-Hamas conflict);

- the slowdown of economic growth in China and other major emerging market economies; and
- the volatility in oil prices.

These events could adversely affect AA REIT insofar as they result in:

- (a) a negative impact on the ability of its tenants to pay their rents in a timely manner or continuing their leases, thus reducing AA REIT's cash flow;
- (b) an increase in counterparty risk;
- (c) an increased likelihood that one or more of
  - (i) AA REIT's banking syndicate,
  - (ii) banks providing bankers' guarantees for AA REIT's rental or security deposits, or
  - (iii) AA REIT's insurers,
 may be unable to honour their commitments to AA REIT;
- (d) a drop in demand for leased space or rent;
- (e) downward revaluation of properties; and/or
- (f) a reduction in access to debt capital markets to raise new capital and/or re-financing.

Political or constitutional instability, conflicts and/or crises in the countries in which AA REIT invests may also negatively impact economic conditions in these countries, which may in turn adversely affect AA REIT's business, financial condition, results of operations and prospects and AA REIT's ability to fulfil its obligations under the Securities.

***The amount AA REIT may borrow is limited, which may affect the operations of AA REIT and the borrowing limit may be exceeded if there is a downward revaluation of assets***

AA REIT is subject to certain covenants under the terms of its existing borrowings that limit the amount that it may borrow, which may otherwise adversely affect its operations and its ability to fulfil its payment obligations under the Securities. There is also no assurance that AA REIT's future borrowings will not contain similar covenants.

AA REIT is also subject to the aggregate leverage (as defined in the Property Funds Appendix and construed in accordance with notices issued by and/or guidance from MAS from time to time, the "**Aggregate Leverage**") limit. On 28 November 2024, the MAS made amendments to Appendix 6 of the Code on Collective Investment Schemes, including rationalising the leverage requirements for REITs by subjecting all REITs to a minimum interest coverage ratio threshold of 1.5 times and an aggregate leverage limit of 50%. As such, the Aggregate Leverage of AA REIT should not exceed 50% of its deposited property (as defined in the Property Funds Appendix) at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in units) and AA REIT should have a minimum interest coverage ratio of 1.5 times (together, the "**Aggregate Leverage and Interest Coverage Requirements**").

As at 31 December 2024, the Aggregate Leverage of AA REIT was 33.7% and its interest coverage ratio<sup>1</sup> was 2.4 times. Although the Aggregate Leverage of AA REIT is currently in compliance with the requirements of the Property Funds Appendix, there can be no assurance that AA REIT will be able to meet the Aggregate Leverage and Interest Coverage Requirements at all times. If AA REIT is unable to meet the Aggregate Leverage and Interest Coverage Requirements, it will not be permitted under the Property Funds Appendix to incur additional borrowings or enter into further deferred payment arrangements. In addition, there may be adverse consequences in relation to AA REIT's existing borrowings<sup>2</sup>. If AA REIT is unable to comply with the Aggregate Leverage and Interest Coverage Requirements, there may in turn be adverse effects on AA REIT's business, financial condition, results of operations and prospects and thus affecting AA REIT's ability to fulfil its obligations under the Securities.

There can also be no assurance that AA REIT will not be required to make downward revaluations of its properties in the future. Any fall in the gross revenue or NPI earned from AA REIT's properties and/or change in market conditions may result in downward revaluation of the properties.

AA REIT may, from time to time, require further debt financing to achieve its investment strategy. In the event that AA REIT decides to incur additional borrowings in the future, it may be unable to obtain such additional borrowings if to do so would breach the prescribed borrowing limits, and this may, *inter alia*, result in AA REIT:

- (a) being unable to fund capital expenditure requirements, refurbishments, renovation and improvements, asset enhancement initiatives and development works in relation to AA REIT's existing asset portfolio or in relation to AA REIT's acquisitions to expand its portfolio;
- (b) being unable to fund working capital requirements which may further constrain AA REIT's operational flexibility; and
- (c) facing cash flow shortages which may have an adverse impact on AA REIT's ability to satisfy its obligations in respect of the Securities.

In addition, should there be a decline in the value of the deposited property which causes the borrowing limit to be exceeded, AA REIT will not be able to make further borrowings.

#### **AA REIT may experience limited availability of funds**

AA REIT may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to AA REIT. Factors that could affect AA REIT's ability to procure financing include the cyclicity of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. A global credit crunch will also have an adverse impact on the availability and cost of funding and consequently may hinder AA REIT's ability to obtain additional financing.

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<sup>1</sup> The interest coverage ratio 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, borrowing-related fees and distributions on hybrid securities. The borrowing-related fees excludes the unwinding of discounting effect on the present value of lease liabilities and deferred consideration.

<sup>2</sup> Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, "borrowings" include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt.

***AA REIT may have a higher level of gearing than certain other types of unit trusts***

AA REIT's level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with the increase in gearing or leverage. An increase in gearing or leverage will subject AA REIT to the risk of changing economic climate. For example, in a climate of rising interest rates, the costs of financing of AA REIT's investments (including servicing its indebtedness) will increase and this will adversely affect AA REIT's ability to fulfil its payment obligations under the Securities. AA REIT has taken steps to actively manage this risk through its interest rate risk management policies. Please also see the risk factor titled "*AA REIT is subject to interest rate fluctuations*".

***AA REIT faces risks associated with debt financing***

AA REIT's distribution policy is to distribute at least 90% of its taxable income for a full financial year other than gains from sale of real estate that are determined by IRAS to be trading gains, income that is taxable at the prevailing corporate tax rate and net overseas income, and such distributions are made to the Unitholders on a quarterly basis. For the financial year ended 31 March 2024, the AA REIT Manager had resolved to distribute 100% of the Singapore taxable income available for distribution to its Unitholders. As a result of this distribution policy, AA REIT may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. As such, AA REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There can be no assurance that such financing will be available on acceptable terms or at all. If AA REIT defaults under such debt liabilities, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

Some or all of its properties are, or may in future be, mortgaged to secure payment of indebtedness. If AA REIT is unable to meet interest or principal payments, the lenders may foreclose its properties or any one of them, or the lenders could require a forced sale of its mortgaged properties, or any one of them, resulting in a loss of income and asset value to AA REIT. In an event of default on the Notes, enforcement event on the Perpetual Securities, or default under any other indebtedness or upon AA REIT's bankruptcy, liquidation or reorganisation, any secured indebtedness of third party creditors to AA REIT's portfolio would effectively be senior to the Securities to the extent of the value of AA REIT's portfolio securing their indebtedness. The holders of the Securities would only have a senior unsecured claim against those assets to the extent any remain after satisfying the obligations under secured indebtedness.

There is also no assurance that the lenders will be able to realise the original purchase price or the current market value of its properties if they are divested under any enforcement action in the future. If AA REIT wishes to dispose of any of its properties, it will (for so long as its properties are mortgaged) require the approval of the lenders. The need for such approval may restrict AA REIT's ability to freely dispose of its properties as there is no assurance that the approval will be obtained in time or at all.

AA REIT will also be subject to the risk that its existing borrowings may be terminated by the lenders upon occurrence of certain events and it may not be able to refinance its existing borrowings or that the terms of any refinancing undertaken will be less favourable than the terms of existing borrowings.

In addition, AA REIT is, and in future may continue to be, subject to certain covenants, representations and warranties in connection with its borrowings that may limit or otherwise adversely affect its operations and its ability to fulfil its payment obligations under the Securities. Such covenants may also restrict AA REIT's ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security



deposits. Certain of these borrowings may also require AA REIT to indemnify the lenders in relation to any breach of such covenants, representations and warranties. In the event that the lenders, or any party entitled to enforce the covenants, representations, warranties and indemnities make a claim in respect of any of them, the assets of AA REIT may be used to satisfy such a claim and this could have a material adverse effect on AA REIT.

AA REIT is also subject to the risk that its existing borrowings may have their repayments accelerated or terminated by the lenders upon the occurrence of certain events. Even if AA REIT is able to refinance part or all of such existing debt, it remains subject to the risk that the prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make loans in relation to properties that are primarily used for industrial, logistics or business park purposes) will not be as favourable as the terms of its existing debt, which would in turn adversely affect AA REIT's cash flow and its ability to fulfil its payment obligations under the Securities.

A proportion of AA REIT's expected cash flow may also be required to be dedicated to the payment of interest on its borrowings, thereby reducing the funds available to AA REIT for use in its general business operations. Such indebtedness may also restrict AA REIT's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

#### ***AA REIT is subject to interest rate fluctuations***

Some of AA REIT's existing debt and future borrowings may carry floating interest rates. Consequently, the interest cost to AA REIT for such debt will be subject to fluctuations in interest rates. In addition, AA REIT is, and may in future be, subject to market disruption clauses contained in its loan agreements with banks. Such clauses will generally provide that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher cost of funds to the borrower, notwithstanding the margins agreed.

Where appropriate, AA REIT seeks to minimise its interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of certain of its borrowings or utilise fixed rate borrowings. However, there is no certainty that AA REIT will be able to hedge its debts on a floating rate basis into fixed rate basis on commercially acceptable terms or at all, or that AA REIT's hedging policy will adequately cover its exposure to adverse interest rate fluctuations. Interest rate hedging could fail to protect AA REIT or could adversely affect AA REIT because, among others:

- (a) available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- (b) the party owing money in the hedging transaction may default on its obligation to pay;
- (c) the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs AA REIT's ability to sell or assign its side of the hedging transaction; and
- (d) the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the NAV of AA REIT.

Hedging involves risks and transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs also limit the amount of cash available for the Issuer to fulfil payment obligations under the Securities. As a result, AA REIT's business, financial condition, results of operations and/or prospects could potentially be adversely affected by interest rate fluctuations.

***AA REIT may be exposed to risks associated with exchange rate fluctuations between the currencies of the countries in which AA REIT invests and the Singapore dollar and changes in foreign exchange regulations***

AA REIT is exposed to fluctuation of the Australian dollar against the Singapore dollar arising from its investments and properties in Australia.

AA REIT's current and future foreign investments are and may be denominated in foreign currencies (including the Australian dollar) and fluctuations in the respective foreign currencies and foreign exchange rates will affect the value of the Singapore dollar equivalent amounts. However, as a substantial portion of its income, expenses, assets and liabilities are also denominated in Singapore dollars, AA REIT will maintain its financial statements in Singapore dollars, will make distributions to its Unitholders in Singapore dollars and its Unit price will remain in Singapore dollars. Accordingly, any significant fluctuation in the exchange rates between the foreign currencies and the Singapore dollar may have an adverse impact on AA REIT's results of operations when translated or converted into Singapore dollars. Should the Singapore dollar appreciate in value against the currencies of countries in which AA REIT invests, there may be a material adverse effect on AA REIT's NAV and results of operations.

AA REIT's overseas investments are denominated in their respective foreign currencies. While AA REIT does adopt a natural hedging strategy for Australian investments through the use of Australian dollar denominated borrowings and currency forwards where it is practicable and financially feasible to do so, there can be no assurance that such hedging will cover the losses from exchange rate fluctuations. Additionally, hedging typically involves costs, including transaction costs, which may reduce overall returns. Such costs may increase as the tenor of the hedge increases and during periods of volatility and adverse fluctuations in foreign exchange rates.

AA REIT may also be subject to the imposition or tightening of exchange control or repatriation restrictions, and may encounter difficulties or delays in the receipt of its proceeds from divestments and dividends due to the existence of such restrictions in the jurisdictions in which it operates.

***Payment of management fees in cash by AA REIT to the AA REIT Manager may have an adverse effect on the cash flow of AA REIT and its ability to fulfil its payment obligations under the Securities***

The AA REIT Manager is entitled to management fees which shall be paid to the AA REIT Manager in the form of cash and/or Units (as the AA REIT Manager may elect prior to each such payment) out of the deposited property and in such proportion as may be determined by the AA REIT Manager. If the AA REIT Manager opts for large amount of management fees in cash, AA REIT's cash flow, financial condition, results of operations and/or prospects as well as its ability to fulfil its payment obligations under the Securities may be adversely affected. The price of the Securities may be materially and adversely affected as a result.

***AA REIT may be adversely affected by the illiquidity of real estate investments***

Real estate investments, particularly investments in high value properties such as those in which AA REIT tends to invest, are relatively illiquid. Such illiquidity may affect AA REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. AA REIT may be unable to sell its assets at short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. AA REIT may also face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors may have an adverse effect on AA REIT's business, financial condition, results of operations and/or prospects, with a consequential adverse effect on AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT is exposed to general risks associated with the ownership and management of real estate***

Property investment is subject to risks incidental to the ownership and management of industrial, logistics and business park properties including, among other things, competition for tenants, changes in market rent, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in AA REIT's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically, wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond AA REIT's control.

The activities of AA REIT may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

Any of the above factors may adversely affect the ability of AA REIT to fulfil its payment obligations under the Securities.

***AA REIT's strategy of investing primarily in industrial, logistics and business park properties in the Asia Pacific region may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments***

AA REIT's principal strategy is investing in industrial, logistics and business park properties in the Asia Pacific region. As such, AA REIT will be subject to risks inherent in concentrating on investments in a limited number of sectors in the Asia Pacific region. The level of risk could be higher compared to other types of unit trusts that have a more diverse range of investments. A concentration of investments in a portfolio of such properties in the Asia Pacific region exposes AA REIT to both a downturn in the real estate market as well as the sectors that it invests in. Such downturns may lead to a decline in occupancy for the Properties in AA REIT's portfolio, thereby affecting AA REIT's revenue stream, and/or resulting in a decline in the capital value of AA REIT's portfolio, which may have an adverse impact on its business, financial condition, results of operations and/or prospects, with a consequential adverse effect on AA REIT's ability to fulfil its payment obligations under the Securities.

***The AA REIT Manager may not be able to successfully implement its investment strategy for AA REIT and acquisitions may not yield the returns expected***

One of the AA REIT Manager's future plans is to grow AA REIT's portfolio of properties throughout the Asia Pacific region. There can be no assurance that the AA REIT Manager will be able to expand AA REIT's portfolio at all, or at any specified rate or to any specified size. The AA REIT Manager may not be able to make investments or acquisitions on favourable terms in a desired time frame.

AA REIT will rely on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all. AA REIT also faces active competition in acquiring suitable properties. As such, AA REIT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected.

Even if AA REIT were able to successfully make additional property acquisitions or investments, there can be no assurance that AA REIT will achieve its intended return on such acquisitions or investments. As the amount of debt AA REIT can incur to finance acquisitions is limited (for example, by the Property Funds Appendix and various financial and restrictive covenants in AA REIT's debt instruments and/or loan facilities), such acquisitions are likely to be largely dependent on AA REIT's ability to raise equity capital. Potential vendors may also view the necessity of raising equity capital (alongside the prolonged time frame and the lack of certainty associated with the process) to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there has been significant competition for attractive investment opportunities in respect of industrial, logistics and business park properties, both in Singapore and regionally, from other real estate investors, including other industrial, logistics and business park real estate investment trusts ("REITs"), commercial property development companies and private investment funds. These real estate investors may include foreign or domestic companies, which may be larger in terms of assets and revenue and/or have greater financial resources, better quality assets and/or stronger relationships with potential vendors and tenants than AA REIT. There is therefore no assurance that AA REIT's investment strategy can be successfully implemented as increased competition may adversely affect its ability to acquire properties. Even if AA REIT were able to successfully acquire property or investments, there is no assurance that AA REIT will achieve its intended return on such acquisitions or investments.

In the event that the AA REIT Manager is not able to successfully implement its investment strategy for AA REIT or effectively compete with its competitors, AA REIT's business, financial condition, results of operations and/or prospects may be adversely affected, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT is exposed to general risks associated with the development and asset enhancement works on AA REIT's properties***

The AA REIT Manager may from time to time initiate asset enhancement and/or development works on some of the properties at the request of existing or pre-committed tenants or to attract new tenants. There is no assurance that such plans for asset enhancement and/or development works will materialise. In the event that such asset enhancement and/or development works do materialise and are completed, there is no assurance that they will be able to achieve their desired results as such properties may still be unable to attract new tenants or retain existing tenants or pre-committed tenants may default on their pre-commitment obligations, and significant costs may have been incurred by AA REIT in the course of such asset enhancement and/or development works. This may adversely affect the financial condition and results of operations of AA REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***AA REIT may be subjected to risks associated with its overseas investments***

While the Properties in the portfolio are presently located in Singapore and Australia, the AA REIT Manager's strategy also includes investments in yield accretive properties in the Asia Pacific region to enhance AA REIT's value, which may increase its risk profile. As part of the expansion, there may be operational and currency risks involved in expanding the overseas business. By deepening AA REIT's presence in new markets, this may further increase its exposure to the compliance risks and the credit and market risks specific to these markets.

Investment in properties in foreign countries will expose AA REIT to local real estate market conditions in these countries. An economic decline in any one or more of the countries in which the properties of AA REIT are located could adversely affect AA REIT's business, financial condition, results of operations and/or prospects. Other local real estate market conditions which may adversely affect AA REIT's performance include the attractiveness of competing properties, the supply of properties, and demand from tenants.

Further, AA REIT will be subject to foreign real estate laws, securities laws, tax laws, any applicable laws relating to foreign exchange and related policies and any unexpected changes to the same. For example, real estate laws differ from country to country and AA REIT's businesses in these countries may not always enjoy the same level of legal rights or protection that AA REIT is afforded in Singapore and Australia. More stringent or onerous real estate laws may be adopted in the future in the countries where AA REIT operates its business, and that may restrict AA REIT's ability to operate its business. The risk profile of AA REIT may therefore encompass the risks involved in each of the countries or businesses that AA REIT operates, and such risks may adversely affect the business, financial condition, results of operations and/or prospects of AA REIT. There might also be a negative impact on AA REIT's investments located in a foreign country as a result of measures and policies adopted by the relevant foreign governments and authorities at the local and national levels, including the imposition of foreign exchange restrictions. There is a risk that AA REIT will not be able to repatriate the income and gains derived from investment in real estate and other assets in these foreign countries. It may also be difficult to obtain legal protection and recourse in some countries, and AA REIT may also incur expenses necessary to address the regulatory requirements in these markets.

In addition, the income and gains derived from investment in properties in foreign countries may be subject to various types of taxes in Singapore and in such countries, including income tax, withholding tax, capital gains tax and such other taxes which may be imposed specifically for ownership of real estate. All these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these properties and hence the yield to investors. There is also no assurance that AA REIT will be able to repatriate to Singapore the income and gains derived from investment in properties outside Singapore on a timely and regular basis. Any inability to repatriate the income and gains to Singapore will affect AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT may not be able to control or exercise any influence over entities in which it has minority interests***

AA REIT may, in the course of future acquisitions, acquire minority interests in real estate-related investment entities. There can be no assurance that AA REIT will be able to control such entities or exercise any influence over the assets of such entities or their distributions to AA REIT. Such entities may develop objectives which are different from those of AA REIT and may not be able to make distribution. The management of such entities may make decisions regarding the entities they control which could, in turn, adversely affect the operations of AA REIT and its ability to fulfil its payment obligations under the Securities.



***AA REIT depends on certain key personnel of the AA REIT Manager, and the loss of any key personnel may adversely affect its operations***

AA REIT's performance depends, in part, upon the continued service and performance of key personnel of the AA REIT Manager. These key personnel may leave the AA REIT Manager in the future or compete with the AA REIT Manager and AA REIT. If any of these persons were to leave, the AA REIT Manager will accordingly spend time searching for a replacement and the duties which such executive officers are responsible for may be affected without suitable and timely replacement. The loss of one or more of these key personnel could have a material adverse effect on AA REIT's business, financial condition, results of operations and/or prospects.

***There may be potential conflicts of interest among AA REIT, the AA REIT Manager and the Sponsors***

As at the Latest Practicable Date, the AA REIT Manager is 55% owned by AIMS Financial Holding Limited and 45% owned by AIMS APAC Capital Holdings Limited (formerly Great World Capital Holdings Limited). AIMS APAC Capital Holdings Limited is a wholly-owned subsidiary of AIMS Financial Holding Limited. AIMS Financial Holding Limited is a member of AIMS Financial Group (the "Sponsor"). The Sponsor and its subsidiaries and/or associates are engaged in, and/or may engage in, among others, investment in, and the development, management and operation of, industrial, logistics and business park properties which may compete with the properties owned by AA REIT and cause downward pressure on rental rates. There can be no assurance that conflicts of interest will not arise between AA REIT and the Sponsor in the future, or that AA REIT's interests will not be subordinated to those of the Sponsor.

The Sponsor may, in future, sponsor, manage or invest in other REITs or other vehicles which may also compete directly with AA REIT. There is also no assurance that the AA REIT Manager will not favour other properties which it may manage or operate over those owned by AA REIT or that conflicts of interest would not arise and/or be adequately resolved. This could lead to lower occupancy rates and/or lower revenue for AA REIT's properties, which may in turn result in a material adverse effect on AA REIT's gross revenue and this may indirectly affect AA REIT's ability to fulfil its payment obligations under the Securities.

***There is no assurance that AA REIT will be able to continue to leverage and tap on the Sponsor's capabilities and expertise in the operation of the Properties or the management of AA REIT, in the event that the Sponsor decides to transfer or dispose (in part or in whole) of its interest in AA REIT or its shares in the management entities of AA REIT***

There can be no assurance that the Sponsor will continue to hold on to any of its interests in AA REIT or its shares in the management entities of AA REIT. If and when the Sponsor decides to transfer or dispose of (in part or in whole) its interest in AA REIT or its shares in the management entities of AA REIT, AA REIT may no longer be able to leverage on:

- (a) the Sponsor's on-the-ground real estate expertise in the Asia Pacific region;
- (b) the Sponsor's financial strength, market reach and network of contacts to further AA REIT's growth; or
- (c) the Sponsor's capabilities and expertise in the areas of real estate fund management, corporate governance, debt structuring and development/asset enhancement.

This may have a material adverse effect on AA REIT's business, financial condition, results of operations and/or prospects.



***Delay by foreign tax authorities in assessing taxes of overseas properties could affect the amount of payments on the Securities***

In the event the entities holding overseas properties in the property portfolio of AA REIT is unable to obtain a tax audit clearance by the foreign tax authorities in a timely manner, the ability of AA REIT to make payments on the Securities may be affected and AA REIT may be required to obtain debt or other financing to satisfy payments on the Securities. If AA REIT is unable to obtain financing on terms that are acceptable or AA REIT has reached its aggregate leverage limit and/or AA REIT has fallen below the minimum interest coverage ratio imposed by the Property Funds Appendix, the amount (if any) and timing of payments on the Securities could be adversely affected.

***AA REIT may be involved in legal and other proceedings from time to time***

AA REIT may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of AA REIT's properties. These disputes may lead to legal and other proceedings, and may cause AA REIT to suffer additional costs and delays. In the event that such proceedings are resolved in favour of other parties against AA REIT, there may be an adverse impact on AA REIT's business, financial condition, results of operations and/or prospects. Additionally, AA REIT may have disputes with regulatory bodies in the course of its operations and may be subject to administrative proceedings and unfavourable orders, directives or decrees that may have a material adverse effect on AA REIT's business, reputation, financial condition, results of operations and/or prospects. This may in turn result in financial losses and delays in the completion of works and/or the construction of AA REIT's properties. Should any of the above circumstances develop into actual events, AA REIT's ability to fulfil its payment obligations under the Securities may be adversely affected.

***Occurrence of any acts of God, natural disasters, war and terrorist attacks and other events beyond the control of AA REIT, including outbreaks of communicable diseases such as H1N1 influenza, H7N9 influenza and COVID-19, may adversely and materially affect the business and operations of AA REIT's properties***

Acts of God, such as natural disasters, war and terrorist attacks, are beyond the control of AA REIT or the AA REIT Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. AA REIT's properties, business and financial condition may be adversely affected should such acts of God, natural disasters or pandemics occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of AA REIT's properties and hence AA REIT's ability to fulfil its obligations under the Securities.

In addition, physical damage to the properties resulting from any acts of God, natural disasters, war or terrorist attacks may lead to a significant disruption to the business and operation of AA REIT's properties. This may result in the loss of invested capital in affected properties and anticipated future revenues as AA REIT may not be able to rent out or sell the affected properties. AA REIT may also suffer a loss of or engage in disputes with existing tenants in the affected properties and any financial obligations secured by such properties may be accelerated. These may in turn affect AA REIT's ability to fulfil its obligations under the Securities.

The outbreak of infectious diseases or other public health concerns, such as the Severe Acute Respiratory Syndrome, Ebola virus disease, Middle East Respiratory Syndrome corona virus, H5N1 influenza, H1N1 influenza, H7N9 influenza and COVID-19 in Singapore, Australia and elsewhere, have resulted in a negative impact on the economy and business activities in Singapore, Australia and in other countries that AA REIT could potentially expand to and may thereby adversely impact the revenues and results of operations of AA REIT.

In addition, the outbreak of such communicable diseases on a global scale may affect investment sentiment and result in volatility in the global capital markets or adversely affect Singapore, Australia and other economies. Such outbreak has resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. This may adversely affect the supply of or demand for property, which may in turn have an adverse impact on rental income which forms a substantial part of AA REIT's revenue. Although the global economy has, to a large extent, recovered from the COVID-19 pandemic, any future pandemic, outbreaks of infectious diseases or any other serious health concerns including the resurgence of COVID-19 may have a material adverse impact on the global economy and financial markets and may materially and adversely affect the AA REIT's business, financial condition and results of operations, which may in turn affect AA REIT's ability to fulfil its obligations under the Securities.

***AA REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs***

AA REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs in the jurisdictions in which it operates. There is no assurance that MAS or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which would adversely affect REITs generally or AA REIT specifically. Changes in legislation, regulations or government policies may increase the cost of compliance with such laws, regulations or policies and may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance.

The capital markets services ("**CMS**") licence issued to the AA REIT Manager by MAS is subject to certain conditions. If the AA REIT Manager fails to satisfy or comply with these conditions, the CMS licence of the AA REIT Manager may be cancelled, not renewed or revoked by MAS. The operations of AA REIT will be adversely affected as the AA REIT Manager would no longer be able to act as the manager of AA REIT. AA REIT would need to expend time and resources searching for a replacement manager and the operations of AA REIT may accordingly be adversely affected, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities. AA REIT was declared as an authorised unit trust scheme under the Trustees Act 1967 on 21 March 2007 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of AA REIT is suspended, revoked or withdrawn, the operations of AA REIT, and in turn AA REIT's ability to fulfil its payment obligations under the Securities, could be adversely affected.

***AA REIT may be unable to comply with the terms and conditions of tax rulings and tax exemptions obtained, or such tax rulings or tax exemptions may be revoked or amended***

AA REIT has obtained various tax rulings and tax exemptions from IRAS. These tax rulings and tax exemptions are subject to stipulated terms and conditions based on the facts presented to IRAS at the time of such applications and include the requirement that AA REIT distributes at least 90% of its taxable income.

There can be no assurance that AA REIT will be able to comply with these terms and conditions on an ongoing basis or ensure that the facts presented to IRAS do not change over time. There can also be no assurance that IRAS will not review, amend or revoke the tax rulings and the tax exemptions, either in whole or in part, either arising from a change in the tax laws or their interpretations or a change in policy. Non-compliance with the terms and conditions imposed on AA REIT by IRAS may affect AA REIT's tax transparent status, its ability to distribute its taxable income free of tax deduction at source and may also cause AA REIT to pay income tax on its taxable income which may, in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

### ***The accounting standards in the jurisdictions in which AA REIT operate may change***

AA REIT may be affected by the introduction of new and/or revised accounting standards in the jurisdictions in which AA REIT operates, including Singapore and Australia. The financial statements of AA REIT may be affected by the introduction of such new and/or revised accounting standards. The extent and timing of such changes in accounting standards are unknown and are subject to confirmation by the relevant authorities.

In Singapore, the Singapore Accounting Standards Council may issue new and revised accounting standards and pronouncements from time to time and the Institute of Singapore Chartered Accountants may revise the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* (“RAP 7”) from time to time. The financial statements of AA REIT may be affected by the introduction of such changes in accounting standards or revised RAP 7. The extent and timing of these changes are unknown and subject to confirmation by the relevant authorities. There is no assurance that the changes in the accounting standards and revised RAP 7 will not have a material adverse effect on AA REIT’s business, financial condition, results of operations and/or prospects.

### ***AA REIT faces risks associated with sustainability, climate change, and climatic conditions***

AA REIT is exposed to climate-related physical risks such as rising sea levels, extreme weather events, and transition risks stemming from regulatory changes. Any failure by AA REIT to adequately respond to the impact of climate change and associated legislative requirements could result in litigation (if, for instance, reporting requirements are not met), reduced profit due to the impact of increased costs associated with enhancing energy efficiency and other costs associated with upgrading existing buildings to comply with new building codes or other regulatory or contractual obligations. AA REIT may also be adversely impacted by a loss of market share if building designs do not address community expectations or match its competitors on sustainability issues.

### ***AA REIT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business***

AA REIT relies on information technology networks and systems, including the internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. AA REIT relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although AA REIT has taken steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems’ improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of AA REIT’s information systems could interrupt its operations, damage its reputation, subject AA REIT to liability claims or regulatory penalties and could materially and adversely affect it.

### ***Published unaudited interim and year-end financial statements in respect of AA REIT and its subsidiaries which are, from time to time, included or incorporated by reference in this Information Memorandum will not have been audited or subject to review***

Any published unaudited interim and year-end financial statements in respect of AA REIT which are, from time to time, included in or deemed to be incorporated by reference in this Information Memorandum will not have been audited or subject to review by the auditors in respect of AA REIT,

as the case may be. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

## **RISKS RELATING TO THE PROPERTIES OF AA REIT**

### ***The Properties are located in Singapore and Australia, which exposes AA REIT to economic and real estate conditions in Singapore and Australia***

The Properties are situated in Singapore and Australia, which exposes AA REIT to the risk of a prolonged downturn in economic and real estate conditions in Singapore and Australia. The value of the Properties may also be adversely affected by a number of local real estate conditions, such as limited uses of properties due to zoning restrictions and volatility in rental rates and occupancy rates due to supply and demand for industrial, logistics and business park properties.

There are numerous properties in Singapore and Australia that compete with the Properties in attracting tenants. If competing properties of a similar type are built in the areas where the Properties are located or similar properties in their vicinity are substantially upgraded and refurbished, the value of certain Properties could be adversely affected.

In addition, AA REIT's business, financial condition, results of operations and/or prospects may be adversely affected by competition for business and direct investment from other Asian countries such as China, India, Malaysia, Indonesia, Thailand, Vietnam or the Philippines, where the operating cost, rental and property rates may be substantially lower than those in Singapore or Australia. For example, the agreement between the governments of Singapore and Malaysia to establish the Johor-Singapore Special Economic Zone may result in the relocation of industrial businesses from Singapore to Johor in pursuit of cost savings. This could negatively impact demand for the Singapore Properties in AA REIT's portfolio, leading to higher vacancy rates, downward pressure on rental yields, and potential impairments in property valuations. There can be no assurance that prospective or current tenants will not seek properties in locations outside of Singapore or Australia, which could have an adverse effect on AA REIT's business, financial condition, results of operations and/or prospects, with a consequential adverse effect on AA REIT's ability to fulfil its payment obligations under the Securities.

### ***Any loss of major tenants or any breach by the major tenants of their obligations under the tenancy agreements may have an adverse effect on AA REIT's business, financial condition, results of operations and/or prospects***

AA REIT is directly dependent on the tenants of its properties for revenue. For the nine months ended 31 December 2024, AA REIT's top 10 tenants contributed 50.9% of GRI of the Properties in AAREIT's portfolio. There is a risk that a major tenant may prematurely terminate its lease or that it may not renew its lease upon expiry. It may be challenging to secure replacement tenants at short notice or on similar tenancy terms. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than those of the current leases. The loss of major tenants in any one of the Properties in the portfolio or future properties acquired by AA REIT could result in periods of vacancy.

Furthermore, there is also a risk that one or more major tenants of AA REIT may be unable to pay their rent and/or otherwise breach their obligations under the lease agreements. The performance of the major tenants' businesses could also have an impact on their ability to make rental payments to AA REIT. The occurrence of any such adverse events may adversely affect AA REIT's business, financial condition, results of operations and/or prospects.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- (a) ability of such major tenants to compete with its competitors;
- (b) adverse changes in the local economies in which they have business operations;
- (c) downturn in their business operations or their financial position including but not limited to bankruptcy or insolvency proceedings;
- (d) in the instance where such major tenants have sublet the properties, the failure of the subtenants to pay rent; and
- (e) external factors such as acts of God, wars, terrorists' attacks, riots, civil commotions, adverse political developments, widespread communicable diseases or other events beyond the control of such major tenants where they may have business dealings in.

This would adversely affect AA REIT's operating results and its ability to generate revenue, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT is subject to credit risk arising from defaulting counterparties***

Credit risk may arise when counterparties default on their contractual obligations resulting in financial loss to AA REIT. Although AA REIT conducts a thorough credit assessment of its customers prior to entering any transactions, and AA REIT regularly reviews its credit exposure to its customers, credit risks may arise from events or circumstances that are difficult to anticipate or detect, including, but not limited to, political, social, legal, economic and foreign exchange risks that may have an impact on its customers' ability to make timely payment and render AA REIT's enforcement of payments ineffective.

***A substantial number of the leases of the Properties in the portfolio are for terms of three to five years which expose the properties to significant rates of lease expiries each year***

The Properties in the portfolio have lease cycles in which a substantial number of the leases expire each year. Vacancies following the non-renewal of leases may lead to reduced occupancy rates. AA REIT may be adversely affected if a large number of tenants do not renew their leases in a year in which a substantial number of leases expire, and this may in turn affect AA REIT's business, financial condition, results of operations and/or prospects.

***The cash flow of AA REIT may be adversely affected by declining rental rates***

The amount of cash flow available to AA REIT will depend in part on its ability to continue to lease the properties held by AA REIT on economically favourable terms. As most of the income generated from AA REIT's properties is derived from rentals, AA REIT's cash flow may be adversely affected by any significant decline in the rental rates at which AA REIT is able to lease its properties and to renew existing leases or attract new tenants. There can be no assurance that the rental rates will not decline at some point during the period from each issue of the Securities until their redemption and that such decline will not have an adverse effect on the cash flow of AA REIT, which may in turn affect AA REIT's business, financial condition, results of operations and/or prospects.



***The properties held by AA REIT may face competition from other properties***

There are many existing and new properties in Singapore and Australia that compete with AA REIT's properties in attracting and retaining tenants. Whenever competing properties in the vicinity of the properties held by AA REIT are developed or substantially upgraded and refurbished, the attractiveness of such properties may be affected. The properties held by AA REIT will also compete with properties that may be developed in the future which may adversely affect the demand and rental rates for space in AA REIT's properties and consequently the business, financial condition, results of operations and/or prospects of AA REIT, which may in turn affect the availability of cash flows and AA REIT's ability to fulfil its payment obligations under the Securities.

Factors that affect the ability of industrial, logistics and business park properties to attract or retain tenants include connectivity through proximity to strategic infrastructure amenities and major highways. The income from, and market value of, AA REIT's properties will be largely dependent on the relative competitiveness of its properties as compared to other properties in the relevant localities in attracting and retaining tenants. Historical operating results and the market values of the properties may not be indicative of their future operating results and market values of AA REIT's properties. If competing properties are more successful in attracting and retaining tenants or similar properties in their vicinity are substantially upgraded and refurbished, this may in turn affect the availability of cash flows and AA REIT's ability to fulfil its payment obligations under the Securities.

***The revenue stream and the value of AA REIT's properties may be adversely affected by a number of factors***

The revenue stream and the value of AA REIT's properties, and consequently AA REIT's business, results of operations, financial condition and/or prospects, may be adversely affected by a number of factors, including:

- (a) vacancies following expiry or termination of leases or licences that lead to lower occupancy rates which reduce AA REIT's revenue stream and its ability to recover certain operating costs through charge-out collections;
- (b) the AA REIT Manager's ability to collect rent or licence fees from tenants and licencees on a timely basis or at all;
- (c) the amount and extent to which AA REIT is required to grant rebates on rental rates to tenants, due to market pressure;
- (d) tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, inability to collect rentals at all or delays in the termination of the tenant's lease, or which could hinder or delay the sale of a property or the re-letting of the premises in question;
- (e) the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- (f) the national and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, industrial space, compulsory acquisitions or release of land by the governments of those jurisdictions in which AA REIT operates, changes in market rental rates and operating expenses for AA REIT's properties);
- (g) the AA REIT Manager's ability to provide adequate management and maintenance or to purchase adequate insurance;



- (h) tenants or sub-tenants failing to comply with the terms of their leases or sub-leases;
- (i) master lessees and/or tenants in multi-tenanted properties may not renew their respective lease(s);
- (j) bankruptcy, insolvency or downturn in the business of tenants or sub-tenants which may cause any of them not to renew their leases or sub-leases or to terminate them before they expire;
- (k) competition for tenants from other similar properties which may affect rental levels or occupancy levels at AA REIT's properties;
- (l) changes in laws, governmental regulations and policies in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to a loss in revenue or an increase in operating expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant properties may also be restricted by legislative actions, such as revisions to building standards laws or town planning laws, or the enactment of new laws relating to contamination and redevelopment; and
- (m) acts of God, wars, terrorists' attacks, riots, civil commotions, adverse political developments, widespread communicable diseases, environmental hazards, or other events beyond the control of the AA REIT Manager.

***Properties held by AA REIT may be subject to increases in operating and other expenses***

AA REIT's ability to fulfil its payment obligations under the Securities could be adversely affected if operating and other expenses increase without a corresponding increase in revenues or tenant reimbursements of operating and other costs.

Factors which could increase operating and other costs include:

- (a) increases in the rate of inflation;
- (b) increases in onsite staff costs and labour costs;
- (c) increases in property taxes and other statutory charges;
- (d) increases in annual rents and/or service charges payable to the lessors under the land leases for the properties held by AA REIT;
- (e) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (f) increases in sub-contracted service costs;
- (g) increases in agent commission expenses for procuring new tenants;
- (h) increases in repair and maintenance costs;
- (i) increases in insurance premiums;
- (j) increases in the cost of energy and utilities;
- (k) costs arising from litigation claims;

- (l) defects affecting or environmental pollution in connection with AA REIT's properties which need to be rectified;
- (m) mitigation measures to address environmental and climate change risks;
- (n) costs arising from measures implemented to ensure the occupational health and safety of stakeholders; and
- (o) costs arising from enhancements to IT controls and cybersecurity measures to address IT-related risks.

***AA REIT relies on third parties to provide various services***

AA REIT engages and relies on third-party contractors to provide various services in connection with the day-to-day operation of its properties. The facility management services provided by these third-party contractors may be inadequate and this may adversely affect tenant satisfaction. If competing properties of a similar type provide better facility management services, the attractiveness of AA REIT's properties may be adversely affected and this could in turn result in a drop in tenant retention rates.

AA REIT also engages and relies on third-party contractors to carry out its development and asset enhancement works. These asset enhancement and/or development works may be subject to delays in completion or cost overruns beyond estimates due to several factors, including disputes with the contractors and suppliers, industrial accidents, work stoppages arising from accidents at the worksite, and shortages of labour, equipment and construction materials. This may in turn result in excess costs which may have to be borne by AA REIT in order to complete the project in a timely manner.

Major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction or related works, thus increasing the risk of delays in the completion of projects, or the inability to continue with the project. This may result in additional costs to AA REIT as AA REIT will need to engage other third-party contractors to complete the remaining works.

There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory, adequately covered by insurance or match AA REIT's targeted quality levels. All of these factors could adversely affect AA REIT's business, financial condition, results of operations and/or prospects.

***AA REIT's properties might be adversely affected if the AA REIT Manager or the AA REIT Property Manager do not provide adequate management and maintenance services***

Should the AA REIT Manager or the AA REIT Property Manager fail to provide adequate management and maintenance services, the value of AA REIT's properties might be adversely affected and this may result in a loss of tenants and consequently loss of revenue. This would adversely affect the cash flow of AA REIT and may, in turn, affect AA REIT's ability to make payments under the Securities.

***Existing or planned amenities and transportation infrastructure near AA REIT's properties may be closed, relocated, terminated, delayed or not completed***

There is no assurance that amenities, transportation, infrastructure and public transport near AA REIT's properties will not be closed, relocated, terminated, delayed or left uncompleted in the future, or that there will be no impediment to the traffic flow in the vicinity. If such an event were to occur, it would adversely impact the accessibility of AA REIT's properties, the attractiveness

and marketability of AA REIT's properties to tenants and the occupancy rates of AA REIT's properties, which will consequently affect AA REIT's business, financial condition, results of operations and/or prospects.

***Leases from JTC, CapitaLand (Singapore) (BP&C) Pte. Ltd. and the President of the Republic of Singapore in relation to the Properties in the portfolio contain certain provisions that may have an adverse effect on the business, financial condition, results of operations and/or prospects of AA REIT***

Properties which are held on land leases from JTC (a "**JTC Lease**") each contain a clause that requires AA REIT to surrender free of cost to the Singapore Government portions of the respective properties that may be required in the future for certain public uses, such as roads, drainage and other public improvements. There have been previous instances in which lessees of land from JTC have been required to surrender portions of their land to the Singapore Government for roads, without compensation, pursuant to similar provisions in the relevant land leases. If AA REIT is required to surrender a portion of one of the Properties in the portfolio to the Singapore Government, it may have an adverse impact on the gross revenue and the value of the properties.

Each property which is held under a lease from JTC is subject to terms and conditions ordinarily found in building agreements or agreements for lease entered into or leases granted by JTC such as provisions requiring the lessee:

- (a) to pay a yearly rent to JTC;
- (b) not to use or permit the property to be used otherwise than for such purposes as approved by JTC; and
- (c) not to demise, assign, mortgage, let, sublet or underlet or grant a licence or part with or share the possession or occupation of the whole or part of the property and/or not to effect any form of reconstruction including any form of amalgamation or merger with or take-over by another company, firm, body or party without first obtaining JTC's prior written consent.

The property which is held under a lease from CapitaLand (Singapore) (BP&C) Pte. Ltd. ("**CapitaLand**") (the "**CapitaLand Lease**") is subject to terms such as provisions requiring the lessee:

- (a) to pay a yearly rent to CapitaLand;
- (b) not to use or permit the property to be used otherwise than for such purposes as approved by CapitaLand; and
- (c) not to demise, assign, mortgage, let, sublet or underlet or grant a licence or part with or share the possession or occupation of the whole or part of the property without first obtaining CapitaLand's prior written consent.

Each property which is held under a lease from the President of the Republic of Singapore (a "**State Lease**") is subject to terms and conditions ordinarily found in leases granted by the President of the Republic of Singapore, such as provisions:

- (a) preventing the lessee, without the written approval of the lessor, from using or permitting the property to be used otherwise than as permitted by the terms of the State Lease or in accordance with the written approval obtained from the lessor and the competent planning authority;

- (b) granting the lessor the right of re-entry if the lessee fails to perform or observe any of the terms and conditions of the State Lease. Upon re-entry, the term of the State Lease will cease but without prejudice to any right of action or other remedy that the lessor may have; and
- (c) requiring the lessee to surrender free of cost to the Singapore Government portions of the property that may be required from time to time for certain public uses, such as roads, drainage and other public improvements as may be declared or notified to the lessee.

Compliance with the terms of such leases may restrict AA REIT's ability to respond to changing real estate market conditions, re-let a property to tenants in certain industries or perform asset enhancements. In addition, any current or future breaches of its land leases may require rectification. These restrictions may have an adverse effect on AA REIT's business, financial condition, results of operations and/or prospects, which may in turn affect the ability of AA REIT to fulfil its payment obligations under the Securities.

***The sub-tenancies in respect of Properties in the portfolio with existing sub-tenants may not have been properly approved by or notified to JTC and/or CapitaLand***

Some of the Properties in the portfolio are and may be sub-tenanted by the anchor tenants. Some of the sub-tenancies in respect of these properties may not have been approved by or notified to, as the case may be, JTC under the relevant JTC Lease, CapitaLand under the CapitaLand Lease or any other head lessor, or where approval is necessary and has been obtained, the terms of the approval (including the duration of the sub-tenancy, the term of the sub-tenancy or the permitted use under such sub-tenancy) may not reflect the actual terms of the sub-tenancy (including the duration of the sub-tenancy, the term of the sub-tenancy or the permitted use under such sub-tenancy). This may be a breach of the relevant JTC Lease, CapitaLand Lease or lease with any head lessor, which may give rise, *inter alia*, to a right of re-entry by JTC, CapitaLand or the head lessor.

Under the JTC subletting policy to third-party providers, JTC required at least 70% of the GFA to be occupied by approved anchor tenant(s) with a minimum requirement of 1,000 sq m per anchor tenant and a minimum occupation period of three years per term. JTC has since relaxed its subletting policy with effect from 1 April 2020, removing the three-year minimum occupation period requirement for replacement anchor tenants. In addition, replacement anchor tenants will be re-assessed only upon (1) a change of more than 20% in GFA take-up, and/or (2) a change in use.

There can be no assurance that the existing subletting policy or other policies affecting the use of properties will not change or that new policies will not be introduced which may have a material and adverse effect on existing or replacement anchor tenants. Furthermore, any breach of JTC Leases, the CapitaLand Lease or any other head lease or non-compliance with JTC sub-letting policies could result in significant financial loss and adversely affect AA REIT's business, financial condition, results of operations and/or prospects, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT may not have legal rights of access to the roads which give access to Yishun Industrial Park A, Defu Lane 10 and Bukit Batok Street 22***

AA REIT had received confirmations from the relevant authorities that Yishun Industrial Park A (along which 61 Yishun Industrial Park A is situated), Defu Lane 10 (along which 103 Defu Lane 10 is situated) and Bukit Batok Street 22 (along which 1 Bukit Batok Street 22 is situated) are not public roads, but are nevertheless open to vehicular access. In addition, the public is allowed access to Yishun Industrial Park A, Defu Lane 10 and Bukit Batok Street 22 and hence to and from 61 Yishun Industrial Park A, 103 Defu Lane 10 and 1 Bukit Batok Street 22 respectively. However, there is no assurance that such confirmations will not be revoked or withdrawn in the future. In the

event of such revocation or withdrawal, AA REIT may find itself unable to gain and grant proper access to 61 Yishun Industrial Park A, 103 Defu Lane 10 and 1 Bukit Batok Street 22. This may have an adverse impact on the value of 61 Yishun Industrial Park A, 103 Defu Lane 10 and 1 Bukit Batok Street 22 and may consequently have an adverse impact on the business, financial condition, results of operations and/or prospects of AA REIT.

***JTC has announced that all new leases from JTC as well as transfers of JTC properties by owners should give JTC the right to buy the relevant property should the owner decide to sell the property in the future***

In order to facilitate overall land use planning and development needs in Singapore, JTC has announced that all new leases from JTC as well as transfers/assignments and lease renewals of JTC properties by owners should give JTC the right to buy the relevant property should the lessee decide to sell the property in the future (excluding sale and lease-back transactions and mortgagee sales). According to the announcement, the reason behind this policy is that land in Singapore is scarce and the constant rejuvenation of land use is essential to optimise land use in Singapore. This policy may have an impact on AA REIT's ability to acquire properties to be leased under JTC or to dispose of its Properties in the portfolio which are held under JTC's leases.

***AA REIT may not be able to extend the terms of the underlying land leases of certain of the Properties which contain options to renew***

The underlying land leases of certain Properties of the portfolio contain a covenant by the relevant lessor thereof to grant a further term following the expiry of the current lease term subject to the satisfaction of certain conditions, such as there being no breach of any terms and conditions of the underlying leases and that certain fixed investment criteria in respect of the properties are fulfilled. There is no assurance that such conditions for extension will be satisfied or that AA REIT's tenants while in occupation of the premises will not be in breach of the terms and conditions of the underlying leases or that such breach will be rectified in time or at all. If AA REIT for whatever reason is not able to extend the lease term of the underlying leases of any of these properties, AA REIT will have to surrender such property to its lessor upon expiry of the original lease term. The value of such property may be substantially reduced upon such surrender. Any potential income expected after the extension of the lease term will not be realised. In addition, AA REIT may be required to incur substantial amounts of money to reinstate such property to a state and condition acceptable to the lessor, including the demolition of any existing building and/or reinstatements thereof on such property. Where applicable, AA REIT has sought to address this risk at the point of acquisition by providing as a condition precedent to completion of sale in respect of the relevant Properties of the portfolio that JTC has given written confirmation that the pertinent fixed investment criteria have been fulfilled.

***AA REIT's properties or part thereof may be acquired compulsorily***

The Land Acquisition Act 1966 of Singapore gives the Singapore Government the power to acquire any land in Singapore:

- (a) for any public purpose;
- (b) where the acquisition is of public benefit or of public utility or in the public interest; or
- (c) for any residential, commercial or industrial purposes.

The compensation to be awarded pursuant to any compulsory acquisition would be based on, among other factors:

- (a) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette); and
- (b) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

Accordingly, if the market value of a property (or part thereof) is greater than the market values referred to above, the compensation paid in respect of the property will be less than its market value and this may have an adverse effect on the revenue stream of AA REIT and the value of AA REIT's portfolio and its ability to fulfil its payment obligations under the Securities.

Further, the laws of other countries may also provide for a right by the governments of these countries to compulsorily acquire any land or property with no compensation to the owner or with compensation which is below market value. Accordingly, to the extent AA REIT owns any properties located in such foreign countries, such compulsory acquisitions would have an adverse effect on AA REIT's revenue stream and the value of AA REIT's portfolio.

***AA REIT may be involved in boundary disputes and there may be encroachment by, or affecting, AA REIT's properties***

AA REIT may be involved in boundary disputes which may cause difficulties in future dispositions of the land or unexpected costs or losses including, but not limited to, the loss of part of the area of the land or liability for damages arising in relation to its properties. Some Properties are encroaching on, or being encroached upon, by adjoining properties. Such encroachment by, or affecting, the properties may restrict the use of the land or lead to claims from neighbours and may adversely affect AA REIT's rental income and cause additional expense to be incurred by AA REIT in the removal of the encroachment or reinstatement of the relevant land. These risks may have an adverse effect on AA REIT's business, financial condition, results of operations and/or prospects, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***The due diligence exercise on buildings prior to their acquisition may not have identified all material defects, breaches of laws and regulations and other deficiencies***

The AA REIT Manager believes that reasonable due diligence investigations with respect to AA REIT's properties have been and will be conducted prior to their acquisitions. However, there is no assurance that such properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the properties, which may require additional capital expenditure, special repair or maintenance expenses). Such undisclosed defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on AA REIT's earnings and cash flows. This may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

The experts' reports that the AA REIT Manager relies upon as part of its due diligence investigations of AA REIT's properties may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.



Some of AA REIT's properties may be in breach of laws and regulations or fail to comply with certain regulatory requirements. AA REIT may incur financial or other obligations in relation to such breaches or non-compliance, and this may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

The representations, warranties and indemnities granted in favour of AA REIT by the vendors of AA REIT's properties during their acquisitions are subject to limitations as to their scope and as to the amount and timing of claims which can be made. There is no assurance that AA REIT would be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of its acquisition of these properties, and this may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***The appraisals of the Properties are based on various assumptions and the price at which AA REIT is able to sell a Property in future may be different from the value determined by the independent valuers or the initial acquisition value of such Property***

The consideration paid by AA REIT is based on the acquisition value of the Properties. AA REIT is also required under the Property Funds Appendix to conduct an independent valuation of the properties in its portfolio at least once every financial year. AA REIT's properties located in Singapore were last valued as at 31 March 2024 by CBRE Pte. Ltd. or Cushman & Wakefield VHS Pte. Ltd. The Australian properties, Optus Centre was last valued as at 31 December 2024 by Jones Lang LaSelle Advisory Services Pty Ltd, while Woolworths HQ, and Boardriders APAC HQ, were last valued as at 31 March 2024 by Savills Valuations Pty Ltd, and Knight Frank Valuation and Advisory Queensland respectively.

There can be no assurance that the assumptions relied on for the valuations are accurate measures of the market, and the values of the Properties in the portfolio may be evaluated inaccurately. The independent valuers may have included a subjective determination of certain factors relating to the Properties in the portfolio such as their relative market positions, financial and competitive strengths, and physical condition, and accordingly, the property valuation (which affects the NAV per Unit) may be subjective. The market value of the Properties may therefore differ from the values of such properties as determined by the independent valuers.

General property prices, including that of industrial, logistics and business park properties, are subject to the volatilities of the property market and the appraised value of any Property is not an indication of, and does not guarantee, a sale price at that value at present or in the future. The price at which AA REIT may sell a Property may be lower than its value as determined by the independent valuers or its purchase price at the time of acquisition by AA REIT.

***The market values of the Properties may be revalued downwards***

There can be no assurance that AA REIT will not be required to make a downward revaluation of its Properties in the future. Any fall in the gross revenue or NPI earned from the Properties and/or change in the market conditions will result in their downward revaluation. Further downward revaluations could negatively impact AA REIT's gearing which could in turn trigger a default under certain loan covenants and/or impact AA REIT's ability to refinance its existing borrowings or its ability to secure additional borrowings.

In addition, AA REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of its investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on AA REIT's financial results if there is a significant decrease in the valuation of AA REIT's investment properties which will result in revaluation losses that will be charged to its statements of total return.

***Renovation or redevelopment works or physical damage to AA REIT's properties may disrupt the business and operations of those properties and collection of rental income or otherwise have an adverse effect on the business, financial condition, results of operations and/or prospects of AA REIT***

The quality and design of AA REIT's properties have a direct influence on the demand for space in, and the rental rates of such properties. AA REIT's properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop from time to time or because of new planning laws, regulations or building codes. The costs of maintaining industrial properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the buildings age. In addition, some of the older properties may be required to undergo regularisation exercises to comply with updated building codes. The business and operations of the properties may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation, redevelopment works, maintenance or repairs. This may adversely affect the business, financial condition, results of operations and/or prospects of AA REIT, and in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

Physical damage to any of AA REIT's properties resulting from fire or other causes may lead to a significant disruption to the business and operation of such properties and, together with the foregoing, may cause significant losses of rental income and result in an adverse impact on the business, financial condition, results of operations and/or prospects of AA REIT, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***Significant capital expenditure may be required periodically beyond the AA REIT Manager's current estimates and AA REIT may not be able to secure funding***

The Properties and any other properties to be acquired by AA REIT may require periodic capital expenditure beyond the AA REIT Manager's current estimates for refurbishment, renovation and improvements in order to remain competitive. AA REIT may not be able to fund capital improvements solely from cash provided from its operating activities and AA REIT may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms. If AA REIT is not able to obtain such financing, the marketability of AA REIT's properties or the attractiveness of AA REIT's properties to new or existing tenants may be affected.

***AA REIT may suffer material losses in excess of insurance proceeds or may not put in place or maintain adequate insurance in relation to the Properties in the portfolio and its potential liabilities to third parties***

The Properties could suffer physical damage caused by fire or natural disaster or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties in the portfolio and loss of rent from the inability to use such properties, resulting in losses which may not be fully compensated by insurance. In addition, certain types of risks (such as war risk and environmental hazards) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur, AA REIT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property.

AA REIT would also remain liable for any debt or other financial obligation related to that property. There can be no assurance that material losses in excess of insurance proceeds will not occur in the future. In the event that an uninsured loss or a loss in excess of insured limited occurs, AA REIT may not be able to rent out such affected property and this would in turn have an adverse effect on AA REIT's revenue stream and the value of AA REIT's portfolio. In addition, should AA REIT fail to put in place or maintain adequate insurance in relation to the Properties and its

potential liabilities to third parties, AA REIT may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

***Major natural catastrophes may materially disrupt and adversely affect the business and operations of AA REIT's properties***

Severe weather conditions and natural disasters such as bush fire, earthquakes and floods may affect the operations of AA REIT's properties. These events may cause substantial structural and physical damage to the properties, resulting in expenses to repair the damage caused. The environmental conditions may also cause disruptions, affect investments and result in various other adverse effects on the relevant economies in general. This could materially and adversely affect AA REIT's business, financial condition, results of operations and/or prospects, which may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***AA REIT's properties may be affected by contamination and other environmental issues***

The properties held by AA REIT may from time to time be affected by contamination or other environmental issues which may not previously have been identified and/or rectified. AA REIT's properties may contain, or their operations may utilise, certain material, processes or installations which are regulated pursuant to various environmental laws, including those relating to air pollution, water pollution control, waste disposal and noise pollution control, or may require environmental permits from regulatory authorities. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. This gives rise to a number of risks including:

- (a) the risk of prosecution by relevant authorities;
- (b) the requirement for unbudgeted additional expenditure to remedy such issues;
- (c) the liability for the costs of removal or remediation of such substances, which could be substantial; and
- (d) the adverse impact on the business operations and financial position of tenants arising from the above, affecting their ability to trade and meet their tenancy obligations.

There can be no assurance that potential environmental liability does not exist or will not arise in the future. The presence of contamination or hazardous substances on AA REIT's properties could adversely affect AA REIT's liability to lease or sell such properties or to borrow using these properties as collateral, and AA REIT may be required to incur unbudgeted capital expenditure to remedy such issues, which could have an adverse impact on AA REIT's business, financial condition, results of operations and/or prospects and may in turn affect AA REIT's ability to fulfil its payment obligations under the Securities.

***The Properties owned by AA REIT in Singapore are mainly industrial, logistics and business park properties and have limited uses***

The Properties owned by AA REIT in Singapore are mainly located on sites zoned for industrial purposes in the Master Plan Zoning (2019 edition). As a result, the Properties located in Singapore on such designated lands may only be used for a specific purpose. If AA REIT or any of the tenants terminates any of the lease agreements, or if a tenant loses its licence to operate, AA REIT may not be able to find a replacement tenant to lease those industrial facilities in a timely manner or on favourable terms acceptable to AA REIT or at all. In the event that AA REIT is unable to find a tenant to lease the affected property in Singapore for industrial, logistics or business park purposes, AA REIT may need to change the use of the affected Property in Singapore in order to be able to lease it and to generate income. There can be no assurance that AA REIT will be able

to obtain the requisite approval to change the zoning of the sites on which its properties in Singapore are located, and even if such approvals are obtained, AA REIT may be required to incur significant time and expenditure to alter its properties to make them suitable for other uses. If any of the above events were to occur, AA REIT's financial condition and results of operations may be materially and adversely affected, and this may indirectly affect AA REIT's ability to fulfil its payment obligations under the Securities.

***Certain Properties in the portfolio may be located within the railway protection and safety zone and certain activities may not be carried out in such zone unless the prior approval of the Land Transport Authority ("LTA") is obtained***

Certain Properties may be located within the railway protection zone and railway safety zone. For such Properties that are located within railway protection and/or safety zones, AA REIT would be required to obtain the prior approval of the LTA before carrying out restricted activities within the railway protection zone and, where applicable, the railway safety zone, and any restricted activity being carried out on the railway protection zone and the railway safety zone shall be subject to the regulations under the Rapid Transit Systems (Railway Protection, Restricted Activities) Regulations 2021. Such restricted activities include the use of any crane, piling equipment, excavator or any other mechanical equipment or vehicle, the storage of materials and the erection of temporary structures such as maintenance towers and hoardings or other similar temporary structures. In addition, AA REIT will not be allowed to carry out any restricted activity within six metres of the railway and any person contravening such restriction shall be guilty of an offence. In view of the aforesaid restrictions, it is required that any future asset enhancement or other redevelopment or rectification works in respect of the relevant properties be carefully planned and carried out under close supervision and diligence to avoid damaging or affecting the mass rapid transit structures and the safety of railway operation.

If AA REIT intends to carry out any restricted activity within the railway protection zone or, where applicable, the railway safety zone, there is no guarantee that the LTA would grant its permission. The LTA may impose terms and conditions as it thinks fit in granting its permission. This may affect the ability of AA REIT to carry out asset enhancement or other development or rectification works in respect of the relevant properties.

## **RISKS RELATING TO AN INVESTMENT IN THE SECURITIES**

### **Risks relating to an investment in the Securities generally**

#### ***The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets;
- understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments and such instruments may be purchased as a way to reduce risks or enhance yield with an understood, measured and appropriate addition of risks to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (a) Securities are legal investments for the potential investor, (b) Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

***Limited liquidity of the Securities issued under the Programme***

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities develops, there can be no assurance as to its liquidity or sustainability. Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments with a developed secondary market. This may particularly be the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and higher price volatility than conventional debt securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer, AA REIT and the AA REIT Manager. If the Securities are trading at a discount, investors may not receive a favourable price for their Securities, and in some circumstances, investors may not be able to sell their Securities at their fair market value or at all.

A lack of liquidity may have a material adverse effect on the market value of the Securities. Although issuing additional Securities may increase their liquidity, there can be no assurance that the price of such Securities will not be adversely affected by such issuance.



Although an application will be made for the listing and quotation of Securities issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Securities will be so listed or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

#### ***Fluctuation of market value of Securities issued under the Programme***

The trading price of the Securities may be influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, AA REIT, its subsidiaries, associated companies (if any) and/or joint venture companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, AA REIT, its subsidiaries, associated companies (if any) and/or joint venture companies (if any) generally. Adverse economic developments, in Singapore and countries in which the Issuer, AA REIT, its subsidiaries, associated companies (if any) and/or joint venture companies (if any) operate or have business dealings could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Issuer, AA REIT, its subsidiaries, associated companies (if any) and/or joint venture companies (if any). As a result, the market price of the Securities may be above or below the price at which the Securities were initially issued to the market.

Further, global financial turmoil, geopolitical and trade tensions between the United States and China, rising energy prices, elevated interest rates and inflation coupled with the ongoing conflict between Russia and Ukraine and the conflict between Hamas and Israel have resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial or geopolitical conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Securities.

#### ***Investments in the Securities are subject to interest rate risk***

Securityholders may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Securities may rise. The Securityholders may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

#### ***The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”***

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”. The Pricing Supplement for the Securities will specify which benchmark is applicable.

Interest rates and indices which are deemed to be or used as “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security linked to or referencing such a benchmark.



Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union (“**EU**”). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation, as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the “**FCA**”) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the London Interbank Offered Rate (“**LIBOR**”) has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. The UK FCA has through a series of announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Following FCA’s announcement on 5 March 2021, LIBOR was discontinued on 30 June 2023 and was replaced by the Secured Overnight Financing Rate (“**SOFR**”).

As the Singapore dollar Swap Offer Rate (“**SOR**”) methodology relies on US\$ LIBOR in its computation, the discontinuation of LIBOR on 30 June 2023 impacted the sustainability of SOR. On 30 August 2019, the MAS announced that, it has established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from SOR to the Singapore Overnight Rate Average (“**SORA**”). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR.

The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and Steering Committee for SOR & SIBOR transition to SORA (“**SC-STs**”) (together, the “**Committees**”) laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for Singapore dollar financial markets. Following industry consultations by the Committees, SOR was discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have discontinued SIBOR, with 6-month SIBOR having been discontinued on 31 March 2022 and 1-month and 3-month SIBOR having been discontinued on 31 December 2024.

In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR linked financial products, which was updated on 5 August 2021 and 18 July 2022. On 14 December 2022, the SC-STS published an implementation paper setting out technical details for the implementation of SC-STS' supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STS' supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA. The SC-STS has also published an adjustment spread calculator which market participants have been encouraged to use for the purpose of supporting the active transition of SOR loans to SORA. On 25 February 2025, the SC-STS announced the successful completion of the interest rate benchmark transition exercise from SOR and SIBOR to SORA.

The elimination of the LIBOR, SOR and SIBOR benchmarks or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark".

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR, SOR and SIBOR benchmarks or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions or result in adverse consequences to holders of any securities linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

The Conditions of the Notes and the Conditions of the Perpetual Securities may provide for certain fallback arrangements in the event that a published benchmark, such as SORA (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. Due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an independent adviser acting in consultation with the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the national or international reforms in making any investment decision with respect to any Securities linked to or referencing a benchmark.

***The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Securities***

Investors should be aware that the market continues to develop in relation to risk-free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted. Please refer to “Risk Factors – The regulation and reform of “*benchmark*” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “*benchmarks*”” for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to any Securities that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Securities referencing risk free rates that differ materially in terms of interest determination when compared with any previous Securities referencing the same risk-free rate issued by it under the Programme. The development of risk-free rates as interest reference rates for the bond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Securities issued under the Programme which references any such risk-free rate from time to time.

Furthermore, the basis of deriving certain risk-free rates, such as SORA, may mean that interest on the Securities which reference any such risk-free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date or, as the case may be, Distribution Payment Date. It may be difficult for investors in Securities which reference any such risk-free rate to accurately estimate the amount of interest, or, as the case may be, distribution which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of the Securities. Further, in contrast to SIBOR-linked securities, if Securities referencing SORA become due and payable as a result of an event of default, or, as the case may be, enforcement event under the Conditions, the rate of interest payable for the final Interest Period, or, as the case may be, Distribution Period in respect of such Securities may only be determined on the date which the Securities become due and payable. Investors should consider these matters when making their investment decision with respect to any such Securities.

In addition, the manner of adoption or application of risk-free rates in the bond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk free rate securities issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Securities, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market’s forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Securities, the trading price of such Securities linked to such risk-free rates may be lower than those of securities referencing indices that are more widely used.

Risk free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates, such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Since risk free rates are relatively new market indices, Securities linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest or distribution rate provisions, may evolve over time, and trading prices of such Securities may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Securities is linked does not prove to be widely used in securities like the Securities, the trading price of such Securities linked to a risk-free rate may be lower than those of Securities linked to indices that are more widely used. Investors in such Securities may not be able to sell such Securities at all or may not be able to sell such Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk-free rate to which a series of Securities is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Securities referencing such risk free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Securities and the trading prices of such Securities.

***AA REIT may not fully hedge the currency risks associated with Securities denominated in foreign currencies***

AA REIT's revenue is generally denominated in Singapore dollars and its operating expenses are generally incurred in Singapore dollars. As Securities issued under the Programme can be denominated in currencies other than Singapore dollars, AA REIT's business, financial conditions, results of operations and/or prospects may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that AA REIT will be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

***Investments in the Securities are subject to inflation risk***

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the quantum of actual returns.

***Performance of contractual obligations by the Issuer is dependent on other parties***

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the AA REIT Manager, the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil their respective obligations to the Securityholders and Coupon holders.

### ***The Securities are subject to modification***

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

### ***The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)***

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities and Global Certificates.

While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to CDP or such other clearing system, as the case may be, for distribution to their account holders. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities will not have a direct right under the Global Securities to take enforcement action against the Issuer in the event of a default or an enforcement event under the relevant Securities but will have to rely upon their rights under the Trust Deed.



***Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected***

The Issuer will pay principal and interest or distributions on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders' financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the amount payable on the Securities, if any, and (c) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less principal, interest and/or distributions than expected, or no principal, interest and/or distributions at all.

***The value of the Securities could be adversely affected by a change in Singapore law or administrative practice***

The terms and conditions of the Securities are based on Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities and any such change could materially adversely impact the value of any Securities affected by it.

***Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade***

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or distribution or to vote or attend meetings of Securityholders) in respect of such Securities.

***The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction***

In certain circumstances (including, without limitation, pursuant to Condition 11 of the Notes and Condition 9(c) of the Perpetual Securities), the Trustee may at its discretion request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any



such action if not first indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

***Securities may be issued at a substantial discount or premium***

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***The Securities are not secured***

The Securities and Coupons of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities and the Coupons relating thereto) and unsecured obligations of the Issuer and 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 Issuer.

Accordingly, on a winding-up or termination of the Issuer and/or AA REIT, the Securityholders will not have recourse to any specific assets of the Issuer or AA REIT as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer and/or AA REIT, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

***Commencement of proceeding under applicable Singapore insolvency or related laws may result in a material adverse effect on the Securityholders***

There can be no assurance that AA REIT and/or HSBC Institutional Trust Services (Singapore) Limited will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. Whereas Singapore insolvency and related laws applicable to companies are not directly applicable to real estate investment trusts and business trusts, HSBC Institutional Trust Services (Singapore) Limited could be subject to these laws, and the application of these laws, insofar as it relates to liabilities incurred and assets held by HSBC Institutional Trust Services (Singapore) Limited (on trust for AA REIT), may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where AA REIT or HSBC Institutional Trust Services (Singapore) Limited is insolvent or close to insolvent and the AA REIT Trustee or HSBC Institutional Trust Services (Singapore) Limited undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the AA REIT Trustee or, as the case may be, HSBC Institutional Trust Services (Singapore) Limited. It may also be possible that if a company related to the AA REIT Trustee or, as the case may be, HSBC Institutional Trust Services (Singapore) Limited proposes a creditor scheme of arrangement and obtains an order for a moratorium, the AA REIT Trustee or,

as the case may be, HSBC Institutional Trust Services (Singapore) Limited may also seek a moratorium even if the AA REIT Trustee or HSBC Institutional Trust Services (Singapore) Limited is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the relevant judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the AA REIT Trustee or, as the case may be, HSBC Institutional Trust Services (Singapore) Limited (whether in its own capacity or as the AA REIT Trustee), the need to obtain court permission or the judicial manager's consent (in the case of judicial management) may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number (or such number as the court may order) representing at least 75% in value of creditors and the court approve such scheme. In respect of such schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing at least 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the “**IRD Act**”) was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Securities.

#### ***Enforcement against the AA REIT Trustee is subject to limitations***

Securityholders should note that the Securities are issued by the AA REIT Trustee and not AA REIT, as the latter is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders shall only have recourse to the assets of AA REIT and not the personal assets of HSBC Institutional Trust Services (Singapore) Limited nor any other asset held by HSBC Institutional Trust Services (Singapore) Limited as trustee of any trust other than AA REIT. Furthermore, Securityholders do not have direct access to the assets of AA REIT but may only have recourse to such assets through the AA REIT Trustee and if necessary seek to subrogate the AA REIT Trustee's right of indemnity out of the assets of AA REIT, and accordingly, any claim to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the AA REIT Trustee's right of indemnity under the AA REIT Trust Deed. Securityholders should also note that such right of indemnity of the AA REIT Trustee may be lost by virtue of fraud, gross negligence, wilful default of the AA REIT Trustee, breach of any provisions of the AA REIT Trust Deed or breach of trust by the AA REIT Trustee.

In this regard, the Trust Deed, the Programme Agreement, the Agency Agreement and the Securities (the “**Relevant Documents**”) provide that any liability of or indemnity given by the AA REIT Trustee under the Relevant Documents is limited to the assets of AA REIT and shall not extend to any personal assets of HSBC Institutional Trust Services (Singapore) Limited, or any assets held by HSBC Institutional Trust Services (Singapore) Limited as trustee of any trust other than AA REIT. They also provide that the foregoing shall not restrict or prejudice the rights or remedies of any of the other parties to the Relevant Documents under law or equity.

***The Securities may be subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem Securities issued by it, the market value of such Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Issuer's ability to comply with its obligation to repay the Securities may be dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group***

The Issuer's ability to comply with its obligation to repay the Securities may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Group's ability to fund its business operations and the Issuer's ability to comply with its payment obligations under the Securities.

Further, the ability of the Issuer to make scheduled principal, distribution or interest payments on its indebtedness, including the Securities, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "Risk Factors", many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Securities, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

**RISK RELATING TO THE NOTES**

***Investments in the Notes may be subject to Singapore taxation***

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2028 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Taxation – Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

***Variable Rate Notes may have a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

## **RISKS RELATING TO THE PERPETUAL SECURITIES**

### ***Perpetual Securities may be issued for which investors have no right to require redemption***

The Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

### ***If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities***

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion and subject to certain conditions, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's or the Group's business, financial condition, results of operations and/or prospects.

### ***If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option on date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events***

The Perpetual Securities have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

### ***There are limited remedies for default under the Perpetual Securities***

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings of the Issuer and/or AA REIT, and/or prove in the Winding-Up of the Issuer and/or AA REIT, and/or claim in the liquidation of the Issuer and/or AA REIT is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of three business days after the due date. The only remedy against the Issuer and/or AA REIT available to the Trustee or, where the Trustee has failed to proceed against the Issuer and/or AA REIT as provided in the Conditions of the Perpetual Securities, to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up and/or proving in such Winding-Up and/or claiming in the liquidation of the Issuer and/or AA REIT in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

### ***The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities***

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

### ***The Subordinated Perpetual Securities are subordinated obligations***

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. Subject to the insolvency laws of Singapore and all other applicable laws, in the event of the Winding-Up of the Issuer and/or AA REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of the Issuer and/or AA REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of AA REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**AA REIT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of the Issuer and/or AA REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer and/or AA REIT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each AA REIT Notional Preferred Unit on a return of assets in such Winding-Up of the Issuer and/or AA REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions



(as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities. In the event of a shortfall of funds or a Winding-Up of the Issuer and/or AA REIT, there is a real risk that an investor in Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid or accrued distributions.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

***A change in the law governing the subordination provisions of the Perpetual Securities may adversely affect Securityholders***

The provisions of the Conditions of the Perpetual Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Perpetual Securities.

***Any future change in the accounting treatment of the Perpetual Securities may entitle the Issuer to redeem such Securities***

Any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the “SFRS”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of AA REIT (the “**Relevant Accounting Standards**”) which results in the Perpetual Securities not being regarded as “equity” of AA REIT will allow the Issuer to redeem such Perpetual Securities.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

***Tax treatment of the Perpetual Securities is unclear***

It is not clear whether any particular tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as “debt securities” by IRAS for the purposes of the ITA, or whether distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded by IRAS as interest payable on indebtedness for the purposes of the ITA or whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Taxation – Singapore Taxation”) would apply to the Relevant Tranche of the Perpetual Securities.



If the Relevant Tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA, or the distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded by IRAS as interest payable on indebtedness for the purposes of the ITA or holders thereof are not eligible for the tax exemptions or tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

## AIMS APAC REIT

### 1. HISTORY AND BACKGROUND

AA REIT is a real estate investment trust that was first listed on the SGX-ST on 19 April 2007 (the “**Listing Date**”), and has the investment objective of owning and investing in a diversified portfolio of income-producing real estate assets located throughout the Asia-Pacific region that is used for industrial purposes including, but not limited to, warehousing and distribution, business park and manufacturing activities.

AA REIT was constituted on 5 December 2006 under the AA REIT Trust Deed.

AA REIT has a market capitalisation of approximately S\$1,025.6 million as at the Latest Practicable Date. The property portfolio of AA REIT comprises 28 properties<sup>3</sup>, of which 25 properties are located throughout Singapore and three properties<sup>4</sup> are located in Australia, with an estimated total portfolio value of approximately S\$2.13 billion<sup>5</sup> as at 31 December 2024.

The Properties are diversified across the key industrial sub-sectors of logistics and warehouse, business park, high technology, light industrial and general industrial spaces. The tenants of the Properties comprise international and local companies that are engaged in a diversified range of trade sectors including, inter alia, logistics, food and consumer staples, telecommunications, healthcare and life sciences, data centres, engineering, fashion, apparels and cosmetics, retail and consumer discretionary, automotive, oil, gas, energy and marine, and furniture and furnishing.

AA REIT is managed by the AA REIT Manager, a REIT management company that is solely owned by AIMS Financial Group as at the Latest Practicable Date.

The AA REIT Manager is committed to providing a competitive total return for Unitholders comprising strong and stable distributions and potential capital growth over the long term. Its goal at all times is to enhance Unitholders’ wealth by growing distributable income and to maximise the value of the Properties. To achieve this objective, AA REIT’s strategy focuses on the following four strategic pillars: (i) selective investments and developments; (ii) active asset and leasing management; (iii) prudent capital and risk management; and (iv) business operation and capital partnership. For more information on investment strategy, please refer to the section “Strategies”.

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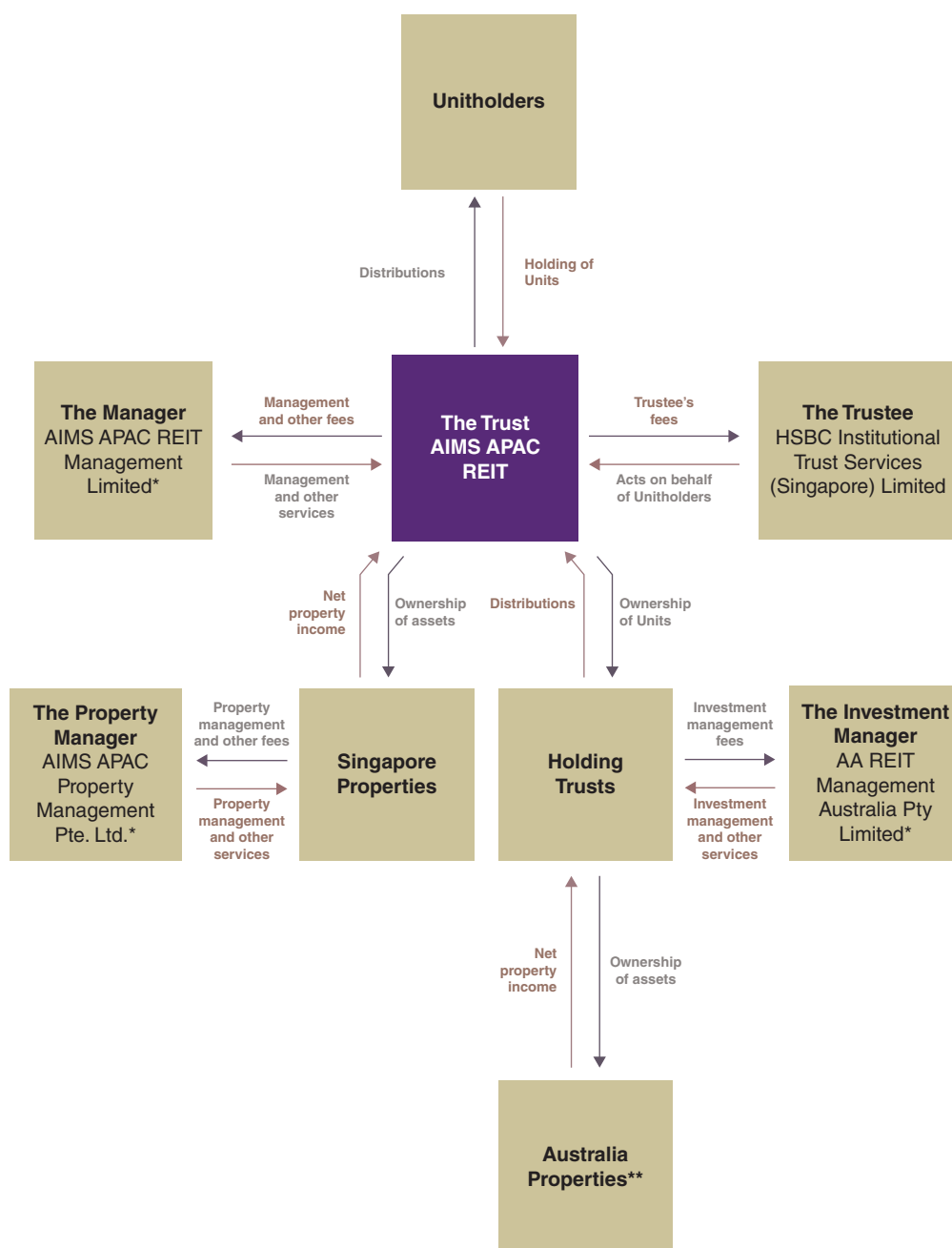
<sup>3</sup> This includes 3 Toh Tuck Link, the divestment of which is targeted to be completed by the first half of 2025, subject to regulatory approval.

<sup>4</sup> This includes a 49% interest in one business park property located in Macquarie Park, New South Wales, Australia (“**Optus Centre**”).

<sup>5</sup> Property portfolio valuation was conducted as at 31 March 2024, except for Optus Centre, which was valued as at 31 December 2024 at approximately AUD630 million (equivalent to S\$532.5 million, at an exchange rate of A\$1.00 = S\$0.8452) compared to AUD668 million (equivalent to S\$588 million, at an exchange rate of A\$1.00 = S\$0.8802), as at 31 March 2024.

## 2. STRUCTURE OF AA REIT

The following diagram illustrates the relationships between AA REIT, the AA REIT Manager, the AA REIT Property Manager, the AA REIT Investment Manager, the AA REIT Trustee and the Unitholders as at the Latest Practicable Date:



\* Indirectly owned by AIMS Financial Group.

\*\* The Australian properties are Woolworths HQ, Optus Centre and Boardriders Asia Pacific HQ. Optus Centre is held through a joint venture and the joint venture partners have certain pre-emptive rights that may be triggered if there are changes in the trust ownership structure.

### 3. STRATEGIES

The principal investment objectives of AA REIT are to own and invest in a diversified portfolio of income-producing industrial, logistics and business park real estate located throughout the Asia-Pacific region and to ensure that Unitholders' capital is protected, their distributions remain stable, and their long-term value is enhanced. The AA REIT Manager plans to achieve these objectives through the following strategies:

#### (i) Selective Investments and Developments Strategy

The AA REIT Manager aims to pursue total return investments in the Asia-Pacific region, particularly in Singapore and Australia. Accordingly, the AA REIT Manager will continue to monitor economic and property market trends in potential target markets in the Asia-Pacific region for suitable investment opportunities. Within the limits and requirements of the Property Funds Appendix, the AA REIT Manager also aims to capitalise on its development track record and will pursue development and/or build-to-suit projects when opportunities arise.

In evaluating potential acquisition and/or development opportunities, the AA REIT Manager will be guided by the following:

- focus on growing a stable and sustainable income;
- adopt a disciplined investment approach by continuing its track record in acquiring quality assets in Singapore and Australia that offer long-term sustainable income and capital growth; and
- carry out continuous portfolio rejuvenation through targeted redevelopment projects in Singapore and Australia to enhance long term value and returns.

#### (ii) Active Asset and Leasing Management Strategy

As part of its active asset and leasing management strategy, the AA REIT Manager will actively manage its properties, together with the AA REIT Property Manager (for AA REIT's properties in Singapore) and the AA REIT Investment Manager (for Optus Centre, Woolworths HQ, and Boardriders APAC HQ), to enhance the competitive strengths of its properties and improve returns from its portfolio through prudent control of property outgoings, active marketing and leasing of any vacant properties or properties whose leases are expiring, an annual maintenance programme to maintain and enhance its properties, and asset refurbishment and enhancement projects to increase the competitive positioning of the assets.

The AA REIT Manager also constantly reviews its portfolio for efficiencies and growth opportunities. In addition, the AA REIT Manager, together with the AA REIT Property Manager (for AA REIT's properties in Singapore) and the AA REIT Investment Manager (for Optus Centre, Woolworths HQ and Boardriders APAC HQ), will continue to: (a) provide value-added property-related services and push for opportunities and rejuvenate the portfolio, (b) engage in proactive lease management so as to establish the strong relationships necessary for maintaining high tenant retention levels, minimising vacancy levels and driving positive rental reversion, and (c) secure long term lease terms and renewals with built-in rental escalations. The AA REIT Manager plans to meet its objective of increasing the yields and maximising returns from its Properties through the following strategies:

- **AEIs and portfolio rejuvenation** – In order to ensure that its properties remain relevant and contemporary to existing and potential tenants and enable AA REIT to enhance its occupancy rates and rental rates, the AA REIT Manager will aim to enhance

the intrinsic value of its Properties via implementing a proactive asset management strategy, which includes exploring redevelopment and asset enhancement opportunities for its Properties and carrying out redevelopment and asset enhancement projects. The AA REIT's value creation via the current ongoing enhancement initiatives of two assets are underway in Singapore to drive organic growth. For further details, see the paragraph headed "(vii) Proven track record in delivering on AEIs" on page 163 of this Information Memorandum.

- **Proactive lease management to maintain high occupancy and drive positive rental reversion** – The AA REIT Manager intends to maintain high occupancy rates by actively marketing any vacancies, pursuing new leasing opportunities and promptly managing lease renewals through conducting negotiations with tenants in advance of their lease expiry. The AA REIT Manager's leasing strategy will target new tenants for AA REIT's existing Properties while exploring the expansion needs of existing tenants. The AA REIT Manager will also conduct active asset management programmes on its Properties to ensure high occupancy is maintained with a view to achieving positive rental reversions on these Properties.

For 3Q FY2025, the AA REIT Manager successfully executed 19 new and 41 renewal leases, representing 127,299 sq m or approximately 16.4% of AA REIT's total net lettable area ("NLA"). AA REIT's property portfolio achieved a healthy portfolio occupancy rate of 94.5% as at 31 December 2024.

- **Leveraging on existing relationships with tenants and secure long lease terms** – The AA REIT Manager intends to leverage on existing relationships with tenants to manage lease renewals, with built-in rental escalations and create asset acquisition and leasing opportunities as these tenants expand in Singapore and in the Asia-Pacific region. Regular feedback is also obtained from tenants to foster close landlord-tenant relationships.

### (iii) Prudent Capital and Risk Management Strategy

The AA REIT Manager aims to optimise AA REIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix by implementing proactive measures to mitigate interest rate fluctuations and adopting a disciplined hedging policy to reduce currency and interest rate risks. The prudent capital management strategy also seeks to maintain an efficient capital structure with a view to ensuring adequate liquidity for refinancing and working capital requirements, while supporting future AEIs, redevelopment and acquisition growth opportunities.

The measures which the AA REIT Manager aims to implement with respect to prudent capital management include the following:

- maintain a resilient and flexible balance sheet with prudent leverage position;
- diversify funding sources from both financial institutions and capital markets;
- employ an appropriate mix of debt and equity in the financing of acquisitions and AEIs;
- maintain a well-staggered debt maturity profile;
- actively manage the exposure arising from adverse market movements in interest rates and foreign exchange through disciplined hedging policy; and
- adopt a focused capital recycling strategy; divestment of non-core assets and reinvestment of proceeds to AEIs, redevelopment and quality assets.

AA REIT has successfully redeveloped six properties, completed five AEIs and is progressing on two new AEIs, to maintain portfolio relevance and fulfil the modern needs of occupants. For further details, see the paragraph headed “(vii) Proven track record in delivering on asset enhancement strategy” on page 163 of this Information Memorandum.

#### **(iv) Business Operation and Capital Partnership Strategy**

The AA REIT Manager seeks to capitalise on the Sponsor’s track record in asset management, developments and investments to attract new capital and business partners.

The introduction of new capital partners will diversify AA REIT’s risk by broadening its investment holdings through investment with joint venture partners in select assets and developments. This will allow AA REIT to diversify its capital and be invested in more assets, which will reduce exposure risk, while providing access to the income and capital growth of those assets.

Collaboration with business partners, such as third-party logistics centre operators, or other end users, can also add value for both parties by creating synergies, and can lead to new built-to-suit development and co-investment opportunities for AA REIT. For example, a logistics tenant, seeking a dedicated facility, could work closely with AA REIT and take up a long-term lease of a new built-to-suit development.

### **4. COMPETITIVE STRENGTHS OF AA REIT**

#### **(i) Strategically Located Portfolio**

As at the Latest Practicable Date, AA REIT’s property portfolio comprises 28 properties<sup>6</sup>, 25 of which are strategically located in Singapore’s established industrial areas, with the remaining three properties<sup>7</sup> located in Australia.

AA REIT’s Singapore-located properties are easily accessible by major highways and are in close proximity to sea ports, airports, amenities and public transportation, making these properties attractive to both existing and potential new tenants.

AA REIT’s first overseas property, Optus Centre, is located in Macquarie Park, north-west of the Sydney central business district which is the second largest business zone in New South Wales. AA REIT’s second overseas property, Boardriders APAC HQ, is located in the Gold Coast suburb of Burleigh Heads which is an established industrial, commercial, retail and residential suburb. AA REIT’s third overseas property, Woolworths HQ, is located at the gateway of Norwest, possessing seamless access to amenity, public transport and major arterial roads. For 3Q FY2025, approximately 75.1% of AA REIT’s GRI was contributed by its properties located in Singapore and the balance 24.9% was contributed by Optus Centre, Woolworths HQ, and Boardriders APAC HQ in Australia.

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<sup>6</sup> This includes 3 Toh Tuck Link, the divestment of which is targeted to be completed by the first half of 2025, subject to regulatory approval.

<sup>7</sup> This includes a 49% interest in Optus Centre.



## (ii) Diversified Tenancies through Master Lease and Multi-tenancy Properties

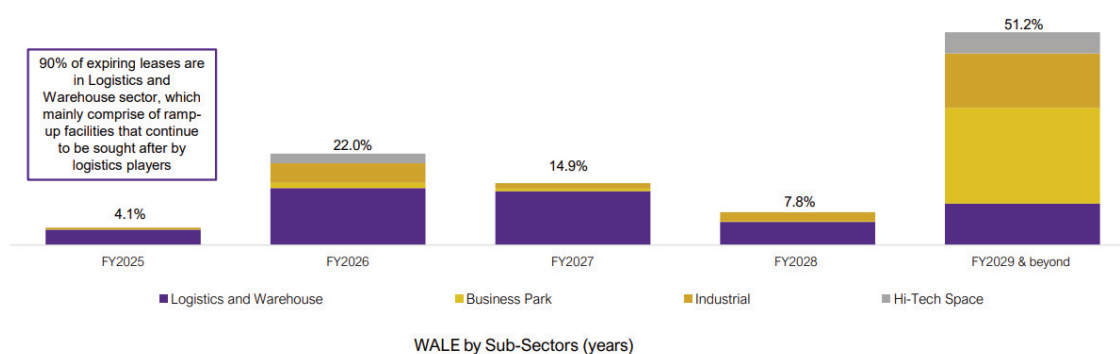
For 3Q FY2025, approximately 57.7% of AA REIT's GRI was contributed by Properties under multi-tenancy lease arrangements and the remaining 42.3% was contributed by Properties under single-user lease arrangements. The single-user lease arrangements typically provide for longer lease durations ranging from 5 to 10 years over the entire property or majority of the premises within a property, which allows for built-in rental escalations thus providing a stable growth of income stream for the portfolio. Multi-tenancy properties, with typically shorter leases of around 3 to 5 years, allow the opportunity for AA REIT to reposition the portfolio according to volatile market conditions, and enjoy potential positive rental reversion and potential organic income growth within the portfolio. The diversity in lease structures allows AA REIT to minimise risks associated with reliance on a particular lease property or customer.

For 3Q FY2025, the AA REIT Manager successfully executed 19 new and 41 renewal leases, representing 127,299 sq m or approximately 16.4% of AA REIT's total NLA. AA REIT's portfolio achieved a healthy portfolio occupancy rate of 94.5% as at 31 December 2024.

## (iii) Active Lease Management

As at 31 December 2024, the WALE by GRI of AA REIT's property portfolio stood at 4.7 years<sup>8</sup>. With a well staggered lease expiry profile, the Property portfolio enjoys stability of income as approximately 51.2% of the total Property portfolio GRI is committed until FY2029 and beyond, reducing AA REIT's exposure to near term lease expiries. The AA REIT Manager carries out active asset and lease management programmes to ensure high occupancy is maintained with a view to achieving positive rental reversions on the properties.

The chart below shows the lease expiry profile for the Properties (by percentage of GRI) as at 31 December 2024:



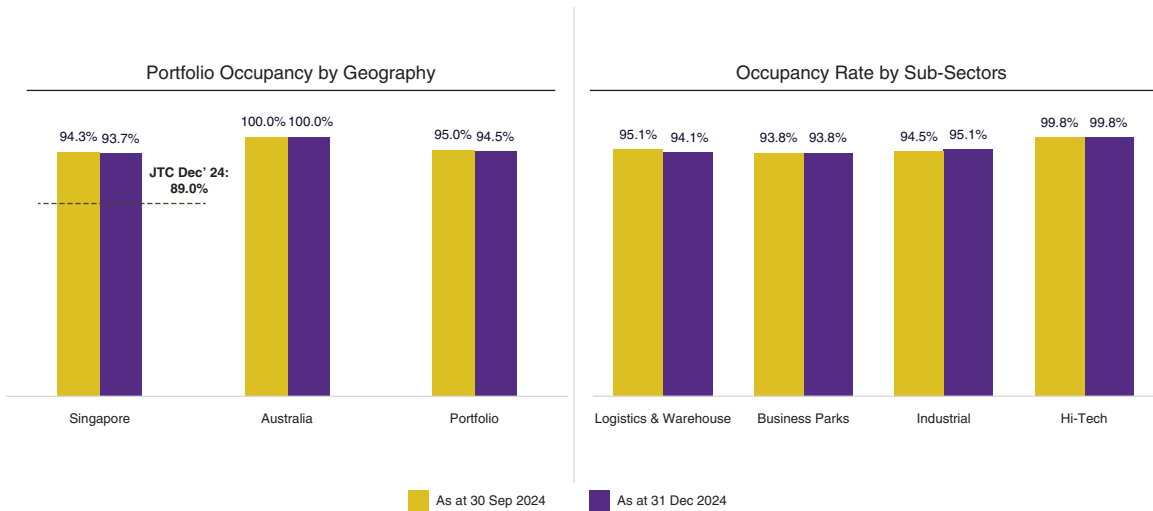
Portfolio WALE	Logistics & Warehouse	Business Park	Industrial	Hi-Tech
4.7	2.2	6.9	3.7	5.2

<sup>8</sup> Computation included forward committed leases. Excluding forward committed leases, the WALE is 4.4 years as at 31 December 2024.

(iv) High Occupancy Levels

The occupancy rate of the Properties stood at 96.3%<sup>9</sup> as at 31 December 2024.

The charts below show the occupancy rate for the Properties by geography and sub-sectors as at 30 September 2024 compared to 31 December 2024:



(v) Diversification

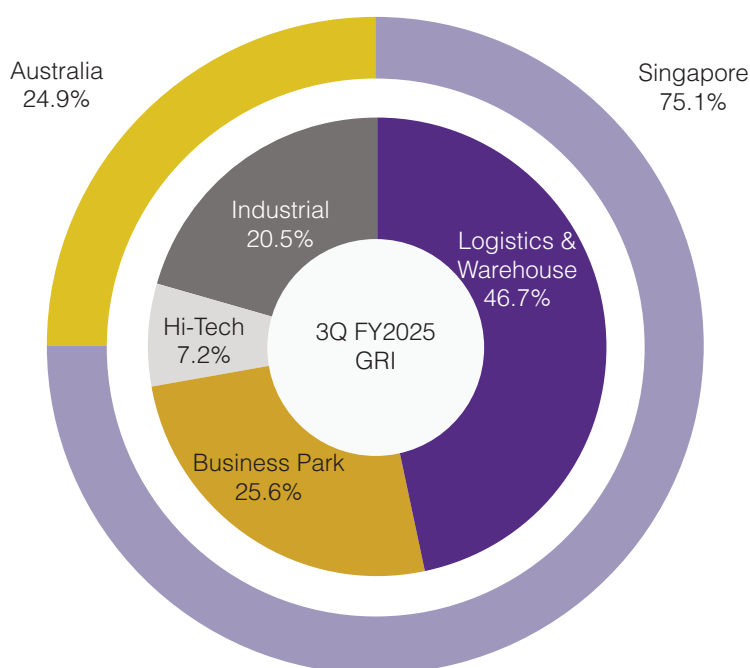
Diversified Property Usage

AA REIT owns a portfolio of industrial properties across a range of industrial sub-sectors, comprising logistics and warehouse, business park, hi-tech and industrial spaces. The Properties in AA REIT’s portfolio serve the spatial requirements of various segments of the economy.

As at 3Q FY2025, most of the Properties in AA REIT’s portfolio are located in Singapore, with a fast-growing logistics and warehouse segment (comprising cargo lift warehouses and ramp-up facilities) being the largest sector, supporting Singapore as one of the world’s busiest ports. AA REIT’s property portfolio is also anchored by high-quality Australian business parks and hi-tech space and 54% of the portfolio’s leases by GRI have built-in escalations. The diversity in end-user mix of the Properties in the portfolio allows AA REIT to minimise risks associated with reliance on a single industrial sub-sector and to achieve rental growth that is complemented with income stability.

<sup>9</sup> The portfolio occupancy rate is based on committed leases.

The chart below shows the industrial sub-sectors and geography to which the Property portfolio relate (by GRI) for 3Q FY2025:



#### Diversified Income Base

The Property portfolio has a diversified high-quality tenant base, which includes a mixture of large multinational companies, publicly listed companies and private companies. The top 10 tenants accounted for approximately 50.9% of GRI for 3Q FY2025.

The table below shows the top 10 tenants (by GRI) for 3Q FY2025:

No.	Tenant Name	% GRI	Trade Sector	Lease Expiry (Years)
1	Woolworths	13.3	Food & Consumer Staples	6.7
2	Optus	9.8	Telecommunications	8.5
3	Illumina Singapore	7.0	Life Sciences	5.3
4	KWE-Kintetsu World Express	6.1	Logistics	4.0
5	Beyonics International	3.3	Precision Engineering	3.3
6	ResMed Asia	2.8	Healthcare	5.2
7	Schenker Singapore	2.7	Logistics	1.7
8	DHL Supply Chain Singapore	2.1	Logistics	0.4
9	Racks Central Pte Ltd	2.0	Data Centre	5.2
10	LF Logistics Services Pte Ltd	1.8	Logistics	1.4
Total		50.9		5.5

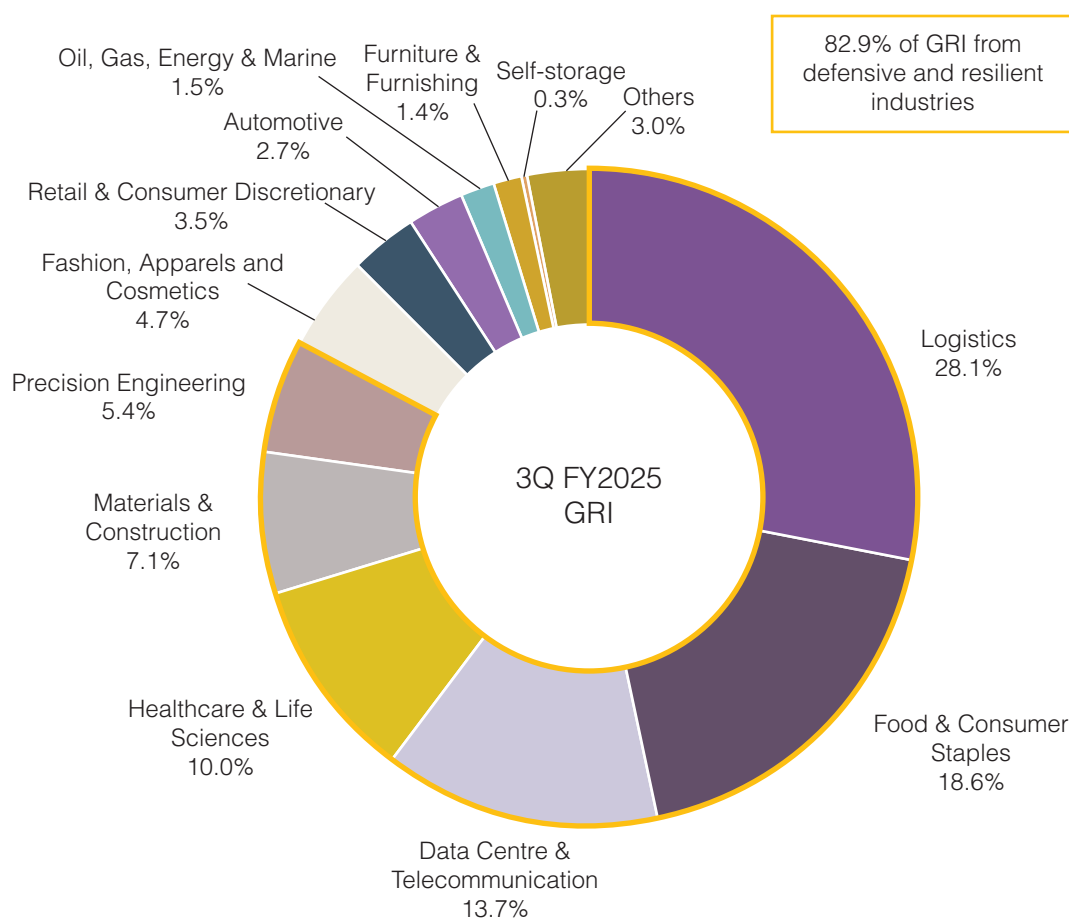
As at 31 December 2024, AA REIT's tenant base consists of approximately 200 tenants.

## Diversified Tenant Mix

The tenants of the Properties in AA REIT's portfolio comprise international and local companies that are engaged in a diversified range of trade sectors including, *inter alia*, logistics, food and consumer staples, data centre and telecommunications, healthcare and life sciences, materials and construction, precision engineering, fashion, apparels and cosmetics, retail and consumer discretionary, automotive, oil, gas, energy and marine, and furniture & furnishing. The diversity in tenant trade mix of the Properties in AA REIT's portfolio allows AA REIT to minimise risks associated with reliance on a single trade sector.

The chart below shows the diversification of AA REIT's tenants across trade sectors (by GRI) for 3Q FY2025:

### 200 tenants diversified across trade sectors



## (vi) Long Leasehold for Expiry of Underlying Land Leases

As at 31 March 2024, the Properties in AA REIT's portfolio enjoy well-distributed long underlying land leases, with a weighted average land lease to expiry of 50.3 years<sup>10</sup>, weighted by valuation.

<sup>10</sup> For the calculation of the weighted average land lease, AA REIT's interest in the freehold properties, Optus Centre, Woolworths HQ, and Boardriders Asia Pacific HQ, have been assumed as 99-year leasehold interests.

**(vii) Proven track record in delivering on AEIs**

Since FY2012, the AA REIT Manager has been focused on developing a higher value portfolio to navigate the competitive environment and future-proof AA REIT to better capture upcoming opportunities in the market.

Through its strategic asset enhancement and development initiatives in Singapore, the AA REIT Manager has completed:

- 5 AEIs completed to date and achieved an average NPI yield of 8.8% for its Singapore AEIs
- 6 redevelopment projects, developed over approximately 2.8 million square feet of logistics, warehouse and high-specification industrial space and achieved an average NPI yield of 8.2%

July 2011	<b>20 Gul Way (Phases One and Two)</b> <ul style="list-style-type: none"><li>• Redevelopment of a five-storey ramp-up warehouse (approximately 1.16 million square feet)</li><li>• Project size: S\$150.1 million</li><li>• TOP of Phase One: 29 October 2012</li><li>• TOP of Phase Two: 7 May 2013</li></ul>
January 2013	<b>103 Defu Lane 10</b> <ul style="list-style-type: none"><li>• Redevelopment of a modern six-storey industrial facility (approximately 203,000 square feet)</li><li>• Project size: S\$21.7 million</li><li>• TOP: 28 May 2014</li></ul>
June 2013	<b>20 Gul Way (Phases Two Extension and Three)</b> <ul style="list-style-type: none"><li>• Further development of additional 497,000 square feet</li><li>• Project size: S\$73 million</li><li>• TOP of Phase Two Extension: 14 June 2014</li><li>• TOP of Phase Three: 9 September 2014</li></ul>
May 2015	<b>30 Tuas West Road</b> <ul style="list-style-type: none"><li>• Redevelopment of a five-storey ramp-up warehouse (approximately 289,000 square feet)</li><li>• Project size: S\$40.6 million</li><li>• TOP: 27 December 2016</li></ul>
April 2016	<b>8 Tuas Avenue 20</b> <ul style="list-style-type: none"><li>• Redevelopment of a three-storey industrial facility (approximately 159,000 square feet)</li><li>• Project size: S\$26.5 million (including land cost)</li><li>• TOP: 29 August 2017</li></ul>
August 2016	<b>51 Marsiling Road</b> <ul style="list-style-type: none"><li>• Greenfield build-to-suit development of an industrial facility (approximately 231,000 square feet)</li><li>• Project size: S\$34.9 million (including land cost)</li><li>• TOP: 27 October 2017</li></ul>
May 2018	<b>3 Tuas Avenue 2</b> <ul style="list-style-type: none"><li>• Redevelopment of a four-storey ramp-up industrial facility (approximately 268,000 square feet)</li><li>• Project size: S\$48.2 million (including land cost)</li><li>• TOP: 10 January 2020</li></ul>

As of 31 December 2024, two AEIs are also underway in Singapore to drive organic growth.

The first AEI project involves upgrading a warehouse asset at 7 Clementi Loop to potentially meet the Green Mark Gold Plus certification and long-term occupational requirement of a global storage and information management company on a 15-year master lease. As of 31 December 2024, the structural and façade works have been completed, whilst renovation works for the office space on level 2 to level 4 are underway.

The second AEI project involves repositioning an industrial property at 15 Tai Seng Drive via targeted building upgrades to attract higher value and hi-tech tenants to capture positive rental reversion. AA REIT has signed a 10-year lease with a global precision engineering and technology group for approximately one-third of the building. As of 31 December 2024, the upgrading works for the internal common areas and amenities are progressively being undertaken across each level. The anchor tenant has progressively taken up space and has started its respective renovation works.

The two AEI projects are expected to be completed by the first quarter of FY2026 and will cost up to approximately S\$32 million, to be financed by the proceeds from the S\$100 million equity fund raising exercise which AA REIT completed in FY2024. Post-completion of the AEI works, the projected NPI yield of these assets is expected to be over 7%.

#### (viii) Prudent capital and risk management

The AA REIT Manager adopts a prudent approach towards capital and risk management. AA REIT enjoys continued access to diversified sources of funding, including debt and equity capital markets, and holds strong and healthy banking relationships with the region's leading financial institutions. The AA REIT Manager's capital management strategy involves prudent hedging strategies to minimise the impact from interest rate and foreign exchange volatilities and as well as its diversified sources of funding.

AA REIT's balance sheet and key financial indicators as at 31 December 2024 and 31 December 2023 are as follows:

<b>Balance Sheet (in S\$' million unless otherwise stated)</b>	<b>As at 31 December 2024</b>	<b>As at 31 December 2023</b>
Total Assets	2,294.7 <sup>11</sup>	2,359.0
Total Liabilities	892.0	888.5
Net Assets	1,402.7	1,470.5
NAV per Unit (S\$)	1.26	1.35

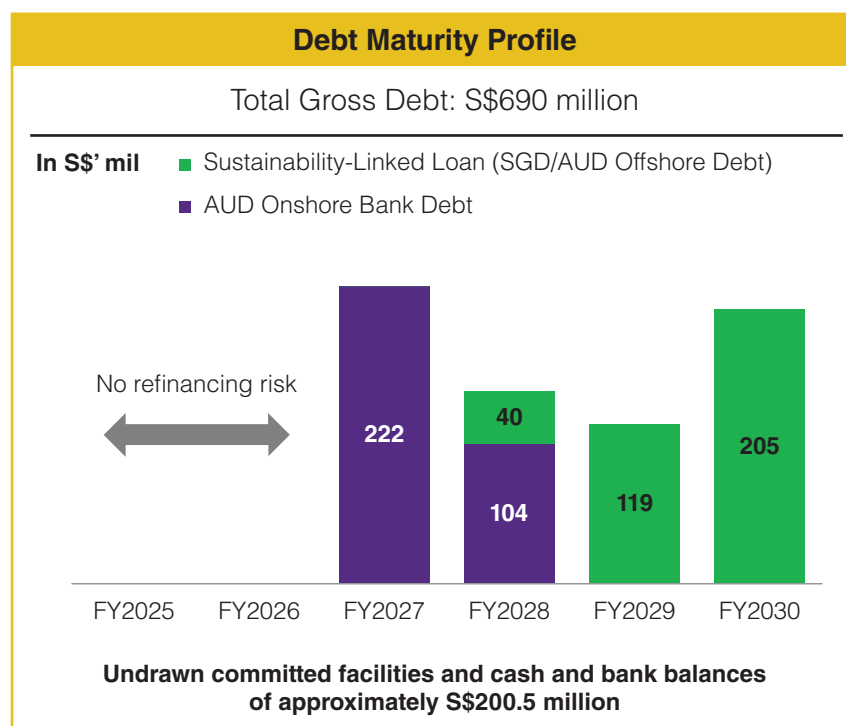
<sup>11</sup> The Group has a 49% interest in Optus Centre. As at 31 December 2024, the property was valued at AUD630 million (equivalent to S\$532.5 million, at an exchange rate of A\$1.00 = S\$0.8452) compared to AUD668 million (equivalent to approximately S\$588 million, at an exchange rate of A\$1.00 = S\$0.8802), as at 31 March 2024. The independent valuation of the property was carried out by Jones Lang LaSalle Advisory Services Pty Ltd (the valuation as at 31 March 2024 was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd).



	As at 31 December 2024	As at 31 December 2023
<b>Key Financial Indicators</b>		
Aggregate Leverage <sup>12</sup> (%)	33.7	32.2
Blended Debt Funding Cost <sup>13</sup> (%)	4.4	4.0
Weighted Average Debt Maturity (years)	3.2	2.6
Interest Coverage Ratio (“ICR”) <sup>14</sup> (times)	2.4	2.3
ICR (“excluding distribution on outstanding Perpetual Securities”) (times)	3.9	3.8
Fixed rate debt as % of total debt	70%	76%

Through prudent balance sheet management, AA REIT maintains a leverage ratio that provides it with headroom for growth.

AA REIT maintains a staggered debt maturity profile. The debt maturity profile of AA REIT as at 31 December 2024 (expressed in S\$ million) is set out below:



<sup>12</sup> Aggregate leverage ratio is computed as total borrowings as a percentage of total assets and 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 MAS guidelines. The total borrowings excluded Perpetual Securities holders' funds.

<sup>13</sup> Based on year-to-date figures.

<sup>14</sup> The 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, borrowing-related fees and distributions on hybrid securities. The borrowing-related fees excludes the unwinding of discounting effect on the present value of lease liabilities and the deferred consideration.

As at 31 December 2024, AA REIT has undrawn commitments facilities and bank balances of approximately S\$200.5 million. This will continue to provide AA REIT with the financial flexibility to manage its capital structure and fund future growth opportunities. Weighted debt maturity was also extended to 3.2 years with no more than one-third of AA REIT's debt expiring in any financial year.

The AA REIT Manager adopts a proactive interest rate management approach in managing risk associated with adverse movements in interest rates on borrowings which carry floating interest rates. As part of risk management, the AA REIT Manager enters into hedging transactions to partially mitigate the risk of such interest rate fluctuations through the use of interest rate swaps and/or fixed rate borrowings. As at 31 December 2024, 70% of AA REIT's total borrowings were on fixed rates (with an average fixed debt tenure of approximately 1.5 years).

To mitigate the foreign exchange risk arising from its Australian investments, AA REIT Manager had funded the investment partially through the use of Australian dollar denominated borrowings which form a natural hedge for the capital invested. As of 31 December 2024, 72% of expected AUD distributable income was hedged into SGD on a rolling four-quarter basis via forward currency contracts.

In September 2024, AA REIT also entered into unsecured sustainability-linked loans ("**SLL**") with staggered maturities which enhances its financial flexibility and positions it for future growth. The SLL is structured to offer sustainability margin adjustments tied to AA REIT's performance in achieving pre-determined sustainability targets which are aligned with AA REIT's sustainability goals. The proceeds were used to refinance existing indebtedness, general corporate purposes, working capital requirements and new growth initiatives. As at 31 December 2024, the proportion of unsecured debt increased to over approximately 50%<sup>15</sup> of the total debt.

## 5. AWARDS AND ACCOLADES

AA REIT has achieved various awards and accolades as a testament to its commitment towards excellence and holding itself to best practices. The various awards and accolades conferred on AA REIT from 1 April 2017 up to the Latest Practicable Date are as follows:

- (i) Traditional Annual Report (REIT): Commercial/Industrial/Office Award (Honors) at the 2017 and 2018 International ARC Awards, highlighting AA REIT's commitment to excellence and delivering value to its Unitholders;
- (ii) Shareholder Communications Excellence Award (Mid Cap) by the Securities Investors Association (Singapore) ("**SIAS**") at the SIAS 18th Investors' Choice Awards 2017, in recognition of its adoption of good corporate governance and investor relations practices;
- (iii) Gold Awards at The Asset Corporate Awards 2017, The Asset Corporate Awards 2018, The Asset Corporate Awards 2019 and The Asset ESG Corporate Awards 2020, in recognition of its continued commitment to uphold high standards of corporate governance, social responsibility and investor relations;
- (iv) Platinum Award for Best Overall ESG & Profitability REITs at The 9th Annual REITs & Real Estate Investment Summit Asia Pacific 2024, in recognition of integrating ESG principles while maintaining profitability, setting a benchmark for the industry;

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<sup>15</sup> Based on the exchange rate of AUD1.00 = SGD0.8452 as at 31 December 2024.

- (v) Gold Award for Best Industrial REIT at The 9th Annual REITs & Real Estate Investment Summit Asia Pacific 2024, in recognition of top performance in the industrial property segment of REITs, driven by the growing demand for logistics facilities; and
- (vi) Conferred with “Highest Returns to Shareholders over Three (3) Years” award at The Edge Singapore 2024 Billion Dollar Club, highlighting AA REIT’s outperformance against its industry sector peers in terms of returns to shareholders.

The AA REIT Manager believes that, in its drive towards operational excellence for AA REIT, best practices on sustainability matters and sound corporate governance are integral in bringing long-term sustainable returns to its Unitholders.

## 6. THE PROPERTIES

As at 31 December 2024, AA REIT’s property portfolio consisted of 28 properties<sup>16</sup> (25 located in Singapore and three located in Australia) and comprised an aggregate NLA of approximately 777,423 sq m.

The total portfolio value was approximately S\$2.13 billion<sup>17</sup> as at 31 December 2024. The portfolio valuation was conducted as at 31 March 2024 except for Optus Centre, which was valued as at 31 December 2024.

The independent valuations for the Properties located in Singapore in AA REIT’s portfolio were carried out by CBRE Pte. Ltd. and Cushman & Wakefield VHS Pte. Ltd., while the Australian properties were valued by Knight Frank Valuation and Advisory Queensland, Savills Valuations Pty Ltd and Jones Lang LaSalle Advisory Services Pty Ltd.

### Certain information about the Portfolio

The table below sets out certain information with respect to each of AA REIT’s Properties which are located in Singapore:

No.	Property Name	Leasehold Title Expiry Year	Type of Lease	Valuation (S\$’ million)	Valuation Date
1	20 Gul Way, Singapore	15 January 2041	Multi-tenancy	241.1	31 March 2024
2	27 Penjuru Lane, Singapore	15 October 2049	Multi-tenancy	190.0	31 March 2024
3	30 Tuas West Road, Singapore	31 December 2055	Multi-tenancy	56.4	31 March 2024
4	7 Bulim Street, Singapore	31 Aug 2042	Master	139.4	31 March 2024

<sup>16</sup> This includes 3 Toh Tuck Link, the divestment of which is targeted to be completed by the first half of 2025, subject to regulatory approval.

<sup>17</sup> Property portfolio valuation was conducted as at 31 March 2024, except for Optus Centre, which was valued as at 31 December 2024 at AUD630 million (equivalent to S\$532.5 million, at an exchange rate of A\$1.00 = S\$0.8452) compared to AUD668 million (equivalent to S\$588 million, at an exchange rate of A\$1.00 = S\$0.8802), as at 31 March 2024. The independent valuation of the property was carried out by Jones Lang LaSalle Advisory Services Pty Ltd (the valuation as at 31 March 2024 was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd).

<b>No.</b>	<b>Property Name</b>	<b>Leasehold Title Expiry Year</b>	<b>Type of Lease</b>	<b>Valuation (S\$' million)</b>	<b>Valuation Date</b>
5	1A International Business Park, Singapore	31 May 2059	Multi-tenancy	72.0	31 March 2024
6	29 Woodlands Industrial Park E1, Singapore	8 January 2055	Multi-tenancy	139.0	31 March 2024
7	8 & 10 Pandan Crescent, Singapore	31 May 2068	Multi-tenancy	161.0	31 March 2024
8	103 Defu Lane 10, Singapore	30 June 2043	Multi-tenancy	30.7	31 March 2024
9	3 Toh Tuck Link, Singapore <sup>18</sup>	15 November 2056	Multi-tenancy	18.4	31 March 2024
10	10 Changi South Lane, Singapore	15 June 2056	Multi-tenancy	22.4	31 March 2024
11	11 Changi South Street 3, Singapore	31 March 2055	Multi-tenancy	23.1	31 March 2024
12	56 Serangoon North Avenue 4, Singapore	15 May 2055	Multi-tenancy	27.0	31 March 2024
13	7 Clementi Loop, Singapore	15 June 2053	Multi-tenancy	11.5	31 March 2024
14	15 Tai Seng Drive, Singapore	31 March 2051	Multi-tenancy	30.9	31 March 2024
15	1 Bukit Batok Street 22, Singapore	30 June 2055	Multi-tenancy	28.5	31 March 2024
16	23 Tai Seng Drive, Singapore	13 July 2050	Master	41.6	31 March 2024
17	135 Joo Seng Road, Singapore	30 June 2054	Multi-tenancy	23.3	31 March 2024
18	61 Yishun Industrial Park A, Singapore	31 August 2052	Multi-tenancy	19.9	31 March 2024
19	1 Kallang Way 2A, Singapore	30 June 2055	Multi-tenancy	12.2	31 March 2024
20	51 Marsiling Road, Singapore	31 July 2044	Master	50.6	31 March 2024
21	8 Tuas Avenue 20, Singapore	13 Nov 2051	Multi-tenancy	26.6	31 March 2024
22	2 Ang Mo Kio Street 65, Singapore	31 March 2047	Master	19.4	31 March 2024
23	8 Senoko South Road, Singapore	31 October 2054	Master	13.5	31 March 2024

<sup>18</sup> This property is targeted to be divested by the first half of 2025, subject to regulatory approval.

No.	Property Name	Leasehold Title Expiry Year	Type of Lease	Valuation (S\$' million)	Valuation Date
24	26 Tuas Avenue 7, Singapore	31 December 2053	Master	13.7	31 March 2024
25	3 Tuas Avenue 2, Singapore	15 March 2055	Master	56.0	31 March 2024

The table below sets out certain information with respect to each of AA REIT's Properties which are located in Australia:

No.	Property Name	Leasehold Title Expiry Year	Type of Lease	Valuation (A\$' million)	Valuation Date
1	Optus Centre, 1-5 Lyonpark Road, Macquarie Park, New South Wales	Freehold	Master	308.7	31 December 2024
2	Woolworths Headquarters, 1 Woolworths Way, Bella Vista, New South Wales	Freehold	Master	410.0	31 March 2024
3	Boardriders Asia Pacific Headquarters, 209-217 Burleigh Connection Road, Burleigh Waters, Queensland	Freehold	Master	48.0	31 March 2024

A brief description of each of the Properties in AA REIT's portfolio is set out below:

### **Properties in Singapore**

#### **20 Gul Way, Singapore**

20 Gul Way comprises a five-storey warehouse and logistics facility serviced by a central vehicular ramp with a substantial hardstand marshalling yard. The property has 291 loading and unloading bays that are mostly fitted with dock-levellers.

The property is located in a well-established industrial estate at the north-western junction of Gul Way and Gul Circle in Jurong Industrial Estate and is approximately 23.0 km from the city centre. The property is a short drive from Joo Koon MRT station and is well-served by expressways such as Ayer Rajah Expressway and Pan Island Expressway. The property is also a short drive from the Tuas Checkpoint, the second causeway between Singapore and Malaysia.

#### **27 Penjuru Lane, Singapore**

27 Penjuru Lane incorporates two five-storey individual building envelopes providing high clearance warehouse and logistics facility with mezzanine offices serviced by a central vehicular ramp. In addition, there is an attached nine-storey ancillary office annex incorporating both office accommodation and a canteen.

The property is located within a well-established industrial estate along Penjuru Lane, off Penjuru Road and Jalan Buroh in the Jurong Industrial Estate and is approximately 16.5 km from the city centre. The property is in close proximity to Ayer Rajah Expressway, Pan Island Expressway, West Coast Highway and Jurong East MRT station.

### **8 & 10 Pandan Crescent, Singapore**

8 & 10 Pandan Crescent comprises one five-storey (Block 8) and one six-storey (Block 10) warehouse buildings. The two blocks are serviced by 16 cargo lifts and 12 passenger lifts. The property has loading and unloading areas accommodating a total of 80 bays with 38 dock-levellers on the first storey.

The property is located at the southern junction of Pandan Crescent and West Coast Highway and is approximately 13.0 km from the city centre. The property is well-served by expressways such as West Coast Highway, Ayer Rajah Expressway and Pan Island Expressway. The Clementi MRT station and bus interchange are both a short drive away.

### **30 Tuas West Road, Singapore**

30 Tuas West Road comprises a purpose-built five-storey ramp-up warehouse facility with mezzanine office and six loading and unloading bays with dock-levellers.

The property is located within the well-established Jurong Industrial Estate on the south-eastern side of Tuas West Road near its junction with Pioneer Road and is approximately 28.0 km from the city centre. The property is a short walk from the Tuas West Road MRT station. Accessibility to other parts of Singapore is enhanced by its proximity to Pan Island Expressway and Ayer Rajah Expressway. The property is also a short drive from the Tuas Checkpoint, the second causeway between Singapore and Malaysia.

### **103 Defu Lane 10, Singapore**

103 Defu Lane 10 comprises a six-storey industrial facility with sheltered car parking and display area on the first storey. There are two vehicular accesses into the property, one for loading and unloading purposes and another for cars and motorcycles from Defu Lane 10. The building has 12 loading and unloading bays with dock-levellers/scissors lifts, two passenger lifts and three cargo lifts.

The property is located within a well-established industrial estate along Defu Lane 10 in Defu Industrial Estate. The property is a short drive from Kovan MRT station and Hougang MRT station with close proximity to expressways including Central Expressway, Seletar Expressway, Kallang-Paya Lebar Expressway and Pan Island Expressway via Eunos Link and is approximately 10.0 km from the city centre.

### **3 Toh Tuck Link, Singapore<sup>19</sup>**

3 Toh Tuck Link comprises a part four-storey and part five-storey warehouse building with ancillary office spaces. The warehouse spaces are located at levels one and three while the ancillary office spaces span over five floors. The building is served by one passenger lift and one cargo lift, as well as seven loading and unloading bays with dock-levellers on the first storey.

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<sup>19</sup> This property is targeted to be divested by the first half of 2025, subject to regulatory approval.



The property is located within the Toh Tuck Industrial Estate to the south-eastern side of Toh Tuck Link, bounded by Old Toh Tuck Road and Toh Tuck Avenue and is approximately 15.5 km from the city centre. The property is a short drive from Jurong East MRT station, Clementi MRT station and bus interchanges. It is well-served by major roads and expressways such as Boon Lay Way, Commonwealth Avenue West, Ayer Rajah Expressway and Pan Island Expressway.

#### **10 Changi South Lane, Singapore**

10 Changi South Lane comprises a part five-storey and part seven-storey warehouse with ancillary office space. The building has one passenger lift, three cargo lifts and eight loading and unloading bays with dock-levellers.

The property is located within Changi South Industrial Estate. The property is well-served by expressways and major roads such as Pan Island Expressway and East Coast Parkway and is approximately 18.0 km from the city centre. It is in close proximity to the Singapore Expo, Changi Business Park and Changi International Airport.

#### **11 Changi South Street 3, Singapore**

11 Changi South Street 3 comprises a four-storey industrial building which has 60 car park lots and industrial/warehouse space located at the basement. The property is served by two passenger lifts, two cargo lifts and three common loading and unloading bays with dock-levellers.

The property is located in a well-established industrial estate on the southern end of Changi South Street 3, north of Xilin Avenue within the Changi South Industrial Estate. It is approximately 15.5 km from the city centre and is a short drive from Changi International Airport. The property is in close proximity to Expo MRT station and is well-served by Pan Island Expressway, East Coast Parkway and Tampines Expressway.

#### **56 Serangoon North Avenue 4, Singapore**

56 Serangoon North Avenue 4 comprises a seven-storey industrial building incorporating warehouse, production and ancillary office areas. The building is served by one passenger lift, two cargo lifts and six loading and unloading bays with four dock-levellers.

The property is located on the eastern end of Serangoon North Avenue 4, bounded by Yio Chu Kang Road to the east within the Serangoon North Industrial Estate and is approximately 11.5 km from the city centre. The property is in proximity to Ang Mo Kio MRT station and is well-served by major expressways and roads such as Central Expressway, Seletar Expressway, Tampines Expressway, Yio Chu Kang Road and Ang Mo Kio Avenue 3 and 5.

#### **7 Clementi Loop, Singapore**

7 Clementi Loop comprises a single level high-bay warehouse and a four-storey ancillary office block. There are eight loading and unloading bays with dock-levellers within the development. Vertical access for the ancillary office block is via a passenger lift.

The property is located within the well-established Clementi West Distripark, on the western side of Clementi Avenue 6 and is approximately 13.0 km from the city centre. The property is a short drive from Clementi MRT station and is well-served by Pan Island Expressway, Ayer Rajah Expressway and West Coast Highway.

### **1A International Business Park, Singapore**

1A International Business Park comprises a 13-storey high-technology business park building with a basement car park. The building is designated for business park use and incorporates ancillary office and warehouse areas that are serviced by four passenger lifts and two loading and unloading bays located on the first storey.

The property is located within the precinct of International Business Park, off Boon Lay Way and Jurong East Street 11. International Business Park is a business and technology hub for companies involved in high-technology industries that include software development, research and some ancillary supporting activities. The property is within a short drive from Jurong East MRT station, Pan Island Expressway and Ayer Rajah Expressway and is approximately 14.0 km from the city centre.

### **29 Woodlands Industrial Park E1, Singapore**

29 Woodlands Industrial Park E1 (NorthTech) comprises an L-shaped four-storey hi-tech industrial building with a basement car park. The building is serviced by nine passenger lifts, nine cargo lifts and three lift lobbies with an ancillary canteen on the first storey.

As part of the AA REIT Manager's ongoing asset enhancement strategy, the AA REIT Manager had undertaken an AEI on this property. The AEI works had further enhanced NorthTech as a modern and energy efficient facility with improvements such as upgrades to the passenger lift lobbies, toilets, drop-off area, external landscaping, creation of a new carpal entrance with better vehicular circulation and the implementation of sustainable strategies such as the installation of an energy efficient air-conditioning system, light fittings as well as water-efficient fittings. The AEI works were completed in January 2020 and the property was awarded the BCA Green Mark Award (Certified) on 31 March 2020.

The property is located within a well-established industrial estate at the south-western junction of Admiralty Road West and Woodlands Avenue 8 in Woodlands East Industrial Estate. The property is within close proximity to Admiralty MRT station, Sembawang MRT station and Woodlands North MRT station. Its accessibility to other parts of Singapore is enhanced by its proximity to Seletar Expressway, Bukit Timah Expressway and the upcoming North-South Expressway and is approximately 23.5 km from the city centre.

### **15 Tai Seng Drive, Singapore**

15 Tai Seng Drive comprises a five-storey industrial building with a basement. The property has three loading and unloading bays with dock-levellers and is serviced by two passenger lifts and two cargo lifts.

The property is located along the eastern end of Tai Seng Drive, a cul-de-sac off Airport Road within the Tai Seng Industrial Estate. The property is a short drive from Tai Seng MRT station, Pan Island Expressway, Kallang-Paya Lebar Expressway as well as the Bartley viaduct and is approximately 9.5 km from the city centre.

### **1 Bukit Batok Street 22, Singapore**

1 Bukit Batok Street 22 comprises an eight-storey industrial building incorporating a four-storey factory and an eight-storey ancillary office space. The building is served by two passenger lifts and two cargo lifts. There is loading and unloading area provided within the development.

The property is located at the south-eastern junction of Bukit Batok Street 22 and Bukit Batok East Avenue 6 within the Bukit Batok Industrial Park A and is approximately 15.5 km from the city centre. The property is a short drive from Pan Island Expressway and Ayer Rajah Expressway and is within close proximity to Bukit Batok MRT station and bus interchange.

### **23 Tai Seng Drive, Singapore**

23 Tai Seng Drive comprises a six-storey data centre industrial building with a basement car park. The building is served by two passenger lifts, one cargo lift and two loading and unloading bays with raised platform.

The property is located at the eastern junction of Tai Seng Drive and Tai Seng Avenue, off Airport Road and Hougang Avenue 3, within the Tai Seng Industrial Estate and is approximately 9.5 km from the city centre. The property is a short drive from Tai Seng MRT station and is well-served by major roads and expressways such as Paya Lebar Road, Eunos Link, Pan Island Expressway, Kallang-Paya Lebar Expressway as well as the Bartley viaduct.

### **135 Joo Seng Road, Singapore**

135 Joo Seng Road comprises an eight-storey industrial building with sheltered car parks on the first storey and a canteen located on the second storey. The building is served by two passenger and two cargo lifts with four loading and unloading bays on the first storey.

The property is located at the north-western junction of Joo Seng Road and Jalan Bunga Rampai and is approximately 8.0 km from the city centre. The property is in proximity to Tai Seng MRT station and Bartley MRT station. It is well-served by Upper Paya Lebar Road and Upper Aljunied Road, which are both directly linked to the Central Expressway, Pan Island Expressway and Kallang-Paya Lebar Expressway.

### **1 Kallang Way 2A, Singapore**

1 Kallang Way 2A comprises an eight-storey industrial building used for light production, storage and ancillary offices. The building is served by two passenger lifts, one cargo lift, one fireman's lift and three loading and unloading bays.

The property is located on the western junction of Kallang Way 2A and Kallang Way and is approximately 6.5 km from the city centre. The property is a short drive from Aljunied, MacPherson, Geylang Bahru and Mattar MRT stations. It is well-served by Pan Island Expressway, Central Expressway, Kallang-Paya Lebar Expressway, MacPherson Road and Aljunied Road.

### **51 Marsiling Road, Singapore**

51 Marsiling Road is a five-storey purpose-built industrial building which is fully air-conditioned with cargo lift access and ancillary canteen. The building is served by two passenger lifts, one fireman lift, two cargo lifts as well as four loading and unloading bays with dock-levellers. It was AA REIT's first third-party greenfield build-to-suit development. The property achieved its TOP on 27 October 2017.

The property is situated at the junction of Marsiling Lane and Marsiling Road within the Marsiling Industrial Estate and is approximately 31.0 km from the city centre. The property is well-served by expressways such as Bukit Timah Expressway and Seletar Expressway. It is a short drive from the Woodlands Checkpoint and is within close proximity to Woodlands, Marsiling and Admiralty MRT stations as well as the upcoming Woodlands North and Woodlands South MRT stations.

### **8 Tuas Avenue 20, Singapore**

8 Tuas Avenue 20 is a three-storey versatile industrial facility with ramp and cargo lift access. The building has 12 loading and unloading bays with dock-levellers and direct vehicular access to the second storey via a ramp. It achieved TOP on 29 August 2017.

The property is located within a well-established industrial estate on the north-western side of Tuas Avenue 20, off Pioneer Road in the Jurong Industrial Estate and is approximately 27.5 km from the city centre. It is well-served by major arterial roads and expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and Pan Island Expressway. It is within close proximity to Tuas West Road MRT station and is a short drive from the Tuas Checkpoint, the second causeway between Singapore and Malaysia.

### **61 Yishun Industrial Park A, Singapore**

61 Yishun Industrial Park A comprises a six-storey industrial building suitable for light manufacturing, warehouse, distribution and ancillary offices. The building is served by one passenger lift and three cargo lifts as well as six loading and unloading bays with four dock-levellers located on the first storey.

The property is located at the south-eastern side of Yishun Industrial Park A within the Yishun Industrial Estate and is approximately 21.5 km from the city centre. The property is a short drive from Yishun MRT station and Sembawang MRT station and is well-served by major expressways and major roads such as Central Expressway and Yishun Avenue 2, which lead directly to the Seletar Expressway.

### **2 Ang Mo Kio Street 65, Singapore**

2 Ang Mo Kio Street 65 comprises an L-shaped three-storey detached factory building incorporating production area, laboratories, warehouses and office areas. The building is served by a cargo lift and a passenger lift. Several asset enhancement works were completed in 2018, including the upgrading of existing lifts and installation of an additional cargo lift.

The property is located in the Ang Mo Kio Industrial Estate on the north-eastern junction of Ang Mo Kio Street 65 and Street 64, off Yio Chu Kang Road and Ang Mo Kio Avenue 6 and is approximately 14.0 km from the city centre. The property is well-served by major arterial roads and expressways such as Central Expressway, Seletar Expressway and Tampines Expressway and is within close proximity to Yio Chu Kang MRT station and bus interchange.

### **8 Senoko South Road, Singapore**

8 Senoko South Road comprises a six-storey food processing factory with an ancillary office building and a single-storey annex building. The building is served by one passenger lift and two cargo lifts as well as five loading and unloading bays on the first storey.

The property is located at the northern side of Senoko South Road, off Woodlands Avenue 8 and Admiralty Road West, within the Woodlands East Industrial Estate and is approximately 23.0 km from the city centre. The property is a short drive from Admiralty MRT station, Sembawang MRT station and the Woodlands North MRT station. It is well-served by expressways such as Seletar Expressway, Bukit Timah Expressway and the upcoming North-South Expressway.

### **26 Tuas Avenue 7, Singapore**

26 Tuas Avenue 7 comprises a two-storey purpose-built food production factory with a mezzanine office level. The building has four loading and unloading bays and one cargo lift.

The property is located at the junction of Tuas Avenue 7 and Tuas West Road within the Jurong Industrial Estate. The property is well-served by major arterial roads and expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and Pan Island Expressway and is approximately 27.5 km from the city centre. The property is a short drive from Tuas West Road and Tuas Link MRT stations and the Tuas Checkpoint, the second causeway between Singapore and Malaysia.

### **3 Tuas Avenue 2, Singapore**

The redevelopment of 3 Tuas Avenue 2 was completed on 10 January 2020 and the asset was transformed into a four-storey ramp-up industrial facility suitable for production and storage. The redevelopment also increased the ease of sub-dividing the property for multi-tenancy usage, enhancing the property's flexibility for customisation and leasing. It received its Temporary Occupation Permit on 10 January 2020 and was awarded the BCA Green Mark Award (Gold) on 23 January 2020.

The property is located on the north-western side of Tuas Avenue 2, near its junction with Pioneer Road, within the Jurong Industrial Estate. The property is in close proximity to Pan Island Expressway, Ayer Rajah Expressway and Tuas Crescent MRT station and is approximately 26.0 km from the city centre. The property is also a short drive from the Tuas Checkpoint, the second causeway between Singapore and Malaysia.

### **7 Bulim Street, Singapore**

7 Bulim Street is a master-tenanted four-storey ramp-up logistics facility, with an ancillary office on each level. The facility is situated on a land area of 34,095 sq m, with a GFA of 68,190 sq m. 7 Bulim Street is strategically located in the Jurong West Logistics Cluster, within the Jurong Innovation District. The Jurong Innovation District is part of the Singapore Government's plan to develop a one-stop 620-hectare advanced manufacturing campus, hosting businesses involved in prototyping and test-bedding, production and distribution, technology, research and education.

Its location provides enhanced connectivity through its close proximity to the future Tuas Mega Port, current PSA ports, the Pan-Island Expressway and Kranji Expressway, Tuas Checkpoint, as well as the upcoming Jurong Region MRT Line.

## **Properties in Australia**

### **Optus Centre, 1-5 Lyonpark Road, Macquarie Park, New South Wales, Australia**

Optus Centre is a secure campus style A Grade business park which was completed in 2007 and comprises six buildings. The buildings are a combination of four and five levels and are arranged in a chevron shape with a newly built central entranceway. The buildings are serviced by a total of 16 passenger lifts and two goods lifts. Amenities include a secure central courtyard featuring extensive landscaping, water feature, paved seating areas and a basketball court. The business park also provides various cafes, retail food court area, bar, automated teller machines, a convenience store and a childcare centre for the exclusive use of employees. The property is undergoing asset enhancement works while remaining operational. It is located at 1-5 Lyonpark Road, Macquarie Park with access to Epping Road, public transport including the Sydney Metro and in proximity to Macquarie Shopping Centre and Macquarie University. It is approximately 15.0 km to the northwest of the Sydney central business district and is approximately 12.0 km to the northwest of the North Sydney central business district.

### **Boardriders APAC HQ, Australia**

Boardriders APAC HQ is an industrial property situated on a 3.33-hectare freehold site with a purpose-built warehouse and office building and a two-storey retail building, with a total NLA of 14,833 sq m.

It is located in the Gold Coast suburb of Burleigh Heads which is an established industrial, commercial, retail and residential suburb located approximately 11 km south of Surfers Paradise, 3 km east of Burleigh Heads Beach and approximately 3.7 km from the Varsity Lakes Railway Station. The property has easy access to the Gold Coast Highway and M1 Pacific Motorway, which is linked to the Gold Coast International and Domestic Airport to the south and Brisbane CBD to the north.

### **Woolworths HQ, Australia**

Woolworths HQ is an architecturally designed campus style asset with large efficient floorplates of over 3,000 sq m. It was constructed in 2005 with the design specification input by Woolworths and comprises a striking corporate campus comprising three interconnecting buildings housing A-grade office accommodation, a data centre operation and a myriad of amenities including a supermarket and print centre configured around a central atrium linking the three wings of highly specified commercial space. The campus also encompasses a multi-storey car park, on-grade parking and basement parking.

It is located at the gateway of Norwest, possessing seamless access to amenity, public transport including the Sydney Metro and major arterial roads including the Westlink M7, that allows for direct access to all major logistics and distribution precincts of metropolitan Sydney.

## **7. INSURANCE**

The Properties are insured in accordance with industry practice in Singapore. Insurance policies taken up include insurance against all risks of physical damage and business interruption including acts of terrorism and sabotage, public liability and work injury compensation. There are no significant or unusual excess or deductible amounts required under these policies.

There are, however, certain types of risk that are not covered by such insurance policies, including acts of war, electronic data, certain types of consequential losses, environmental damage and breaches of environmental laws and regulations.

## **8. THE AA REIT TRUSTEE**

The trustee of AA REIT is HSBC Institutional Trust Services (Singapore) Limited (“**HSBCIT**”). HSBCIT is a limited liability company incorporated in Singapore and holds a trust business licence under the Trust Companies Act 2005 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA.

As at the Latest Practicable Date, HSBCIT has a share capital of S\$5,150,000 and has a place of business in Singapore at 10 Marina Boulevard Marina Bay Financial Centre Tower 2 #45-01 Singapore 018983.



## **Powers, Duties and Obligations of the AA REIT Trustee**

The AA REIT Trustee's powers, duties and obligations are set out in the AA REIT Trust Deed. The powers and duties of the AA REIT Trustee include amongst others:

- (a) acting as trustee of AA REIT and, in such capacity, safeguarding the rights and interests of the Unitholders;
- (b) holding the assets of AA REIT on trust for the benefit of the Unitholders in accordance with the AA REIT Trust Deed; and
- (c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of AA REIT.

The AA REIT Trustee has covenanted in the AA REIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties as trustee of AA REIT, and in safeguarding the rights and interests of the Unitholders.

In the exercise of its powers under the AA REIT Trust Deed, the AA REIT Trustee may (on the recommendation of the AA REIT Manager) and subject to the provisions of the AA REIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The AA REIT Trustee may, subject to the provisions of the AA REIT Trust Deed, appoint and engage:

- (a) a person or an entity to exercise any of its powers or to perform its obligations; and
- (b) on the recommendation of the AA REIT Manager, any real estate agents or managers, including a related party of the AA REIT Manager, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any of the assets of AA REIT.

The AA REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the AA REIT Trust Deed, the Listing Manual, the CIS Code (including the Property Funds Appendix), any tax ruling and all other relevant laws. It must retain AA REIT's assets, or cause AA REIT's assets to be retained, in safe custody, and cause the accounts relating to AA REIT to be audited.

The AA REIT Trustee is not personally liable to a Unitholder in connection with the office of the AA REIT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the AA REIT Trust Deed or breach of trust by the AA REIT Trustee. Any liability incurred and any indemnity to be given by the AA REIT Trustee shall be limited to the assets of AA REIT over which the AA REIT Trustee has recourse, provided that the AA REIT Trustee has acted without fraud, gross negligence, wilful default or is not in breach of the AA REIT Trust Deed. The AA REIT Trust Deed contains certain indemnities in favour of the AA REIT Trustee under which it will not be liable to Unitholders or any other persons for certain acts or omissions. These indemnities are subject to any applicable laws.

## **Retirement and Replacement of the AA REIT Trustee**

The AA REIT Trustee may retire or be replaced under the following circumstances:

- (a) The AA REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the AA REIT Trust Deed).
- (b) The AA REIT Trustee may be removed by notice in writing to the AA REIT Trustee given by the AA REIT Manager in any of the following events:
  - (i) if the AA REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the AA REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the AA REIT Trustee;
  - (ii) if the AA REIT Trustee ceases to carry on business;
  - (iii) if the AA REIT Trustee fails or neglects after reasonable notice from the AA REIT Manager to carry out or satisfy any material obligation imposed on the AA REIT Trustee by the AA REIT Trust Deed;
  - (iv) if the Unitholders by Extraordinary Resolution (as defined in the AA REIT Trust Deed) duly passed at a meeting of Unitholders held in accordance with the provisions of the AA REIT Trust Deed and of which not less than 21 days' notice has been given to the AA REIT Trustee and the AA REIT Manager shall so decide; and
  - (v) if MAS directs that the AA REIT Trustee be removed.

## **9. THE AA REIT MANAGER**

AA REIT is managed by AIMS APAC REIT Management Limited. The AA REIT Manager was incorporated in Singapore under the Companies Act on 25 October 2006. As at the Latest Practicable Date, it has an issued capital of S\$1 million and its registered office is located at 1 Raffles Place #39-03, One Raffles Place, Singapore 048616.

As at the Latest Practicable Date, the AA REIT Manager is wholly-owned by the AIMS Financial Group ("**AIMS**"). Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of funds management, mortgage lending, investment banking and property investment. AIMS is also the owner of the Sydney Stock Exchange.

### ***Roles and Responsibilities of the AA REIT Manager***

The AA REIT Manager has general powers of management over the assets of AA REIT. The AA REIT Manager's main responsibility is to manage AA REIT's assets and liabilities in the best interests of the unitholders of AA REIT (the "**Unitholders**").

The primary role of the AA REIT Manager is to determine the strategic direction of AA REIT and to give recommendations to the AA REIT Trustee on the acquisition, divestment and enhancement of assets in accordance with its stated investment strategy.

The AA REIT Manager has covenanted in the AA REIT Trust Deed to use its best endeavours to ensure that the business of AA REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for AA REIT at arm's length and on normal commercial terms.

Other main functions and responsibilities of the AA REIT Manager include:

- (a) ensuring compliance with relevant laws and regulations, including the Listing Manual issued by the SGX-ST (the "**Listing Manual**"), the applicable provisions of the SFA, CIS Code (including the Property Funds Appendix), Code of Corporate Governance, written directions, notices, codes and other guidelines that may be issued by MAS from time to time, the Trust Deed and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of AA REIT and its Unitholders;
- (b) preparing annual business plans for review by the Board of Directors of the AA REIT Manager (each, a "**Director**" or collectively, "**Directors**" or "**Board**"), including forecasts on revenue, NPI, capital expenditure, explanation of major variances to previous plan(s), commentary on key issues and relevant assumptions. These plans explain the performance of AA REIT's assets;
- (c) managing the finances of AA REIT, including accounts preparation, capital management, coordination of the budget process, forecast modelling and corporate treasury functions;
- (d) attending to all regular communications with the Unitholders; and
- (e) supervising the AA REIT Property Manager which performs the day-to-day property management functions (including lease management, property management, maintenance and administration) pursuant to the property management agreements in respect of the properties located in Singapore, and the Australian Investment Manager, AA REIT Management Australia Pty Limited, in respect of properties located in Australia.

The AA REIT Manager holds a capital market services licence issued by MAS to conduct real estate investment management activities.

The AA REIT Manager may require the AA REIT Trustee to borrow on behalf of AA REIT (both on a secured and unsecured basis, upon such terms and conditions as the AA REIT Manager deems fit) whenever the AA REIT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable the AA REIT Trustee to meet any liabilities or to finance the acquisition of any property. However, the AA REIT Manager must not direct the AA REIT Trustee to incur a borrowing if to do so would mean that AA REIT's total borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or in Units) exceed the limit stipulated by MAS based on the value of Deposited Property at the time of the borrowing is incurred.

In the absence of fraud, gross negligence, wilful default or breach of the AA REIT Trust Deed by the AA REIT Manager, the AA REIT Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the AA REIT Trust Deed. In addition, the AA REIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as the AA REIT Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the AA REIT Trust Deed by the AA REIT Manager.

## **Board of Directors**

The Board of Directors of the AA REIT Manager (the “**Board**”) provides entrepreneurial leadership to the AA REIT Manager, sets strategic directions and ensures that the necessary financial and human resources are in place for AA REIT to meet its objectives. The Board oversees the competent management of AA REIT by setting standards and goals for the management team of the AA REIT Manager, monitors the achievement of the targets set and the management team’s performance. It also establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Unitholders’ interests and the assets of AA REIT.

The Board of Directors of the AA REIT Manager as at the Latest Practicable Date comprised:

<b>Name</b>	<b>Designation</b>
Mr George Wang	Chairman, Non-Executive Non-Independent Director and Member of the Nominating and Remuneration Committee
Mr Chia Nam Toon	Non-Executive Lead Independent Director, Member of the Audit, Risk and Compliance Committee and Member of the Nominating and Remuneration Committee
Mr Chong Teck Sin	Non-Executive Independent Director, Chairperson of the Audit, Risk and Compliance Committee
Ms Vivienne Zhaohui Yu	Non-Executive Independent Director, Chairperson of the Nominating and Remuneration Committee and Member of the Audit, Risk and Compliance Committee

Information on the business and working experience of the Directors as at the Latest Practicable Date is set out below:

### **Mr George Wang**

*Chairman, Non-Executive Non-Independent Director and Member of the Nominating and Remuneration Committee*

Mr Wang was first appointed as Chairman on 7 August 2009. Mr Wang is the founding Executive Chairman of AIMS Financial Group. Established in 1991, AIMS Financial Group is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, private equity, venture capital and high-tech investment and is the owner of the Sydney Stock Exchange.

Mr Wang is also a patron of the Taronga Foundation which is affiliated with the Taronga Zoo based in Sydney, Australia which operates wildlife conservation programs.

Mr Wang holds a Bachelor of Environmental Engineering from Donghua University, China.

### **Mr Chia Nam Toon**

*Non-Executive Lead Independent Director, Member of the Audit, Risk and Compliance Committee and Member of the Nominating and Remuneration Committee*

Mr Chia was appointed as a Director on 8 February 2023 and the Lead Independent Director on 25 April 2023.

Mr Chia has more than 31 years of commercial and financial experience with approximately 16 years in senior management roles within the real estate industry. He was the Chief Executive Officer of the Manager of Ascendas REIT, one of the largest Singapore listed REITs, and held several senior roles within the Group, including Group Chief Financial Officer and Group Assistant Chief Executive Officer. He last served as the Assistant Group Chief Executive Officer of ARA Asset Management Ltd where he was responsible for the business and operations of ARA's REIT Division.

**Mr Chong Teck Sin**

*Non-Executive Independent Director and Chairperson of the Audit, Risk and Compliance Committee*

Mr Chong was appointed as a Director on 1 October 2018 and as the Chairperson of the Audit, Risk and Compliance Committee on 29 March 2019.

Mr Chong has extensive years of experience in technology, business, finance and general management. From 1986 to 2004, Mr Chong served in various directorial and management positions with Seksun Corporation Ltd (subsequently known as Enporis Greenz Limited), Glaxo Wellcome Asia Pacific, China-Singapore Suzhou Industrial Park Development Co., Ltd, Standard Chartered Bank and the Economic Development Board. He was a board member of the Accounting and Corporate Regulatory Authority ("**ACRA**") from 2004 to 2010 and ACRA's Investment Committee Chairman from 2008 to 2010.

Mr Chong has over 25 years of experience as an independent director of various companies listed on the Singapore, Hong Kong and Australia stock exchanges.

Mr Chong currently holds the following directorships/major appointments:

- Lead Independent Director, Board Chairman, Audit Committee Chairperson and Member of Remuneration Committee and Nominating Committee of Multi-Chem Limited; and
- Independent Director, Member of Audit Committee, Member of Remuneration Committee and Nominating Committee of Uni-Asia Group Limited.

He previously held a few major appointments as below:

- Independent Director and Audit Committee Chairman of Civmec Limited and InnoTek Limited from 2012 to 2024;
- Independent Director of Changan Minsheng APLL Logistics Co., Ltd, a leading automobile logistics firm in China which is listed on the mainboard of the Hong Kong Stock Exchange from 2005 to 2023;
- Independent Director and Audit Committee Chairman of Accordia Golf Trust Management Pte. Ltd. from 2014 to 2021;
- Independent Director and Audit Committee Chairman of AVIC International Maritime Holdings Limited from 2011 to 2017; and
- Board member of the National Kidney Foundation from 2008 to 2010.

Mr Chong holds a Bachelor of Engineering from the University of Tokyo, Japan, and a Master of Business Administration from the National University of Singapore.

**Ms Vivienne Zhaohui Yu**

*Non-Executive Independent Director, Chairperson of the Nominating and Remuneration Committee and Member of the Audit, Risk and Compliance Committee*

Ms Yu was appointed as a director on 1 February 2023 and as Chairperson of the Nominating and Remuneration Committee on 25 April 2023.

Ms Yu has more than 25 years of leadership and senior management experience within the banking and financial sector in Australia and Asia, spanning across investment management, treasury management, mergers and acquisition and real estate finance.

Ms Yu was the China Chief Executive Officer and Executive General Manager of Commonwealth Bank of Australia (“CBA”). Prior to that, Ms Yu held various senior positions at CBA including Chief Executive Retail and Business Banking, International Financial Services.

Ms Yu currently holds the following directorships/major appointments in various organisations in Australia:

- Non-Executive Director and Chair of Finance, Risk and Audit Committee of Bridge Housing Limited;
- Non-Executive Director, Member of Audit Committee and Risk Committee and Chair of Governance and Remuneration Committee of Heartland Bank; and
- Non-Executive Director, Vice President of Australia China Business Council New South Wales.

Ms Yu was a Non-Executive Director of the National Foundation for Australian Women from 2020 to 2024.

Ms Yu holds a Master of Business Administration from Australian Graduate School of Management and a Master of Real Estate from University of New South Wales. She is a fellow member of CPA Australia and a Graduate Member of the Australian Institute of Company Directors.

***Management of the AA REIT Manager***

The key management of the AA REIT Manager as at the Latest Practicable Date comprised:

<b>Name</b>	<b>Designation</b>
Mr Russell Ng	Chief Executive Officer
Ms Lim Joo Lee	Chief Financial Officer and Company Secretary
Mr Raynard Ezra Welikande	Manager, Portfolio Management
Mr Augustine Goh	Director – Risk & Compliance



Information on the business and working experience of the key management team as at the Latest Practicable Date is set out below:

**Mr Russell Ng**

*Chief Executive Officer*

Mr Russell Ng joined the AA REIT Manager in September 2020 and was appointed Chief Executive Officer in November 2021.

Mr Ng works with the Board and management team to determine the strategic direction, investment strategy and overall business of AA REIT. He is responsible for the day-to-day management and execution of the REIT's business plan and growth strategies.

Mr Ng has over 22 years of experience in real estate investments, asset management and corporate finance in the Asia Pacific region. Prior to joining the Manager, he has held senior fund management and investment roles with a global real estate developer, private equity real estate funds and listed REITs.

Mr Ng holds a Master of Business Administration from Imperial College Business School in London and a Bachelor of Applied Finance and a Bachelor of Commerce (Accounting) from Macquarie University in Australia. Mr Ng is also a member of the REIT Association of Singapore ("REITAS") Promotions Sub-Committee.

**Ms Lim Joo Lee**

*Chief Financial Officer and Company Secretary*

Ms Lim Joo Lee joined the AA REIT Manager in October 2021 following various stints in Singapore, the United Kingdom and China with a big four accounting firm and a Singapore-listed REIT. Ms Lim has over 23 years of experience in financial and management reporting, auditing, as well as various finance related work including treasury and capital management.

Ms Lim heads the Finance team and oversees the overall finance matters, taxation, treasury, capital management and as well as corporate secretarial matters of AA REIT.

Ms Lim holds a Bachelor of Science with First Class Honours in Applied Accounting from the Oxford Brookes University. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants ("ISCA"), a Fellow Member of the Association of Chartered Certified Accountants and a member of the ISCA's CFO Committee.

**Mr Raynard Ezra Welikande**

*Manager, Portfolio Management*

Mr Welikande joined the AA REIT Manager in October 2022 and has over 16 years of investment and asset management experience, of which 11 years has been in the real estate industry.

Mr Welikande is responsible for developing and executing strategies to optimise returns of AA REIT's portfolio. Prior to joining the AA REIT Manager, Mr Welikande was previously at Storefriendly where he headed the Investment and Asset management department and managed a portfolio of self-storage assets.

Mr Welikande holds a Bachelor of Economics from Singapore Management University and a Masters of Science in Risk and Investment Management from EDHEC Business School.

**Mr Augustine Goh**  
*Director – Risk & Compliance*

Mr Goh is the Director – Risk & Compliance of the AA REIT Manager. He is concurrently the Director – Group Risk, Compliance & Operations of AIMS Financial Group, where he is responsible for risk management, compliance and other operational matters for the Group.

Mr Goh has over 14 years' experience in legal, compliance, real estate fund management and developments in Asia Pacific.

Mr Goh holds a Bachelor of Laws from the University of Bristol, a Master of Laws from University College London as well as a Master of Property Development (Valuation) from the University of Technology Sydney. He is an Associate Member of the International Compliance Association and is a Certified Practising Valuer of the Australian Valuers Institute.

***Retirement and Removal of the AA REIT Manager***

The AA REIT Manager shall have the power to retire in favour of a corporation approved by the AA REIT Trustee to act as the manager of AA REIT.

Also, the AA REIT Manager may be removed by notice given in writing by the AA REIT Trustee if:

- (a) the AA REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the AA REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the AA REIT Manager;
- (b) the AA REIT Manager ceases to carry on business;
- (c) the AA REIT Manager fails or neglects after reasonable notice from the AA REIT Trustee to carry out or satisfy any material obligation imposed on the AA REIT Manager by the AA REIT Trust Deed;
- (d) the Unitholders, by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a Unitholders' meeting duly convened and held in accordance with the provisions of the AA REIT Trust Deed, shall so decide;
- (e) for good and sufficient reason, the AA REIT Trustee is of the opinion, and states so in writing, that a change of the AA REIT Manager is desirable in the interests of the Unitholders; or
- (f) MAS directs the AA REIT Trustee to remove the AA REIT Manager.

Where the AA REIT Manager is removed on the basis that a change of the AA REIT Manager is desirable in the interests of the Unitholders, the AA REIT Manager has a right under the AA REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the AA REIT Manager, the AA REIT Trustee and all Unitholders.

## **10. THE AA REIT PROPERTY MANAGER**

AA REIT has appointed AIMS APAC Property Management Pte. Ltd., a company related to the AA REIT Manager, as the property manager to operate, maintain and market all of the Singapore Properties.

The services provided by the AA REIT Property Manager for each Property under its management include, among other things, the following:

- (a) property management services, recommending third party contracts for provision of property maintenance services, supervising the performance of contractors, arranging for adequate insurances and ensuring compliance with building and safety regulations;
- (b) lease management services, including coordinating tenants' fitting-out requirements, administration of rental collection, management of rental arrears, and administration of all property tax matters;
- (c) marketing and marketing coordination services, including initiating lease renewals and negotiation of terms; and
- (d) project management services in relation to the development or redevelopment (unless otherwise prohibited by the Property Funds Appendix or any other laws or regulations), the refurbishment, retrofitting and renovation works to a property, including recommendation of project budget and project consultants, and supervision and implementation of the project.

## **11. THE AA REIT INVESTMENT MANAGER**

AA REIT has appointed AA REIT Management Australia Pty Limited, a company related to the AA REIT Manager, as the investment manager to perform investment management services in relation to the Australian assets in Australia for AA REIT's subsidiary AIMS APAC REIT (Australia) Trust. The services provided by the AA REIT Investment Manager include, among other things, to manage and invest the assets of AA REIT in Australia.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The table sets forth selected consolidated financial information of the Group as at and for FY2022, FY2023, FY2024, 1H FY2024 and 1H FY2025 respectively. This selected financial information has been derived from, and should be read in conjunction with, the Audited Consolidated Financial Statements of the Group for the Financial Year Ended 31 March 2023, the Audited Consolidated Financial Statements of the Group for the Financial Year Ended 31 March 2024 and Unaudited Interim Financial Statements of the Group for the Six-Month Financial Period Ended 30 September 2024, including the notes thereto, which appear in Appendices II, III and IV of this Information Memorandum. There can be no assurance that, had an audit or a review been conducted in respect of the unaudited consolidated financial statements, the information presented therein would not have been materially different. Investors should not rely on the unaudited financial statements to provide the same quality of information that audited financial information would provide.

### CONSOLIDATED STATEMENTS OF TOTAL RETURN

	Audited			Unaudited	
	FY2022	FY2023	FY2024	1H FY2024	1H FY2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	142,390	167,382	177,281	86,834	93,514
Property operating expenses	(39,205)	(44,872)	(46,302)	(22,544)	(25,927)
<b>Net property income</b>	103,185	122,510	130,979	64,290	67,587
Net foreign exchange gain/(loss)	(86)	(663)	300	234	51
Interest income	719	291	443	256	166
Other non-operating income					
– Interim insurance proceeds	–	–	1,111 <sup>20</sup>	–	606 <sup>21</sup>
Borrowing costs	(22,828)	(33,309)	(35,241)	(17,792)	(19,572)
Manager's management fees					
– Base fees	(10,012)	(11,333)	(11,257)	(5,643)	(5,573)
– Performance fees	(4,619)	(4,476)	–	–	–
Other trust expenses	(4,595)	(6,440)	(5,539)	(2,810)	(2,747)
Non-property expenses	(42,054)	(55,558)	(52,037)	(26,245)	(27,892)
<b>Net income before joint venture's profits (/losses)</b>	61,764	66,580	80,796	38,535	40,518
Share of profits (/losses) of joint venture (net of tax)	48,140	16,039	(24,766)	7,451	7,394

<sup>20</sup> For FY2024, this relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for property damage and revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore (refer to announcement dated 10 October 2023).

<sup>21</sup> For 1H FY2025, this relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for revenue loss due to business interruption at 61 Yishun Industrial Park A (refer to announcement dated 10 October 2023).

	Audited			Unaudited	
	FY2022	FY2023	FY2024	1H FY2024	1H FY2025
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net income</b>	109,904	82,619	56,030	45,986	47,912
Net change in fair value of investment properties	(5,828)	25,225	3,167	(2,755)	(2,645)
Net change in fair value of derivative financial instruments	8,219	4,270	(3,440)	(2,496)	(1,547)
Gain on divestment of investment property	–	–	637	637	–
<b>Total return before income tax</b>	112,295	112,114	56,394	41,372	43,720
Income tax credit/(expense)	(8,187)	1,747	6,512	(101)	(661)
<b>Total return after income tax</b>	104,108	113,861	62,906	41,271	43,059
<b>Attributable to:</b>					
Unitholders	89,241	93,361	42,350	30,993	32,781
Perpetual Securities holders	14,867	20,500	20,556	10,278	10,278
	104,108	113,861	62,906	41,271	43,059

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited			Unaudited
	FY2022	FY2023	FY2024	1H FY2025
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Investment properties	1,992,582	1,957,409	1,973,169	1,988,936
Plant and equipment	–	–	14,153	13,766
Joint venture	367,763	329,377	289,296	294,697
Trade and other receivables	3,086	3,465	4,742	4,227
Derivative financial instruments	9,989	12,064	9,137	5,231
	2,373,420	2,302,315	2,290,497	2,306,857
<b>Current assets</b>				
Investment property held for sale	–	12,153	–	–
Trade and other receivables	8,846	7,560	7,925	6,817
Derivative financial instruments	–	1,171	382	260
Cash and cash equivalents	21,395	13,223	17,816	12,957
	30,241	34,107	26,123	20,034
<b>Total assets</b>	2,403,661	2,336,422	2,316,620	2,326,891

	Audited			Unaudited
	FY2022 \$'000	FY2023 \$'000	FY2024 \$'000	1H FY2025 \$'000
<b>Non-current liabilities</b>				
Trade and other payables	13,135	15,101	25,991	25,696
Interest-bearing borrowings	817,782	790,988	587,504	602,332
Derivative financial instruments	1,495	–	–	628
Deferred tax liabilities	27,944	26,989	20,406	20,904
Lease liabilities	88,621	92,747	96,449	101,116
	948,977	925,825	730,350	750,676
<b>Current liabilities</b>				
Trade and other payables	39,767	37,598	46,689	39,895
Interest-bearing borrowings	35,206	–	99,910	99,984
Derivative financial instruments	540	–*	9	29
Liabilities directly associated with the investment property held for sale	–	253	–	–
Lease liabilities	5,429	5,351	5,388	5,241
	80,942	43,202	151,996	145,149
<b>Total liabilities</b>	1,029,919	969,027	882,346	895,825
<b>Net assets</b>	1,373,742	1,367,395	1,434,274	1,431,066
Represented by:				
Unitholders' funds	1,000,196	993,849	1,060,709	1,057,518
Perpetual Securities holders' funds	373,546	373,546	373,565	373,548
	1,373,742	1,367,395	1,434,274	1,431,066
Units in issue and to be issued ('000)	716,583	725,039	810,955	813,632
NAV/net tangible asset per Unit attributable to Unitholders <sup>22</sup> (\$)	1.40	1.37	1.31	1.30

\* Less than \$1,000.

<sup>22</sup> NAV/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.



## REVIEW OF RESULTS OF OPERATIONS

### 1H FY2025 vs 1H FY2024

Gross revenue for 1H FY2025 of S\$93.5 million was S\$6.7 million higher as compared to 1H FY2024. The increase in gross revenue was mainly due to higher rental and recoveries from AA REIT's logistics and warehouse and industrial properties such as the properties at 20 Gul Way, 27 Penjuru Lane, 51 Marsiling Road, 7 Bulim Street, 29 Woodlands Industrial Park E1 and 26 Tuas Avenue 7, higher electricity income and full period contribution of income from the sale of electricity and renewable energy certificates generated from the rooftop solar photovoltaic systems (the "**Systems**") at six Singapore properties.

Property operating expenses for 1H FY2025 of S\$25.9 million was S\$3.4 million higher as compared to 1H FY2024 mainly due to higher electricity expenses, property tax expenses and full period impact of the depreciation of plant and equipment relating to the Systems at six Singapore properties.

NPI for 1H FY2025 of S\$67.6 million was S\$3.3 million higher than 1H FY2024 mainly due to higher gross revenue. NPI margin in 1H FY2025 at 72.3% compared to 74% in 1H FY2024 mainly due to the increase in the property operating expenses for 1H FY2025.

Net foreign exchange gain for 1H FY2025 and 1H FY2024 was mainly due to realised gain from the settlement of the foreign currency forward contracts.

Interest income for 1H FY2025 of S\$0.2 million was S\$0.1 million lower compared to 1H FY2024 mainly due to higher fixed deposit placements during 1H FY2024.

Other non-operating income relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore.

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. Borrowing costs for 1H FY2025 of S\$19.6 million was S\$1.8 million higher compared to 1H FY2024 mainly due to higher floating interest rates and amortisation of borrowing transaction costs during 1H FY2025.

AA REIT Manager's management fees for 1H FY2025 was fairly in line with 1H FY2024.

Other trust expenses for 1H FY2025 was fairly in line with 1H FY2024.

The share of profits of joint venture in 1H FY2025 was fairly in line with 1H FY2024.

The net change in fair value of investment properties relates to the fair value adjustments of right-of-use ("**ROU**") assets included in the Singapore investment properties in accordance with FRS 116 *Leases*. The net change in fair value of investment properties is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

The net 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.

The gain on divestment of investment property in 1H FY2024 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.

The income tax expense for 1H FY2025 was largely due to the provision of deferred tax liability recognised for AA REIT's investment in Australia and the net taxable income from the sale of electricity and renewable energy certificates.

The income tax expense for 1H FY2024 was largely due to the provision of deferred tax liability recognised for AA REIT's investment in Australia and the withholding tax arising from the distribution from Australia.

On 14 August 2020, AA REIT issued S\$125 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

On 1 September 2021, AA REIT issued S\$250 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of these perpetual securities.

Distribution to Unitholders ("DPU") for 1H FY2025 of S\$38 million was S\$1.8 million higher as compared to 1H FY2024. The increase in 1H FY2025 was largely due to higher NPI arising mainly from higher rental and recoveries from AA REIT's logistics and warehouse and industrial properties such as the properties at 20 Gul Way, 27 Penjuru Lane, 51 Marsiling Road, 7 Bulim Street, 29 Woodlands Industrial Park E1 and 26 Tuas Avenue 7. This was partially offset by higher borrowing costs in 1H FY2025.

### **FY2024 vs FY2023**

Gross revenue for FY2024 of S\$177.3 million was S\$9.9 million higher as compared to FY2023. The increase in gross revenue was mainly due to higher rental and recoveries from AA REIT's logistics & warehouse and industrial properties such as the properties at 20 Gul Way, 8 & 10 Pandan Crescent, 30 Tuas West Road, 27 Penjuru Lane and 23 Tai Seng Drive but partially offset by lower income from the divestment of 541 Yishun Industrial Park A and lower revenue from Australian properties due to the weakening of the AUD against the SGD.

Property operating expenses for FY2024 of S\$46.3 million was S\$1.4 million higher as compared to FY2023 mainly due to higher property tax expenses and depreciation of plant and equipment relating to the Systems.

NPI for FY2024 of S\$131 million was S\$8.5 million higher than FY2023 mainly driven by higher rental reversion and recoveries.

Borrowing costs for FY2024 of S\$35.2 million was S\$1.9 million higher compared to FY2023 mainly due to higher floating interest rates, but partially offset by loan repayment during FY2024.

AA REIT Manager's management fees for FY2024 were in line with FY2023.

Performance fee of S\$4.5 million for FY2023 was computed based on 0.2% per annum of the Deposited Property value as the annual growth in DPU in FY2023 exceeded 5%.

Other trust expenses for FY2024 of S\$5.5 million was S\$0.9 million lower compared to FY2023 mainly due to the absence of transaction costs written off which was recorded in FY2023.

The share of losses of joint venture for FY2024 of S\$24.8 million was mainly due to share of revaluation loss of S\$39.6 million recognised from the revaluation of Optus Centre, but partially offset by share of net income from joint venture for FY2024.

The share of profits of joint venture in FY2023 was mainly due to share of net income from joint venture for FY2023 and share of revaluation gain of S\$0.4 million recognised from the revaluation of Optus Centre for FY2023.

The net change in fair value of investment properties for FY2024 was largely due to net revaluation gain of the Group's investment properties of S\$8.5 million, but partially offset by S\$5.3 million fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 *Leases*.

The net change in fair value of investment properties for FY2023 was largely due to net revaluation gain of the Group's investment properties of S\$30.5 million, but partially offset by S\$5.3 million fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 *Leases*.

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

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

The 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.

On 14 August 2020, AA REIT issued S\$125 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

On 1 September 2021, AA REIT issued S\$250 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

Distribution attributable to perpetual securities holders for FY2024 of S\$20.6 million was fairly in line with FY2023.

DPU for FY2024 of S\$74.3 million was S\$2.7 million higher as compared to FY2023. The increase in FY2024 was largely due to higher rental and recoveries from AA REIT's logistics & warehouse and industrial properties such as the properties at 20 Gul Way, 8 & 10 Pandan Crescent, 30 Tuas West Road, 27 Penjuru Lane and 23 Tai Seng Drive. This was partially offset by higher borrowing costs, higher property expenses and higher marketing services commission incurred in FY2024.

As at 31 March 2024, total assets stood at S\$2,316.6 million, or approximately S\$19.8 million lower compared to total assets of S\$2,336.4 million as at 31 March 2023. The decrease in total assets was largely due to net revaluation loss on the total portfolio of approximately S\$28.8 million and the impact of weakening of AUD against SGD but partially offset by the recognition of the plant and equipment relating to the completed installation of the Systems at six Singapore properties for the generation of electricity during FY2024.

As at 31 March 2024, total liabilities stood at S\$882.3 million, or approximately S\$86.7 million lower compared to total liabilities of S\$969 million as at 31 March 2023. The decrease in total liabilities was mainly due to the interim repayment of borrowings from the Equity Fund Raising<sup>23</sup> proceeds, part of the proceeds from the divestment of the investment property at 541 Yishun Industrial Park A in Singapore and the weakening of AUD against SGD on AUD denominated borrowings, partially offset by the recognition of deferred consideration payable recognised to the vendor for the installation of the Systems at six Singapore properties based on the minimum output of electricity generated by the Systems at the relevant rates.

As a result, the NAV per Unit decreased by 4.4% from S\$1.37 in FY2023 to S\$1.31 in FY2024.

### **FY2023 vs FY2022**

Gross revenue for FY2023 of S\$167.4 million was S\$25 million higher as compared to FY2022. The increase in gross revenue was largely due to full year revenue contribution from the acquisition of Woolworths HQ in November 2021, and higher rental and recoveries from AA REIT's logistics and warehouse, hi-tech and industrial properties such as the properties at 20 Gul Way, 29 Woodlands Industrial Park E1, 15 Tai Seng Drive and 8 & 10 Pandan Crescent.

Property operating expenses for FY2023 of S\$44.9 million was S\$5.7 million higher as compared to FY2022 mainly due to higher electricity expenses. NPI for FY2023 of S\$122.5 million was S\$19.3 million higher than FY2022 mainly due to higher gross revenue.

Borrowing costs for FY2023 of S\$33.3 million was S\$10.5 million higher compared to FY2022 mainly due to full year interest expense in FY2023 from the borrowings drawn for the acquisition of Woolworths HQ and higher floating interest rates.

The AA REIT Manager's management fees for FY2023 of S\$11.3 million was S\$1.3 million higher compared to FY2022. The increase was mainly due to the full year impact of higher Deposited Property value from the acquisition of Woolworths HQ in November 2021 and the higher valuation of Optus Centre.

Performance fee is computed at 0.2% per annum of the Deposited Property value, provided that the annual growth in DPU in a given financial year exceeds 5%. Based on AA REIT's FY2023 performance, the AA REIT Manager received S\$4.5 million in performance fee.

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<sup>23</sup> Please refer to announcement titled "Launch Of Equity Fund Raising To Raise Gross Proceeds Of Approximately S\$100 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.

Other trust expenses for FY2023 of S\$6.4 million was S\$1.8 million higher compared to FY2022 mainly due to higher Australian investment management fees as a result of the full year impact of higher Deposited Property value from the acquisition of Woolworths HQ and higher valuation of Optus Centre.

The share of profits of joint venture (net of tax) comprised of the contribution from AA REIT's 49% interest in Optus Centre. The decrease in the share of profits of joint venture in FY2023 was mainly due to lower share of revaluation gain of S\$0.4 million recognised from the revaluation of Optus Centre for FY2023. Meanwhile, the share of revaluation gain for FY2022 was S\$32.3 million.

The net change in fair value of investment properties for FY2023 was largely due to net revaluation gain of the Group's investment properties of S\$30.5 million, partially offset by S\$5.3 million fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 *Leases*.

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

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

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.

On 14 August 2020, AA REIT issued S\$125 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

On 1 September 2021, AA REIT issued S\$250 million of subordinated perpetual securities. These 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 arrear on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

Income attributable to perpetual securities holders for FY2023 of S\$20.5 million was S\$5.6 million higher as compared to FY2022 mainly due to the full year impact of S\$250 million perpetual securities that was issued on 1 September 2021.

DPU for FY2023 of S\$71.6 million was S\$4.4 million higher as compared to FY2022. The increase in FY2023 was largely due to full year revenue contribution from the acquisition of Woolworths HQ in November 2021, and higher rental and recoveries from AA REIT's logistics and warehouse, hi-tech and industrial properties such as the properties at 20 Gul Way, 29 Woodlands Industrial Park E1, 15 Tai Seng Drive and 8 & 10 Pandan Crescent. This was partially offset by the full year impact in the amount reserved for distribution to perpetual securities holders, higher borrowing costs and other trust expense.

As at 31 March 2023, total assets stood at S\$2,336.4 million, or approximately S\$67.3 million lower compared to total assets of S\$2,403.7 million as at 31 March 2022. The decrease in total assets was largely due to the translation loss from the Australian properties and investment in a joint venture, as a result of the weakening of the AUD against the SGD, partially offset by the revaluation gain from Singapore investment properties and share of revaluation gain recognised from the valuation of Optus Centre.

As at 31 March 2023, total liabilities stood at S\$969 million, or approximately S\$60.9 million lower compared to total liabilities of S\$1,029.9 million as at 31 March 2022. The decrease in total liabilities was mainly due to the weakening of AUD against SGD on AUD denominated borrowings.

As a result, the NAV per Unit decreased by 2.1% from S\$1.40 in FY2022 to S\$1.37 in FY2023.



## **USE OF PROCEEDS**

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the general corporate purposes of the Group, including to finance the general working capital, capital expenditure and investments of the Group and the partial or full refinancing of existing bank borrowings of the Group, or such other purposes as may be specified in the relevant Pricing Supplement.

## CLEARING AND SETTLEMENT

### Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

## TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (“QDS”) scheme for early redemption fee (as defined in the ITA) and redemption premium (as such term has been amended by the ITA). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders or prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.*

*In addition, the disclosure below is on the assumption that IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA, or any distribution payment made under any tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.*

### **Singapore Taxation**

#### **1. Interest and Other Payments**

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any

business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 24%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by Financial Sector Incentive (Standard Tier) Companies or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA) at such time and who are Specified Licensed Entities (as defined below), any tranche of the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the “**Qualifying Income**”) from the Relevant Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
  - (aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the AA REIT Manager, such Relevant Securities would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer or the AA REIT Manager, Qualifying Income derived from such Relevant Securities held by:
  - (I) any related party of the Issuer or the AA REIT Manager; or
  - (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the AA REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the ITA, the reference to the term “**Specified Licensed Entity**” above means:

- (a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (b) a finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.



The terms “**early redemption fee**”, “**redemption premium**” and “**related party**” are defined in the ITA as follows:

“early redemption fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

“related party”, in relation to a person (A), means any person (a) who directly or indirectly controls A; (b) who is being controlled directly or indirectly by A; or (c) who, together with A, is directly or indirectly under the control of a common person.

References to “early redemption fee”, “redemption premium” and “related party” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

## **2. Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

## **3. Adoption of FRS 109 or SFRS(I) for Singapore Income Tax Purposes**

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

#### **4. Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

#### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (the “**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including Singapore, have entered into, or have agreed in substance to, intergovernmental agreements with United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, such withholding would not apply prior to 1 January 2019 and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Securities that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

## **SUBSCRIPTION, PURCHASE AND DISTRIBUTION**

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealer(s) under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer, AA REIT, the AA REIT Manager and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, AA REIT, the AA REIT Manager and/or their respective affiliates in the ordinary course of the Issuer's business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arrangers, the Dealer(s) and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its respective subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealer(s) and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, AA REIT, the AA REIT Manager or their respective subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes whether or not with a view to later distribution.

Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arrangers, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or their clients or counterparties to have economic

interests and incentives which may conflict with those of an investor in the Securities. The Arrangers, the Dealers and/or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer(s) or any affiliate of the Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

## **United States**

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act ("**Regulation S**") or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

In respect of Securities offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities within the United States, except as permitted by the Programme Agreement.

In respect of Securities offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, deliver Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealer(s) reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

## European Economic Area

### Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (c) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Securities to the public in that Member State:

- (i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

## United Kingdom

### Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following;
  - (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
  - (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this



Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Securities to the public in the United Kingdom:

- (i) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the Financial Conduct Authority provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### **Other UK Regulatory Restrictions**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

## **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities, except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”), other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

## **Important Notice to CMIs (including private banks)**

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Securities. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Information Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Securities (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Securities. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Securities, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;

- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

## **General**

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealer(s).

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes or publishes any prospectus, circular, advertisement or any other document (including this Information Memorandum) or any Pricing Supplement.

*Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional adviser(s) and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

## GENERAL AND OTHER INFORMATION

### INFORMATION ON DIRECTORS

1. The name and position of each of the Directors of the AA REIT Manager are set out below:

Name	Position
George Wang	Chairman, Non-Executive Non-Independent Director
Chia Nam Toon	Non-Executive Lead Independent Director
Chong Teck Sin	Non-Executive Independent Director
Vivienne Zhaohui Yu	Non-Executive Independent Director

2. No Director of the AA REIT Manager is or was involved in any of the following events:
- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
  - (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
  - (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### ISSUED UNITS

3. As at the date of this Information Memorandum, there is only one class of units in AA REIT. The rights and privileges attached to the units are stated in the AA REIT Trust Deed.

### BORROWINGS

4. Save as disclosed in Appendix IV, as at 30 September 2024, AA REIT had no other borrowings or indebtedness in the nature of borrowings.

### WORKING CAPITAL

5. The Directors of the AA REIT Manager are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, AA REIT will have adequate working capital for its present requirements.

## **CHANGES IN ACCOUNTING POLICIES**

6. The Group had adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 April 2023. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact to the financial statements of the Group since its most recent audited consolidated financial statements for the financial year ended 31 March 2024.

## **LITIGATION**

7. There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Issuer, AA REIT, the AA REIT Manager or any of their respective subsidiaries the outcome of which may have or have had, during the 12 months prior to the date of this Information Memorandum, a material adverse effect on the financial position of the Issuer, AA REIT or the Group.

## **MATERIAL ADVERSE CHANGE**

8. There has been no material adverse change in the financial condition or business of the Issuer, AA REIT or the Group since the financial year ended 31 March 2024.

## **CONSENT**

9. KPMG LLP, the auditors of AA REIT, have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

## **LEGAL ENTITY IDENTIFIER**

10. The Legal Entity Identifier of the Issuer is 549300MGNQOBQ3KVN734.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

11. Copies of the following documents may be inspected at the registered office of the AA REIT Manager at 1 Raffles Place, #39-03, One Raffles Place, Singapore 048616 during normal business hours for a period of six months from the date of this Information Memorandum:
  - (a) the Constitution of the Issuer;
  - (b) the AA REIT Trust Deed;
  - (c) the Trust Deed;
  - (d) the letter of consent referred to in paragraph 9 above;
  - (e) the audited financial statements of AA REIT and its subsidiaries for the financial years ended 31 March 2023 and 31 March 2024; and
  - (f) the unaudited financial statements of AA REIT and its subsidiaries for the first half ended 30 September 2024.

## **FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE**

12. The functions, rights and obligations of the Trustee are set out in the Trust Deed.



**AUDITED FINANCIAL STATEMENTS OF AIMS APAC REIT AND ITS  
SUBSIDIARIES FOR THE FINANCIAL  
YEAR ENDED 31 MARCH 2023**

*The information in this Appendix II has been extracted and reproduced from the audited financial statements of AA REIT and its subsidiaries for the financial year ended 31 March 2023 and has not been specifically prepared for inclusion in this Information Memorandum.*

- 144 Report of  
The Trustee
- 145 Statement by  
The Manager
- 146 Independent  
Auditors' Report
- 149 Statements of  
Financial Position
- 150 Statements of  
Total Return

## FINANCIAL STATEMENTS

- 151 Distribution  
Statements
- 153 Statements of Movements  
in Unitholders' Funds
- 154 Portfolio  
Statements
- 161 Consolidated Statement  
of Cash Flows
- 163 Notes to the  
Financial Statements

## REPORT OF THE TRUSTEE

Year ended 31 March 2023

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of AIMS APAC REIT (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of AIMS APAC REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the provisions of the trust deed establishing the Trust 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 and the seventh supplemental deed dated 6 April 2023 (collectively the "Trust Deed") between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year covered by these financial statements, set out on pages 149 to 219, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
HSBC Institutional Trust Services (Singapore) Limited

### AUTHORISED SIGNATORY

Singapore  
8 June 2023



## STATEMENT BY THE MANAGER

Year ended 31 March 2023

In the opinion of the Directors of AIMS APAC REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 149 to 219, comprising the statements of financial position, statements of total return, distribution statements, statements of movements in Unitholders' funds and portfolio statements of the Group and of the Trust, the consolidated statement of cash flows of the Group and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 March 2023, and the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
AIMS APAC REIT Management Limited

GEORGE WANG  
DIRECTOR

CHONG TECK SIN  
DIRECTOR

Singapore  
8 June 2023

# INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of AIMS APAC REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and portfolio statements of the Group and the Trust as at 31 March 2023, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Group and the Trust and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 149 to 219.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, portfolio statement, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and portfolio holdings of the Group and the financial position and portfolio holdings of the Trust as at 31 March 2023 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA").

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Valuation of investment properties**

(Refer to Note 4 to the financial statements)

### **Risk:**

As at 31 March 2023, the Group owns a portfolio of investment properties comprising twenty-six properties which are located in Singapore, two properties which are located in Australia and a 49% interest in an investment property located in Australia held through a joint venture.

These investment properties are stated at their fair values based on valuations performed by independent external valuers engaged by the Group. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in determining the underlying assumptions to be applied.

### **Our response:**

We assessed the Group's process for the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuations reported by the external valuers. We evaluated the independence, objectivity and competency of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the appropriateness of the valuation methodologies applied against those applied by other valuers for similar property types, and the reasonableness of the key assumptions applied by the external valuers by benchmarking against industry data. Where the rates were outside the expected range, we undertook further procedures, held further discussions with the external valuers to understand the effects of additional factors considered in the valuations and corroborate with other evidence.

# INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

147

AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

## Our findings:

The Group has a structured process in appointing the external valuers, and in reviewing and accepting their valuation results. The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work.

In determining the fair values of the Group's investment properties, the external valuers have adopted the Capitalisation Approach, Discounted Cash Flow Analysis and/or Direct Comparison method. The valuation methodologies used were consistent with generally accepted market practices.

The key assumptions applied were generally within the range of market data available as at 31 March 2023. Where the assumptions were outside the expected range, the additional factors considered by the external valuers were consistent with other corroborative evidence.

## Other Information

The management of AIMS APAC REIT Management Limited, the Manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Manager for the financial statements

The management of the Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the management of the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

## Auditors' responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sarina Lee.

**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

8 June 2023

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

149

AIMS APAC REIT

	Note	Group		Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current assets</b>					
Investment properties	4	1,957,409	1,992,582	1,496,898	1,464,250
Subsidiaries	5	–	–	328,681	328,681
Joint venture	6	329,377	367,763	–	–
Trade and other receivables	7	3,465	3,086	3,465	3,086
Derivative financial instruments	11	12,064	9,989	8,041	7,216
		<u>2,302,315</u>	<u>2,373,420</u>	<u>1,837,085</u>	<u>1,803,233</u>
<b>Current assets</b>					
Investment property held for sale	4	12,153	–	12,153	–
Trade and other receivables	7	7,560	8,846	7,495	9,802
Derivative financial instruments	11	1,171	–	1,171	–
Cash and cash equivalents	8	13,223	21,395	7,728	11,599
		<u>34,107</u>	<u>30,241</u>	<u>28,547</u>	<u>21,401</u>
<b>Total assets</b>		<u>2,336,422</u>	<u>2,403,661</u>	<u>1,865,632</u>	<u>1,824,634</u>
<b>Non-current liabilities</b>					
Trade and other payables	9	15,101	13,135	15,101	13,135
Interest-bearing borrowings	10	790,988	817,782	390,011	405,184
Derivative financial instruments	11	–	1,495	–	1,495
Deferred tax liabilities	12	26,989	27,944	–	–
Lease liabilities	13	92,747	88,621	92,747	88,621
		<u>925,825</u>	<u>948,977</u>	<u>497,859</u>	<u>508,435</u>
<b>Current liabilities</b>					
Trade and other payables	9	37,598	39,767	32,442	33,832
Interest-bearing borrowings	10	–	35,206	–	–
Derivative financial instruments	11	–*	540	–*	540
Liabilities directly associated with the investment property held for sale	13	253	–	253	–
Lease liabilities	13	5,351	5,429	5,351	5,429
		<u>43,202</u>	<u>80,942</u>	<u>38,046</u>	<u>39,801</u>
<b>Total liabilities</b>		<u>969,027</u>	<u>1,029,919</u>	<u>535,905</u>	<u>548,236</u>
<b>Net assets</b>		<u>1,367,395</u>	<u>1,373,742</u>	<u>1,329,727</u>	<u>1,276,398</u>
Represented by:					
Unitholders' funds	14	993,849	1,000,196	956,181	902,852
Perpetual Securities holders' funds	15	373,546	373,546	373,546	373,546
		<u>1,367,395</u>	<u>1,373,742</u>	<u>1,329,727</u>	<u>1,276,398</u>
Units in issue and to be issued ('000)	16	725,039	716,583	725,039	716,583
Net asset value/net tangible asset per Unit attributable to Unitholders <sup>1</sup> (\$)		<u>1.37</u>	<u>1.40</u>	<u>1.32</u>	<u>1.26</u>

\* less than \$1,000.

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

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

# STATEMENTS OF TOTAL RETURN

Year ended 31 March 2023

	Note	Group		Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross revenue	17	167,382	142,390	138,410	128,819
Property operating expenses	18	(44,872)	(39,205)	(44,864)	(39,200)
<b>Net property income</b>		<b>122,510</b>	<b>103,185</b>	<b>93,546</b>	<b>89,619</b>
Net foreign exchange (loss)/gain		(663)	(86)	11,110	(565)
Interest income		291	719	223	63
Distribution income from a subsidiary		–	–	25,495	23,983
Borrowing costs	19	(33,309)	(22,828)	(17,837)	(18,248)
Manager's management fees	20	(11,333)	(10,012)	(11,333)	(10,012)
Manager's performance fees	20	(4,476)	(4,619)	(4,476)	(4,619)
Other trust expenses	21	(6,440)	(4,595)	(2,216)	(1,582)
Non-property expenses		(55,558)	(42,054)	(35,862)	(34,461)
<b>Net income before joint venture's profits</b>		<b>66,580</b>	<b>61,764</b>	<b>94,512</b>	<b>78,639</b>
Share of profits of joint venture (net of tax)	6	16,039	48,140	–	–
<b>Net income</b>		<b>82,619</b>	<b>109,904</b>	<b>94,512</b>	<b>78,639</b>
Net change in fair value of investment properties		25,225	(5,828)	32,864	11,878
Net change in fair value of derivative financial instruments		4,270	8,219	3,678	9,178
<b>Total return before income tax</b>		<b>112,114</b>	<b>112,295</b>	<b>131,054</b>	<b>99,695</b>
Income tax credit/(expense)	22	1,747	(8,187)	792	(1,662)
<b>Total return after income tax</b>		<b>113,861</b>	<b>104,108</b>	<b>131,846</b>	<b>98,033</b>
<b>Attributable to:</b>					
Unitholders		93,361	89,241	111,346	83,166
Perpetual Securities holders		20,500	14,867	20,500	14,867
		<b>113,861</b>	<b>104,108</b>	<b>131,846</b>	<b>98,033</b>
<b>Earnings per Unit (Singapore cents)</b>					
Basic and diluted	23	<b>13.01</b>	<b>12.59</b>		

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

# DISTRIBUTION STATEMENTS

Year ended 31 March 2023

151

AIMS APAC REIT

	Note	Group 2023 \$'000	2022 \$'000	Trust 2023 \$'000	2022 \$'000
<b>Amount available for distribution to Unitholders at beginning of the year</b>		16,911	20,493	16,911	20,493
Total return before income tax		112,114	112,295	131,054	99,695
Less: Amount reserved for distribution to Perpetual Securities holders		(20,500)	(14,867)	(20,500)	(14,867)
Net effect of tax adjustments	A	(24,929)	(8,516)	(61,787)	(33,411)
Other adjustments	B	(17,918)	(37,495)	–	–
		48,767	51,417	48,767	51,417
<b>Amount available for distribution to Unitholders from taxable income</b>		65,678	71,910	65,678	71,910
Distribution from tax-exempt income		–	2,242	–	2,242
Capital distribution		22,860	13,588	22,860	13,588
<b>Amount available for distribution to Unitholders</b>		88,538	87,740	88,538	87,740
<b>Distributions to Unitholders during the year:</b>					
2.900 cents per Unit for the period from 1 January 2021 – 31 March 2021		–	(20,493)	–	(20,493)
2.250 cents per Unit for the period from 1 April 2021 – 30 June 2021		–	(15,917)	–	(15,917)
2.500 cents per Unit for the period from 1 July 2021 – 30 September 2021		–	(17,686)	–	(17,686)
2.350 cents per Unit for the period from 1 October 2021 – 31 December 2021		–	(16,733)	–	(16,733)
2.360 cents per Unit for the period from 1 January 2022 – 31 March 2022		(16,911)	–	(16,911)	–
2.280 cents per Unit for the period from 1 April 2022 – 30 June 2022		(16,348)	–	(16,348)	–
2.420 cents per Unit for the period from 1 July 2022 – 30 September 2022		(17,376)	–	(17,376)	–
2.590 cents per Unit for the period from 1 October 2022 – 31 December 2022		(18,657)	–	(18,657)	–
		(69,292)	(70,829)	(69,292)	(70,829)
<b>Amount available for distribution to Unitholders at end of the year</b>		19,246	16,911	19,246	16,911
<b>Number of Units entitled to distributions at end of the year ('000)</b>		725,039	716,583	725,039	716,583
<b>Distribution per Unit (Singapore cents)</b>		9.944	9.460	9.944	9.460

Please refer to note 3.14 for the Trust's distribution policy.

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

## DISTRIBUTION STATEMENTS

Year ended 31 March 2023

### Note A – Net effect of tax adjustments

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amortisation and write-off of borrowing transaction costs	1,300	1,224	1,300	1,224
Net foreign exchange loss/(gain)	879	162	(10,894)	641
Manager's management fees paid/payable in units	6,446	4,731	6,446	4,731
Manager's performance fees payable in units	4,476	4,619	4,476	4,619
Land rent paid on investment properties	(8,897)	(8,726)	(8,897)	(8,726)
Interest expense on lease liabilities	3,604	3,488	3,604	3,488
Net change in fair value of investment properties	(32,864)	(11,878)	(32,864)	(11,878)
Net change in fair value of derivative financial instruments	(4,084)	(7,793)	(3,678)	(9,178)
Net tax adjustment on foreign sourced income	3,026	4,270	(22,465)	(19,719)
Temporary differences and other tax adjustments	1,185	1,387	1,185	1,387
Net effect of tax adjustments	(24,929)	(8,516)	(61,787)	(33,411)

### Note B – Other adjustments

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

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

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 March 2023

153

AIMS APAC REIT

	Note	Group 2023 \$'000	2022 \$'000	Trust 2023 \$'000	2022 \$'000
<b>Unitholders' Funds</b>					
Balance at beginning of the year		1,000,196	962,758	902,852	873,636
<b>Operations</b>					
Total return after income tax, attributable to Unitholders and Perpetual Securities holders		113,861	104,108	131,846	98,033
Less: Amount reserved for distribution to Perpetual Securities holders		(20,500)	(14,867)	(20,500)	(14,867)
Net increase in net assets from operations		93,361	89,241	111,346	83,166
<b>Foreign currency translation reserve</b>					
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	14	(43,307)	(284)	–	–
<b>Hedging reserve</b>					
Effective portion of changes in fair value of cash flow hedges	14	1,969	5,393	353	2,962
<b>Unitholders' contributions</b>					
Issuance of Units (including Units to be issued):					
Manager's management fees		6,446	4,731	6,446	4,731
Manager's performance fees		4,476	4,619	4,476	4,619
Manager's acquisition fees		–	4,597	–	4,597
Issuance costs for new units	14	–	(30)	–	(30)
Distributions to Unitholders		(69,292)	(70,829)	(69,292)	(70,829)
Change in Unitholders' funds resulting from Unitholders' transactions		(58,370)	(56,912)	(58,370)	(56,912)
Total (decrease)/increase in Unitholders' funds		(6,347)	37,438	53,329	29,216
Balance at end of the year		993,849	1,000,196	956,181	902,852
<b>Perpetual Securities holders' funds</b>					
Balance at beginning of the year		373,546	124,613	373,546	124,613
Issuance of Perpetual Securities		–	250,000	–	250,000
Issuance cost		–	(2,208)	–	(2,208)
Amount reserved for distribution to Perpetual Securities holders		20,500	14,867	20,500	14,867
Distribution to Perpetual Securities holders		(20,500)	(13,726)	(20,500)	(13,726)
Balance at end of the year	15	373,546	373,546	373,546	373,546

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



## PORTFOLIO STATEMENTS

As at 31 March 2023

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use
<b>Group and the Trust</b>					
<b>Investment properties in Singapore</b>					
1	20 Gul Way	20 Gul Way	35 years	17.8	Logistics and Warehouse
2	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	45.2	Logistics and Warehouse
3	27 Penjuru Lane	27 Penjuru Lane	45 years	26.5	Logistics and Warehouse
4	NorthTech	29 Woodlands Industrial Park E1	60 years	31.8	Hi-Tech
5	7 Bulim Street	7 Bulim Street	30 years	19.4	Logistics and Warehouse
6	1A International Business Park	1A International Business Park	52 years	36.2	Business Park
7	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	32.0	General Industrial
8	30 Tuas West Road	30 Tuas West Road	60 years	32.8	Logistics and Warehouse
9	51 Marsiling Road	51 Marsiling Road	70 years and 5 months	21.3	General Industrial
10	23 Tai Seng Drive	23 Tai Seng Drive	60 years	27.3	Light Industrial
11	15 Tai Seng Drive	15 Tai Seng Drive	60 years	28.0	Light Industrial
12	103 Defu Lane 10	103 Defu Lane 10	60 years	20.2	Logistics and Warehouse
13	8 Tuas Avenue 20	8 Tuas Avenue 20	59 years and 1.5 months	28.6	General Industrial
14	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	32.2	Light Industrial
15	10 Changi South Lane	10 Changi South Lane	60 years	33.2	Logistics and Warehouse
16	11 Changi South Street 3	11 Changi South Street 3	60 years	32.0	Logistics and Warehouse
17	135 Joo Seng Road	135 Joo Seng Road	60 years	31.2	Light Industrial

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

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

<sup>3</sup> The carrying value of investment properties are based on independent full valuation.

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

Occupancy rate <sup>2</sup>		Carrying value <sup>3</sup>		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
2023	2022	2023	2022	2023	2022	2023	2022
%	%	\$'000	\$'000	%	%	%	%
100	100	228,700	222,300	23.0	22.2	23.9	24.6
100	98	161,300	153,600	16.2	15.4	16.9	17.0
97	97	160,900	160,100	16.2	16.0	16.8	17.7
100	100	133,600	128,000	13.4	12.8	14.0	14.2
100	100	130,800	130,500	13.2	13.0	13.7	14.5
64	65	73,700	75,100	7.4	7.5	7.7	8.3
100	100	55,900	54,300	5.6	5.4	5.8	6.0
100	100	55,900	53,400	5.6	5.3	5.8	5.9
100	100	49,400	48,900	5.0	4.9	5.2	5.4
100	100	38,800	26,200	3.9	2.6	4.1	2.9
99	99	34,300	33,000	3.5	3.3	3.6	3.7
100	100	33,200	30,700	3.3	3.1	3.5	3.4
100	100	27,900	27,900	2.8	2.8	2.9	3.1
100	100	26,300	25,600	2.6	2.6	2.8	2.8
95	95	22,400	22,300	2.3	2.2	2.3	2.5
91	92	21,700	21,000	2.2	2.1	2.3	2.3
93	88	20,800	20,200	2.1	2.0	2.2	2.2

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

## PORTFOLIO STATEMENTS

As at 31 March 2023

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use
<b>Group and the Trust</b>					
<b>Investment properties in Singapore</b>					
18	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	32.1	Logistics and Warehouse
19	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	29.4	General Industrial
20	3 Toh Tuck Link	3 Toh Tuck Link	60 years	33.6	Logistics and Warehouse
21	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	24.0	General Industrial
22	8 Senoko South Road	8 Senoko South Road	60 years	31.6	General Industrial
23	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	30.8	General Industrial
24	1 Kallang Way 2A	1 Kallang Way 2A	60 years	32.2	Light Industrial
25	7 Clementi Loop	7 Clementi Loop	60 years	30.2	Logistics and Warehouse
26	541 Yishun Industrial Park A	541 Yishun Industrial Park A	60 years	31.2	General Industrial
<b>Group</b>					
<b>Investment properties in Australia</b>					
27	Woolworths HQ <sup>4</sup>	1 Woolworths Way, Bella Vista, New South Wales 2153, Australia	Freehold	N.A.	Business Park
28	Boardriders Asia Pacific HQ <sup>5</sup>	209-217 Burleigh Connection Road, Burleigh Waters, Queensland 4220, Australia	Freehold	N.A.	Light Industrial
<b>Total investment properties</b>					
<b>Group and the Trust</b>					
<b>Investment property held for sale in Singapore</b>					
26	541 Yishun Industrial Park A	541 Yishun Industrial Park A	60 years	31.2	General Industrial
<b>Total investment property held for sale</b>					
<b>Total investment properties and investment property held for sale, at valuation (note 4)</b>					

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

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

<sup>3</sup> The carrying value of investment properties are based on independent full valuation.

<sup>4</sup> As at 31 March 2023, the Woolworths HQ was valued at AUD460.0 million (equivalent to approximately \$410.1 million) (31 March 2022: AUD468.0 million (equivalent to approximately \$474.1 million)).

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

	Occupancy rate <sup>2</sup>		Carrying value <sup>3</sup>		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
	2023 %	2022 %	2023 \$'000	2022 \$'000	2023 %	2022 %	2023 %	2022 %
	100	100	19,800	18,700	2.0	1.9	2.1	2.1
	95	77	19,600	19,600	2.0	2.0	2.0	2.2
	83	83	18,300	20,700	1.8	2.1	1.9	2.3
	100	100	15,200	16,100	1.5	1.6	1.6	1.8
	100	100	14,100	14,100	1.4	1.4	1.5	1.6
	100	100	12,500	12,200	1.3	1.2	1.3	1.4
	100	100	12,300	11,800	1.2	1.2	1.3	1.3
	87	80	11,400	12,000	1.1	1.2	1.2	1.3
	–	100	–	11,900 <sup>6</sup>	–	1.2	–	1.3
			1,398,800	1,370,200	140.6	137.0	146.4	151.8
	100	100	410,136	474,131	41.3	47.4	–	–
	100	100	50,375	54,201	5.1	5.4	–	–
			1,859,311	1,898,532	187.0	189.8	146.4	151.8
	100	–	11,900 <sup>6</sup>	–	1.2	–	1.2	–
			11,900	–	1.2	–	1.2	–
			1,871,211	1,898,532	188.2	189.8	147.6	151.8

<sup>5</sup> As at 31 March 2023, the Boardriders Asia Pacific HQ was valued at AUD56.5 million (equivalent to approximately \$50.4 million) (31 March 2022: AUD53.5 million (equivalent to approximately \$54.2 million)).

<sup>6</sup> 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 accompanying notes form an integral part of these financial statements.

## PORTFOLIO STATEMENTS

As at 31 March 2023

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use
	<b>Group</b>				
1-28	<b>Investment properties and investment property held for sale – fair value (page 154 to 157)</b>				
	Investment properties – right-of-use assets				
	Investment property held for sale– right-of-use assets				
	<b>Total investment properties and investment property held for sale</b>				
	<b>Joint venture (note 6)</b>				
	<b>Investment property in Australia held by a joint venture</b>				
29	Optus Centre <sup>5</sup>	1-5 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia	Freehold	N.A.	Business Park
	Other assets and liabilities (net)				
	Net assets of the Group				
	Perpetual Securities holders' funds				
	<b>Total Unitholders' funds of the Group</b>				

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

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

<sup>3</sup> The carrying value of investment properties are based on independent full valuation.

<sup>4</sup> 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.

<sup>5</sup> The Group has a 49.0% (31 March 2022: 49.0%) interest in Optus Centre. As at 31 March 2023, the property was valued at AUD753.0 million (equivalent to approximately \$671.4 million) (31 March 2022: AUD744.0 million (equivalent to approximately \$753.7 million)).

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

Occupancy rate <sup>2</sup>		Carrying value <sup>3</sup>		Group percentage of total Unitholders' funds	
2023	2022	2023	2022	2023	2022
%	%	\$'000	\$'000	%	%
		1,871,211	1,898,532	188.2	189.8
		98,098	94,050	9.9	9.4
		253 <sup>4</sup>	–	–	–
		1,969,562	1,992,582	198.1	199.2
		329,377	367,763	33.1	36.8
100	100				
		(931,544)	(986,603)	(93.7)	(98.6)
		1,367,395	1,373,742	137.5	137.4
		(373,546)	(373,546)	(37.5)	(37.4)
		993,849	1,000,196	100.0	100.0

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



## PORTFOLIO STATEMENTS

As at 31 March 2023

Description of property	Carrying value		Trust percentage of total Unitholders' funds	
	2023 \$'000	2022 \$'000	2023 %	2022 %
<b>Trust</b>				
1-26 Investment properties and investment property held for sale– fair value (pages 154 to 157)	1,410,700	1,370,200	147.6	151.8
Investment properties – right-of-use assets	98,098	94,050	10.3	10.4
Investment property held for sale– right-of-use assets	253 <sup>1</sup>	–	–	–
<b>Total investment properties and investment property held for sale</b>	<b>1,509,051</b>	<b>1,464,250</b>	<b>157.9</b>	<b>162.2</b>
Other assets and liabilities (net)	(179,324)	(187,852)	(18.8)	(20.8)
Net assets of the Trust	1,329,727	1,276,398	139.1	141.4
Perpetual Securities holders' funds	(373,546)	(373,546)	(39.1)	(41.4)
<b>Total Unitholders' funds of the Trust</b>	<b>956,181</b>	<b>902,852</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> 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.

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial years ended 31 March 2023 and 31 March 2022 related wholly to investing in real estate in the industrial sector.

As at 31 March 2023, the investment properties in Singapore were valued by Savills Valuation and Professional Services (S) Pte Ltd or Jones Lang LaSalle Property Consultants Pte Ltd (31 March 2022: Savills Valuation and Professional Services (S) Pte Ltd or Jones Lang LaSalle Property Consultants Pte Ltd) and the investment properties in Australia were valued by Knight Frank NSW Valuations & Advisory Pty Ltd or Knight Frank Valuation and Advisory Queensland (31 March 2022: Jones Lang LaSalle Advisory Services Pty Ltd or Knight Frank NSW Valuations & Advisory Pty Ltd). The independent valuation of the investment property held through a joint venture was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd as at 31 March 2023 (31 March 2022: Jones Lang LaSalle Advisory Services Pty Ltd).

The Manager believes that the independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations of the investment properties were based on income capitalisation method, discounted cash flow analysis and/or direct comparison method. Refer to note 4 of the financial information for details of the valuation techniques.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2023

161

AIMS APAC REIT

	Note	Group 2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Total return after income tax		113,861	104,108
<b>Adjustments for:</b>			
Share of profits of joint venture (net of tax)		(16,039)	(48,140)
Borrowing costs		33,309	22,828
Net foreign exchange loss		663	86
Manager's management fees in Units	A	6,446	4,731
Manager's performance fees in Units	A	4,476	4,619
Net change in fair value of investment properties		(25,225)	5,828
Net change in fair value of derivative financial instruments		(4,270)	(8,219)
Income tax (credit)/expense		(1,747)	8,187
<b>Operating income before working capital changes</b>		<b>111,474</b>	<b>94,028</b>
<b>Changes in working capital</b>			
Trade and other receivables		(1,750)	(3,814)
Trade and other payables		195	8,456
<b>Cash generated from operations</b>		<b>109,919</b>	<b>98,670</b>
Income tax paid		(246)	(1,662)
<b>Net cash from operating activities</b>		<b>109,673</b>	<b>97,008</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(3,049)	(7,418)
Acquisition of investment properties (including acquisition costs) <sup>1</sup>		–	(485,242)
Deposit received for the Divestment of investment property held for sale <sup>2</sup>		129	–
Refund of option fee received <sup>3</sup>		1,020	–
Loan to a joint venture		(9,045)	(5,374)
Distributions from a joint venture		17,547	18,561
<b>Net cash from/(used in) investing activities</b>		<b>6,602</b>	<b>(479,473)</b>
<b>Cash flows from financing activities</b>			
Distributions to Unitholders		(69,290)	(70,960)
Distributions to Perpetual Securities holders		(20,500)	(13,726)
Proceeds from issuance of Perpetual Securities		–	250,000
Issue costs paid in relation to Perpetual Securities		–	(2,212)
Issue costs paid in relation to new units issued		–	(30)
Proceeds from interest-bearing borrowings		220,311	508,437
Repayments of interest-bearing borrowings		(217,239)	(247,958)
Borrowing costs paid		(27,540)	(22,233)
Repayment of lease liabilities		(8,897)	(8,726)
<b>Net cash (used in)/from financing activities</b>		<b>(123,155)</b>	<b>392,592</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,880)</b>	<b>10,127</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>21,395</b>	<b>11,159</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>		<b>(1,292)</b>	<b>109</b>
<b>Cash and cash equivalents at end of the year</b>		<b>13,223</b>	<b>21,395</b>

<sup>1</sup> This relates to the acquisition of 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia in FY2022, which included AUD23.3 million (equivalent to approximately \$22.8 million) paid for the initial deposit during FY2022.

<sup>2</sup> This relates to the deposit received for the divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore.

<sup>3</sup> 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 FY2021 was refunded.

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2023

### Significant non-cash transactions

On 19 November 2021, 3,232,196 of new Units amounting to \$4,597,000 were issued as payment of Manager's acquisition fees incurred for the acquisition of 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia.

### **Note A:**

In FY2023, 5,035,666 of new Units amounting to \$6,446,000 were issued/to be issued as partial payment for the FY2023 Manager's management fees and 3,420,035 of new Units amounting to \$4,476,000 to be issued as payment of FY2023 Manager's performance fees.

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

Refer to note 16 of the financial statements.

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

# NOTES TO THE FINANCIAL STATEMENTS

163

AIMS APAC REIT

Year ended 31 March 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 8 June 2023.

## 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 and the seventh supplemental deed dated 6 April 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 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. The principal activities of the subsidiaries and joint venture are set out in note 5 and note 6 respectively.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are summarised below.

### 1.1 Trustee's fees

Under the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of the Deposited Property (as defined in the Trust Deed) or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The Trustee's fee is accrued daily and is payable out of the value of the Deposited Property on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 1 GENERAL (cont'd)

#### 1.2 Manager's fees

The Manager is entitled to receive base fee, performance fee, acquisition fee and divestment fee, respectively as follows:

##### *Base fee*

Under clause 14.1.1 of the Trust Deed, the Manager is entitled to a base fee of 0.5% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an extraordinary resolution of a meeting of Unitholders.

The base fee is payable in the form of cash and/or Units as the Manager may elect. Prior to 6 April 2023, where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 30 days of the last day of each calendar month in arrears; and where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 30 days of the last day of each calendar quarter in arrears. Prior to 31 January 2022, where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 30 days of the last day of each calendar month in arrears; and where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 30 days of the last day of each calendar half-year in arrears.

From 6 April 2023, in accordance with clauses 14.1.4 (i) and (ii) of the Trust Deed, where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 60 days of the last day of each calendar month in arrears; and where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 60 days of the last day of each calendar quarter in arrears.

##### *Performance fee*

Under clause 14.1.2 of the Trust Deed, the Manager is also entitled to a performance fee of 0.1% per annum of the value of the Deposited Property, provided that growth in distribution per Unit ("DPU") in a given financial year (calculated before accounting for the performance fee in that financial year) relative to the DPU in the previous financial year exceeds 2.5%. The performance fee is 0.2% per annum if the growth in DPU in a given financial year relative to the DPU in the previous financial year exceeds 5.0%. In accordance with clause 14.1.4 (iii) of the Trust Deed, the payment of the performance fee, whether in the form of cash or Units, shall be made out of the Deposited Property within 60 days of the last day of every financial year in arrears.

The performance fee is payable in the form of cash and/or Units as the Manager may elect.

##### *Acquisition and divestment fee*

Under clause 14.2 of the Trust Deed, the Manager is entitled to receive the following fees:

- (a) An acquisition fee of 1.0% of the acquisition price of any Authorised Investment (as defined in the Trust Deed), acquired directly or indirectly by the Trust or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders; and
- (b) A divestment fee of 0.5% of the sale price of any Authorised Investment sold or divested by the Trustee or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The acquisition and divestment fee will be paid in the form of cash and/or Units and is payable as soon as practicable after completion of the acquisition or disposal.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

165

AIMS APAC REIT

## 1 GENERAL (cont'd)

### 1.3 Property Manager's fees

The Manager and the Trustee have appointed the Property Manager to operate, maintain and market all of the properties of the Group. The following fees are payable to the Property Manager in respect of all of the investment properties in Singapore:

- (i) A property management fee of 2.0% per annum of the rental income of each of the relevant properties.
- (ii) A lease management fee of 1.0% per annum of the rental income of each of the relevant properties.
- (iii) A marketing services commission equivalent to:
  - (a) one month's gross rent for securing a tenancy of three years or less;
  - (b) two months' gross rent for securing a tenancy of more than three years;
  - (c) half of one month's gross rent for securing a renewal of tenancy of three years or less; and
  - (d) one month's gross rent for securing a renewal of tenancy of more than three years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commissions payable to such third party agent, and the Property Manager shall be entitled to a marketing services commission equivalent to:

- (a) 1.2 months' gross rent for securing a tenancy of three years or less; and
- (b) 2.4 months' gross rent for securing a tenancy of more than three years.

The gross rental, where applicable, includes service charge, reimbursements, which are the contributions paid by tenants towards covering the operating maintenance expenses of the property, and licence fees.

- (iv) A project management fee in relation to development or redevelopment, the refurbishment, retrofitting and renovation works on a property equivalent to:
  - (a) 3.0% of the construction costs where the construction costs are \$2.0 million or less;
  - (b) 2.0% of the construction costs where the construction costs exceed \$2.0 million but do not exceed \$20.0 million;
  - (c) 1.5% of the construction costs where the construction costs exceed \$20.0 million but do not exceed \$50.0 million; and
  - (d) a fee to be mutually agreed by the parties where the construction costs exceed \$50.0 million.
- (v) A property tax service fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property. The fee shall be determined as follows:
  - (a) 7.5% of the property tax savings where the proposed property annual value is \$1.0 million or less;
  - (b) 5.5% of the property tax savings where the proposed property annual value exceeds \$1.0 million but does not exceed \$5.0 million; and
  - (c) 5.0% of the property tax savings where the proposed property annual value exceeds \$5.0 million.

The above fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period.

- (vi) Employment costs and remuneration to the employees of the Property Manager engaged solely and exclusively for management of the relevant properties.

The Property Manager's fees are payable monthly, in arrears.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS"). The related changes to significant accounting policies are described in note 2.5.

#### 2.2 Basis of measurement

The 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.

#### 2.3 Functional and presentation currency

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

#### 2.4 Use of estimates and judgements

The preparation of 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 prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 4: *Valuation of investment properties*.

##### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Year ended 31 March 2023

## 2 BASIS OF PREPARATION (cont'd)

### 2.5 Changes in accounting policies

#### New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2022:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of the amendments to standards and interpretations does not have a material effect on the Group's financial statements.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally measured at fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in statement of total return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in statement of total return.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.1 Basis of consolidation (cont'd)

##### *Business combinations (cont'd)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected for each business combination. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance.

##### *Joint venture*

A joint venture is an entity over which the Group has joint control established by contractual arrangement, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in a joint venture is accounted for under the equity method and is recognised initially at cost. The cost of the investment includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

##### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

##### *Accounting for subsidiaries by the Trust*

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.2 Foreign currencies

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the reporting date.

Foreign currency differences arising on translation are recognised in statement of total return, except for the foreign currency differences which are recognised in Unitholders' funds arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation and financial liabilities designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Singapore dollar at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollar at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised within Unitholders' funds, and are presented in the foreign currency translation reserve. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its investment in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture which includes a foreign operation while retaining significant influence or joint control; the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in the Unitholders' funds, and are presented in the foreign currency translation reserve.

### 3.3 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter.

Cost includes expenditure that is directly attributable to the investment property. Transaction costs shall be included in the initial measurement. The cost of self-constructed investment property includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Investment properties (cont'd)

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- (i) in such manner and frequency as required under the CIS Code issued by MAS; and
- (ii) at least once in each period of 12 months following the acquisition of an investment property.

Any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Subsequent expenditure relating to investment properties or that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

#### 3.4 Investment property held for sale

Investment property that is highly probable to be recovered primarily through sale rather than through continuing use, is classified as an investment property held for sale. Immediately before classification as held for sale, the investment property is remeasured in accordance with the Group's accounting policies. Thereafter, the investment property classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell.

Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the investment property.

#### 3.5 Financial instruments

##### (i) Recognition and initial measurement

##### *Non-derivative financial assets and financial liabilities*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

171

AIMS APAC REIT

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.5 Financial instruments (cont'd)

#### (ii) Classification and subsequent measurement

##### *Non-derivative financial assets*

On initial recognition, the Group classifies its non-derivative financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Non-derivative financial assets: Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

##### *Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.5 Financial instruments (cont'd)

##### (ii) Classification and subsequent measurement (cont'd)

###### *Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

###### *Non-derivative financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

###### *Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return. These financial liabilities comprised interest-bearing borrowings, trade and other payables (excluding rental received in advance), lease liabilities and liabilities directly associated with the investment property held for sale.

##### (iii) Derecognition

###### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

###### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.5 Financial instruments (cont'd)

#### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits that are subject to an insignificant risk of changes in their fair values.

#### (vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to manage its interest rate and foreign currency risk exposures.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

##### *Cash flow hedges*

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

For all hedged transactions, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Unitholders' funds until it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to the statement of total return.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.5 Financial instruments (cont'd)

##### (vi) Derivative financial instruments and hedge accounting (cont'd)

###### *Net investment hedge*

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Trust's functional currency (Singapore dollar), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Unitholders' funds to the extent that the hedge is effective, and are presented in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the statement of total return as part of the gain or loss on disposal.

###### *Other non-trading derivatives*

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the statement of total return.

#### 3.6 Impairment

##### (i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Lease receivables are disclosed as part of trade and other receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

###### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

###### *General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.6 Impairment (cont'd)

#### (i) Non-derivative financial assets (cont'd)

##### *General approach (cont'd)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Impairment (cont'd)

##### (i) Non-derivative financial assets (cont'd)

###### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### (ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.6(iii). An impairment is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

##### (iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### 3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

Year ended 31 March 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.8 Leases (cont'd)

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein being recognised in the statement of total return and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.8 Leases (cont'd)

##### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

#### 3.9 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental cost, directly attributable to the issuance, offering and placement of Units in the Trust are deducted directly against Unitholders' funds.

#### 3.10 Revenue recognition

##### (i) Rental income and service charge from operating leases

Rental income and service charges receivable under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received.

##### (ii) Distribution income

Distribution income is recognised in the statement of total return on the date that the Group's or the Trust's right to receive payment is established.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

179

AIMS APAC REIT

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.11 Expenses

#### (i) Manager's fees

Manager's fees are recognised on an accrual basis based on the applicable formula stipulated in note 1.2.

#### (ii) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses is the Property Manager's fee which is based on the applicable formula stipulated in note 1.3.

#### (iii) Other trust expenses

Other trust expenses are recognised on an accrual basis.

### 3.12 Interest income and finance costs

Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and amortisation of borrowings related transaction costs which are recognised in the statement of total return using the effective interest rate method over the period for which the borrowings are granted.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

In calculating interest income and finance costs, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3.13 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income tax, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.13 Income tax expense (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- temporary differences related to investments in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse and based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience with tax authorities. The assessment of these factors relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee will not be assessed to tax on the taxable income of the Trust that is distributed to the Unitholders. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Distributions made by the Trust out of such taxable income to individuals and Qualifying Unitholders (as defined below) are distributed without deducting any income tax. This treatment is known as the "tax transparency" treatment.

For distributions made to foreign non-individual Unitholders (as defined below) up to 31 December 2025, the Trustee is required to withhold tax at the reduced rate of 10.0% on distributions made out of the Trust's taxable income (that is not taxed at the Trust level).

Year ended 31 March 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.13 Income tax expense (cont'd)

For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source by the Trustee.

Any portion of the taxable income that is not distributed, known as retained taxable income, tax will be assessed on the Trustee in accordance with section 10(1)(a) of the Singapore Income Tax Act, Chapter 134. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

A "Qualifying Unitholder" is a Unitholder who is:

- An individual and who holds the Units either in his sole name or jointly with other individuals;
- A Singapore-incorporated company which is a tax resident in Singapore;
- A body of persons other than a company or a partnership, registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and a trade industry association);
- A Singapore branch of a foreign company;
- An international organisation that is exempt from tax; or
- A real estate investment trust exchange-traded fund.

A "foreign non-individual Unitholder" is one which is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Singapore Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

The Trust's foreign-sourced trust distributions and interest income to be received in Singapore by the Trust from its Australian subsidiary, where such income originate from property rental income from its investments in Australia as well as income derived from property-related activities or other activities in line with the regulatory requirements imposed on the Trust, are exempted from Singapore income tax under section 13(12) of the Singapore Income Tax Act.

These tax exemptions are granted by the IRAS but are subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

### 3.14 Distribution policy

The Manager's distribution policy is to distribute at least 90.0% of the Trust's taxable income other than gains from sale of real estate that are determined by IRAS to be trading gains and net overseas income. Taxable income comprised substantially the Trust's income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion.

The Trust makes distributions to Unitholders on a quarterly basis, with the amount calculated as at 30 June, 30 September, 31 December and 31 March in each distribution year for the three-month period ending on each of those dates. Under the Trust Deed, the Manager shall pay distributions within 90 days after the end of each distribution period. Distributions, when paid, will be in Singapore dollar.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.14 Distribution policy (cont'd)

In the event that there are gains arising from sale of real estate properties, and only if such gains are surplus to the business requirements and needs of the Group, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. The Trustee shall not distribute any gain arising from the sale of real estate properties until IRAS agrees on the nature of the gain and its taxability.

The Manager has also implemented a Distribution Reinvestment Plan ("DRP"), which provides eligible Unitholders with the option to elect to receive Units in lieu of the cash amount of any distribution (including any interim, final, special or other distribution declared on their holding of Units (after the deduction of applicable income tax, if any)). The Manager may, in its absolute discretion, determine that the DRP will apply to any particular distribution.

#### 3.15 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of units outstanding for the effects of all dilutive potential units.

#### 3.16 Perpetual securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. 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.

#### 3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Makers ("CODMs") which comprise mainly the Board of Directors including the Chief Executive Officer ("CEO") of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise foreign exchange gain/loss and income tax expense.

Segment capital expenditure is the total cost incurred during the year relating to investment properties.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

183

AIMS APAC REIT

## 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.18 New standards, interpretations and revised recommended accounting practice not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

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

- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- FRS 117 Insurance Contracts and Amendments to FRS 117 Insurance Contracts
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 8: *Definition of Accounting Estimates*

## 4 INVESTMENT PROPERTIES

	Note	Group 2023 \$'000	Group 2022 \$'000	Trust 2023 \$'000	Trust 2022 \$'000
At 1 April		1,992,582	1,489,030	1,464,250	1,443,489
Acquisition of investment property		–	489,839	–	–
Capital expenditure capitalised		2,553	4,884	2,342	4,884
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		9,595	3,999	9,595	3,999
Net change in fair value of investment properties recognised in the statement of total return		30,519	(590)	38,158	17,116
Net change in fair value of right-of-use assets	13	(5,294)	(5,238)	(5,294)	(5,238)
Foreign currency translation and other movements		(60,393)	10,658	–	–
At 31 March		1,957,409	1,992,582	1,496,898	1,464,250

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 is targeted to be completed by the third quarter of 2023, subject to relevant authority's approval.

Details of the properties are shown in the Portfolio Statements.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 4 INVESTMENT PROPERTIES (cont'd)

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

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Investment properties including investment property held for sale	1,438,211	1,467,932	977,700	939,600

#### 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 (see note 2.4).

	Group		Trust	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fair value of investment properties (based on valuation reports)	1,859,311	1,898,532	1,398,800	1,370,200
Add: carrying amount of lease liabilities	98,098	94,050	98,098	94,050
Investment properties	1,957,409	1,992,582	1,496,898	1,464,250
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	12,153	–	12,153	–

#### Level 3 fair value measurements

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

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

##### (ii) Valuation techniques

Investment properties, including the investment property held for sale, are stated at fair value as at 31 March 2023 based on valuations performed by independent professional valuers, Savills Valuation and Professional Services (S) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd or Knight Frank Valuation and Advisory Queensland (31 March 2022: Savills Valuation and Professional Services (S) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Jones Lang LaSalle Advisory Services Pty Ltd or Knight Frank NSW Valuations & Advisory Pty Ltd). The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation. Valuations of the investment properties are carried out at least once a year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

185

AIMS APAC REIT

## 4 INVESTMENT PROPERTIES (cont'd)

### Level 3 fair value measurements (cont'd)

#### (ii) Valuation techniques (cont'd)

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

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

#### (iii) Significant unobservable inputs

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

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	<ul style="list-style-type: none"> <li>Discount rate of 6.25% to 7.75% (31 March 2022: 6.13% to 7.75%)</li> <li>Terminal capitalisation rate of 5.50% to 7.00% (31 March 2022: 5.50% to 7.00%)</li> </ul>	<p>The estimated fair value would increase (decrease) if discount rate was lower (higher).</p> <p>The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).</p>
Capitalisation method	<ul style="list-style-type: none"> <li>Capitalisation rate of 5.25% to 6.50% (31 March 2022: 5.13% to 6.50%)</li> </ul>	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).
Direct comparison method	<ul style="list-style-type: none"> <li>Adjusted price per square meter</li> </ul>	The estimated fair value would increase (decrease) if adjusted price per square meter was higher (lower).

## 5 SUBSIDIARIES

	Trust	
	2023 \$'000	2022 \$'000
Unquoted equity, at cost	328,681	328,681

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 5 SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Subsidiaries of the Trust	Country of incorporation or constitution/ Principal place of business	Principal activity	Effective equity interest held by the Group	
			2023 %	2022 %
AACI REIT MTN Pte. Ltd. <sup>1</sup>	Singapore	Provision of treasury services	100.0	100.0
AACI REIT Opera Pte. Ltd. <sup>2</sup>	Singapore	Investment holding	100.0	100.0
AA REIT (Alexandra) Pte. Ltd. <sup>2</sup>	Singapore	Investment holding	100.0	100.0
AA REIT Alexandra Trust <sup>1</sup>	Singapore	Investment in real estate	100.0	100.0
AIMS APAC REIT (Australia) Trust <sup>3</sup>	Australia	Investment in real estate	100.0	100.0
AA REIT Macquarie Park Investment Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0
AA REIT Australia Trust (QLD) <sup>3</sup>	Australia	Investment in real estate	100.0	100.0
Burleigh Heads Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0
AA REIT Australia Trust (NSW) <sup>3</sup>	Australia	Investment in real estate	100.0	100.0
Bella Vista Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Dormant and not required to be audited.

<sup>3</sup> Not required to be audited by the laws of the country of its constitution.

<sup>4</sup> Audited by a member firm of KPMG International.

## 6 JOINT VENTURE

	Group	
	2023 \$'000	2022 \$'000
Investment in joint venture	289,568	332,539
Amounts due from joint venture, at amortised cost:		
– Interest-bearing loan	39,809	35,224
	<u>329,377</u>	<u>367,763</u>

The amounts due from joint venture relates to an unsecured loan 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 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, repriced at each interest period as mutually agreed between the parties.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

187

AIMS APAC REIT

## 6 JOINT VENTURE (cont'd)

As at 31 March 2023, the Group's share of the capital commitments of the joint venture is \$6.0 million (31 March 2022: \$6.8 million).

Details of the joint venture are as follows:

Name of entity	Country of constitution/ Principal place of business	Principal Activity	Effective equity interest held by the Group	
			2023 %	2022 %
Macquarie Park Trust ("MPT") <sup>1</sup>	Australia	Investment in real estate	49.0	49.0

<sup>1</sup> Audited by PricewaterhouseCoopers Australia. This entity is also audited by a member firm of KPMG International for the purpose of preparing the Group's consolidated financial statements.

MPT is 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 following table summarises the financial information of MPT based on its financial statements for the respective financial years ended 31 March.

	2023 \$'000	2022 \$'000
<b>Assets and liabilities</b>		
Non-current assets <sup>a</sup>	671,375	753,746
Current assets <sup>b</sup>	5,440	2,606
Total assets	676,815	756,352
Non-current liabilities	81,243	71,885
Current liabilities <sup>c</sup>	4,616	5,816
Total liabilities	85,859	77,701
<b>Results</b>		
Revenue	37,999	37,913
Expenses	(9,770)	(5,488)
Net change in fair value of investment property	837	65,819
Total return for the year	29,066	98,244

<sup>a</sup> Represents the valuation of Optus Centre, Macquarie Park, New South Wales, Australia. The independent valuation of the property was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd as at 31 March 2023 (31 March 2022: Jones Lang LaSalle Advisory Services Pty Ltd) and the property was valued at AUD753.0 million (equivalent to approximately \$671.4 million) (31 March 2022: AUD744.0 million (equivalent to approximately \$753.7million)).

<sup>b</sup> Includes cash at banks and in hand of \$4.7 million (31 March 2022: \$2.0 million).

<sup>c</sup> Comprises trade and other payables, current tax payable and provisions.

	2023 \$'000	2022 \$'000
<b>Group's interest in net assets and carrying amount of joint venture</b>		
At 1 April	332,539	305,602
Share of profits of joint venture (net of tax) (including share of net change in fair value of investment property and excluding interest income from joint venture)	14,242 <sup>2</sup>	48,140
Distributions received/receivable	(17,345)	(18,730)
Foreign currency translation movements	(39,868)	(2,473)
At 31 March	289,568	332,539

<sup>2</sup> In 2023, the "Share of profits of joint venture (net of tax)" in the Statements of Total Return include interest income from joint venture amounting to \$1,797,000.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 7 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables	1,314	1,109	1,314	1,109
Deposits	69	1,122	69	1,122
Amount due from subsidiaries	–	–	12	1,019
Distribution receivable from a subsidiary	–	–	3,148	3,452
Distribution receivable from a joint venture	1,340	1,617	–	–
Interest receivable from:				
– a joint venture	–	240	–	–
– banks	672	–	540	–
Other receivables	2,002	1,532	249	896
	5,397	5,620	5,332	7,598
Prepayments	5,628	6,312	5,628	5,290
	11,025	11,932	10,960	12,888
Non-current	3,465	3,086	3,465	3,086
Current	7,560	8,846	7,495	9,802
	11,025	11,932	10,960	12,888

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

The Group's and the Trust's exposure to credit risk related to trade and other receivables is disclosed in note 26.

### Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	Group and Trust	
	2023 \$'000	2022 \$'000
At 1 April	–	77
Reversal of impairment losses during the year	–	(27)
Amount written-off	–	(50)
At 31 March	–	–

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.

## 8 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and in hand	11,440	18,395	6,836	8,599
Fixed deposits with financial institutions	1,783	3,000	892	3,000
	13,223	21,395	7,728	11,599

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

189

AIMS APAC REIT

## 9 TRADE AND OTHER PAYABLES

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables and accrued expenses	17,016	21,844	14,846	19,981
Trade amounts due to:				
– the Manager	1,169	–	1,169	–
– the Property Manager	1,722	559	1,722	559
– the Trustee	59	59	59	59
– subsidiary	–	–	–	5
– entities controlled by corporate shareholders of the Manager	288	655	–	–
Goods and services tax payable	2,532	1,715	2,532	1,301
Rental received in advance	2,587	4,092	2,587	2,062
Rental and security deposits	22,099	19,899	22,099	19,899
Retention sums for development costs	–	385	–	385
Accrued development costs	–	335	–	335
Interest payable	5,227	3,359	2,529	2,381
	<u>52,699</u>	<u>52,902</u>	<u>47,543</u>	<u>46,967</u>
Non-current	15,101	13,135	15,101	13,135
Current	<u>37,598</u>	<u>39,767</u>	<u>32,442</u>	<u>33,832</u>
	<u>52,699</u>	<u>52,902</u>	<u>47,543</u>	<u>46,967</u>

## 10 INTEREST-BEARING BORROWINGS

	Note	Group		Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current</b>					
<b>Secured</b>					
Bank borrowings	(a),(b)	695,967	723,698	292,882	309,236
<b>Unsecured</b>					
Medium term notes	(c)	100,000	100,000	100,000	100,000
		<u>795,967</u>	<u>823,698</u>	<u>392,882</u>	<u>409,236</u>
Less: Unamortised borrowing transaction costs		(4,979)	(5,916)	(2,871)	(4,052)
		<u>790,988</u>	<u>817,782</u>	<u>390,011</u>	<u>405,184</u>
<b>Current</b>					
<b>Secured</b>					
Bank borrowings		–	35,224	–	–
		<u>–</u>	<u>35,224</u>	<u>–</u>	<u>–</u>
Less: Unamortised borrowing transaction costs		–	(18)	–	–
		<u>–</u>	<u>35,206</u>	<u>–</u>	<u>–</u>
<b>Total</b>		<u>790,988</u>	<u>852,988</u>	<u>390,011</u>	<u>405,184</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 10 INTEREST-BEARING BORROWINGS (cont'd)

As at 31 March 2023, the Group had the following borrowings:

- (a) Secured credit facilities of the Trust
  - (i) first legal mortgage over 16 investment properties (31 March 2022: legal mortgage over 16 investment properties) with market value totalling \$977.7 million (31 March 2022: \$939.6 million) 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) Secured term loan facility of a wholly-owned subsidiaries
  - (i) A secured five-year term loan facility granted to a wholly-owned subsidiary of the Trust which is guaranteed by the Trust and secured by a mortgage over a property with market value of \$50.4 million (31 March 2022: \$54.2 million) and a general security agreement over all present and after acquired property of the subsidiary;
  - (ii) A secured five-year term loan facility granted to a wholly-owned subsidiary of the Trust which is secured by a mortgage over a property with market value of \$410.1 million (31 March 2022: \$474.1 million) and a general security agreement over all present and after acquired property of the subsidiary; and
  - (iii) A secured five-year term loan facility granted to a wholly-owned subsidiary of the Trust which is 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

As at 31 March 2023, unsecured medium term notes issued comprises \$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.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

191

AIMS APAC REIT

## 10 INTEREST-BEARING BORROWINGS (cont'd)

### Terms and debt repayment schedule

Terms and conditions of the interest-bearing borrowings are as follows:

	Nominal interest rate %	Date of maturity	Group Face value \$'000	Group Carrying amount \$'000	Trust Face value \$'000	Trust Carrying amount \$'000
<b>2023</b>						
SGD fixed rate medium term notes	3.60	November 2024	100,000	99,762	100,000	99,762
SGD floating rate bank borrowing <sup>4</sup>	SORA <sup>1</sup> + margin	July 2024	100,000	99,813	100,000	99,813
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	July 2024	18,860	18,778	–	–
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2025	22,000	21,132	22,000	21,132
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2025	26,302	25,936	26,302	25,936
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2026	100,000	99,195	100,000	99,195
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2026	44,580	44,173	44,580	44,173
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	November 2026	247,820	246,791	–	–
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	June 2027	136,405	135,408	–	–
			795,967	790,988	392,882	390,011
<b>2022</b>						
SGD fixed rate medium term notes	3.60	November 2024	100,000	99,614	100,000	99,614
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	June 2022	35,224	35,206	–	–
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	July 2023	111,441	111,215	–	–
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	November 2023	32,926	32,860	32,926	32,860
SGD floating rate bank borrowing <sup>4</sup>	SOR <sup>3</sup> + margin	July 2024	100,000	99,668	100,000	99,668
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	July 2024	21,430	21,265	–	–
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2025	–	(1,206) <sup>5</sup>	–	(1,206) <sup>5</sup>
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2025	50,655	50,146	50,655	50,146
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2026	75,000	73,969	75,000	73,969
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2026	50,655	50,133	50,655	50,133
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	November 2026	281,591	280,118	–	–
			858,922	852,988	409,236	405,184

<sup>1</sup> Singapore Overnight Rate Average.

<sup>2</sup> Bank Bill Swap Bid Rate.

<sup>3</sup> Swap Offer Rate.

<sup>4</sup> On 31 May 2022, the Group has finalised the transition of the SOR based secured bank loan to SORA.

<sup>5</sup> Unamortised borrowing transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 10 INTEREST-BEARING BORROWINGS (cont'd)

Reconciliation of changes in liabilities arising from financing activities

	Financing cash flows						
	At 1 April 2022 \$'000	Proceeds from borrowings \$'000	Repayment of borrowings/ lease liabilities \$'000	Borrowing costs paid \$'000	Borrowing costs expensed \$'000	Foreign exchange and other movement \$'000	At 31 March 2023 \$'000
<b>Group</b>							
Medium term notes	99,614	-	-	-	148	-	99,762
Bank borrowings	753,374	220,311	(217,239)	(1,173)	1,979	(66,026)	691,226
Interest payable	3,359	-	-	(26,367)	27,578	657	5,227
Liabilities directly associated with the investment property held for sale	-	-	-	-	-	253	253
Lease liabilities	94,050	-	(8,897)	-	3,604	9,341	98,098
	<u>950,397</u>	<u>220,311</u>	<u>(226,136)</u>	<u>(27,540)</u>	<u>33,309</u>	<u>(55,775)</u>	<u>894,566</u>
	Financing cash flows						
	At 1 April 2021 \$'000	Proceeds from borrowings \$'000	Repayment of borrowings/ lease liabilities \$'000	Borrowing costs paid \$'000	Borrowing costs expensed \$'000	Foreign exchange and other movement \$'000	At 31 March 2022 \$'000
<b>Group</b>							
Medium term notes	149,423	-	(50,000)	-	191	-	99,614
Bank borrowings	442,033	508,437	(197,958)	(5,290)	1,493	4,659	753,374
Interest payable	2,652	-	-	(16,943)	17,656	(6)	3,359
Lease liabilities	95,289	-	(8,726)	-	3,488	3,999	94,050
	<u>689,397</u>	<u>508,437</u>	<u>(256,684)</u>	<u>(22,233)</u>	<u>22,828</u>	<u>8,652</u>	<u>950,397</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

193

AIMS APAC REIT

## 11 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current assets</b>				
Interest rate swaps				
– at fair value through statement of total return ("FVTPL")	–	4,567	–	4,254
– designated as cash flow hedge	12,064	5,422	8,041	2,962
	<u>12,064</u>	<u>9,989</u>	<u>8,041</u>	<u>7,216</u>
<b>Current assets</b>				
Interest rate swaps				
– at FVTPL	–	–	317	–
– designated as cash flow hedge	939	–	622	–
Currency forward contracts				
– at FVTPL	232	–	232	–
	<u>1,171</u>	<u>–</u>	<u>1,171</u>	<u>–</u>
<b>Non-current liabilities</b>				
Interest rate swaps				
– at FVTPL	–	(1,495)	–	(1,495)
<b>Current liabilities</b>				
Interest rate swaps				
– at FVTPL	–	(49)	–	(49)
Currency forward contracts				
– at FVTPL	(–*)	(491)	(–*)	(491)
	<u>(–*)</u>	<u>(540)</u>	<u>(–*)</u>	<u>(540)</u>

\* less than \$1,000.

### Interest rate swaps

The Group and the Trust use interest rate swaps to manage their exposures to interest rate movements on floating rate interest-bearing term loans by swapping the interest expense on a portion of interest-bearing borrowings from floating rates to fixed rates.

As at 31 March 2023, the Group had interest rate swap contracts with remaining tenors between approximately one and four years with total notional amounts of \$172.0 million and AUD478.5 million, equivalent to approximately \$426.6 million (31 March 2022: interest rate swap contracts with remaining tenors between approximately one and five years with total notional amounts of \$202.0 million and AUD478.5 million, equivalent to approximately \$484.8 million). Under the contracts, the Group pays fixed interest rates of 0.280% to 3.313% (31 March 2022: 0.280% to 3.313%) per annum and receives interest at the three-month SORA or BBSY (31 March 2022: three-month SOR, SORA or BBSY).

As at 31 March 2023, the Group had designated the interest rate swap contracts with notional amounts of \$172.0 million and AUD478.5 million, equivalent to approximately \$426.6 million (31 March 2022 \$75.0 million and AUD325.0 million, equivalent to approximately \$329.3 million), as hedging instruments in a cash flow hedge to hedge against variable interest payment arising from the floating rate loans.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 11 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

### Currency forward contracts

The Group and the Trust use currency forward contracts to hedge its foreign currency risk on distributions to Unitholders.

As at 31 March 2023, the Group and the Trust had currency forward contracts with tenor of less than one year with total notional amounts of AUD8.5 million, equivalent to approximately \$7.6 million (31 March 2022: AUD12.0 million, equivalent to approximately \$12.2 million). Under the contracts, the Group and the Trust sell AUD8.5 million in exchange for approximately \$7.8 million (31 March 2022: sells AUD12.0 million in exchange for approximately \$11.7 million).

### Hedge accounting

#### Cash flow hedges

The following table provides a reconciliation by risk category of components of equity and analysis of hedging reserve, net of tax, resulting from cash flow hedge accounting.

	Hedging reserve	
	Group	Trust
	\$'000	\$'000
<b>Cash flow hedges</b>		
At 1 April 2021	–	–
Effective portion of changes in fair value of cash flow hedges	5,393	2,962
At 31 March 2022	5,393	2,962
Effective portion of changes in fair value of cash flow hedges	1,969	353
At 31 March 2023	7,362	3,315

### Offsetting financial assets and financial liabilities

The Group entered into International Swaps and Derivatives Association ("ISDA") master netting agreements with various bank counterparties ("ISDA Master Agreement"). In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

195

AIMS APAC REIT

## 12 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year are as follows:

	At 1 April 2021 \$'000	Recognised in statement of total return (note 22) \$'000	At 31 March 2022 \$'000	Recognised in statement of total return (note 22) \$'000	At 31 March 2023 \$'000
<b>Group</b>					
Deferred tax liabilities					
Investment properties	21,419	6,525	27,944	(955)	26,989

## 13 LEASES

### Leases as lessee (FRS 116)

The Group leases land in respect of certain properties from JTC Corporation ("JTC") and CapitaLand Singapore (BP&C) Pte. Ltd. ("CapitaLand"). The leases typically run for a period of 30 years, with an option to renew the lease after that date. The annual land rent payable is based on the market land rent in the relevant period of the lease term. However, the lease agreements limit any increase of the annual land rent from year to year to 5.5% and 7.6% for leases with JTC and CapitaLand respectively, of the annual land rent for the immediate preceding year.

Information about leases for which the Group is a lessee is presented below.

### (a) Amounts recognised in the statement of financial position

	Note	Group and Trust 2023 \$'000	2022 \$'000
Right-of-use assets (included within investment properties)	4	98,098	94,050
Lease liabilities			
– Non-current		92,747	88,621
– Current		5,351	5,429
		98,098	94,050
Right-of-use assets (included within investment property held for sale)	4	253	–
Liabilities directly associated with the investment property held for sale		253	–

### (b) Amounts recognised in the statement of total return

	Note	Group and Trust 2023 \$'000	2022 \$'000
<b>Leases under FRS 116</b>			
Interest on lease liabilities	19	3,604	3,488
Net change in fair value of right-of-use assets (included within net change in fair value of investment properties)	4	5,294	5,238

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 13 LEASES (cont'd)

Leases as lessee (FRS 116) (cont'd)

(c) Amounts recognised in the statement of cash flows

	Group	
	2023	2022
	\$'000	\$'000
Repayment of lease liabilities	8,897	8,726

### Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$52.7 million as at 31 March 2023 (31 March 2022: \$59.3 million).

### Leases as lessor

The Group leases out its investment properties (see note 4). All leases are classified as operating leases from a lessor perspective.

### Operating lease

The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 to 10 years and subsequent renewals are negotiated with the tenants to reflect market rentals. None of the leases contain contingent rental arrangements.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date and excluding prevailing market rent adjustments.

	Group	Trust
	\$'000	\$'000
<b>2023</b>		
Less than one year	112,623	87,363
One to two years	86,006	60,044
Two to three years	67,056	40,372
Three to four years	54,182	26,757
Four to five years	52,548	24,360
More than five years	155,567	51,576
<b>Total lease receivables</b>	<b>527,982</b>	<b>290,472</b>
<b>2022</b>		
Less than one year	117,623	89,697
One to two years	90,761	62,058
Two to three years	64,829	35,330
Three to four years	56,674	26,355
Four to five years	52,999	21,836
More than five years	214,514	64,324
<b>Total lease receivables</b>	<b>597,400</b>	<b>299,600</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

197

AIMS APAC REIT

## 14 UNITHOLDERS' FUNDS

### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation as well as the foreign exchange gains and losses arising from monetary items that are considered to form part of the Group's net investment in a foreign operation.

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected the statement of total return.

### Issue expenses

Issue expenses comprised professional, underwriting, selling commission and other costs relating to issuance of Units in the Trust. These expenses are deducted directly against Unitholders' funds.

## 15 PERPETUAL SECURITIES

As at 31 March 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 31 March 2023, the \$373.5 million (31 March 2022: \$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 2022: \$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.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 16 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	2023	2022
	'000	'000
Units in issue at beginning of the year	712,017	706,663
<u>Units in issue relating to:</u>		
Manager's management fees	5,009	2,122
Manager's performance fees	3,318	–
Manager's acquisition fees	–	3,232
Units in issue at end of the year	720,344	712,017
<u>Units to be issued relating to:</u>		
Manager's management fees	1,275	1,248
Manager's performance fees	3,420	3,318
Total Units in issue and to be issued at end of the year	725,039	716,583

### 2022

During the financial year ended 31 March 2022, there were the following issuances of Units to the Manager:

- (i) On 13 July 2021, 772,640 new Units at an average price of \$1.4008 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2021 to 30 June 2021.
- (ii) On 19 November 2021, 3,232,196 new Units at an average price of \$1.4222 were issued to the Manager as payment of the Manager's acquisition fees incurred for the acquisition of Woolworths HQ in 1 Woolworths Way, Bella Vista, New South Wales 2153, Australia.
- (iii) On 12 January 2022, 1,350,050 new Units at an average price of \$1.4079 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2021 to 31 December 2021.

During the financial year ended 31 March 2022 there were the following Units to be issued to the Manager:

- (i) 1,247,794 new Units at an average price of \$1.4007 to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2022 to 31 March 2022.
- (ii) 3,317,930 new Units at an average price of \$1.3922 to be issued to the Manager as payment of the performance fee element of the Manager's management fees incurred for the financial year.

### 2023

During the financial year ended 31 March 2023, there were the following issuances of Units to the Manager:

- (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 for the 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.
- (iii) On 27 October 2022, 1,005,940 new Units at an average price of \$1.3140 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2022 to 30 September 2022.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

199

AIMS APAC REIT

## 16 UNITS IN ISSUE AND TO BE ISSUED (cont'd)

2023 (cont'd)

- (iv) On 26 January 2023, 2,331,534 new Units at an average price of \$1.2175 were issued to the Manager as payment of the base fee element of the Manager's management fees incurred for the period from 1 October 2022 to 31 December 2022.

During the financial year ended 31 March 2023, there were the following Units to be issued to the Manager:

- (i) 1,274,492 new Units at an average price of \$1.3358 to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2023 to 31 March 2023.
- (ii) 3,420,035 new Units at an average price of \$1.3088 to be issued to the Manager as payment of the performance fee element of the Manager's management fees incurred for the financial year.

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.

## 17 GROSS REVENUE

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Property rental income	125,526	105,710	96,574	92,144
Service charge, land rent and property tax	23,259	21,808	23,259	21,808
Other property expenses recoverable from tenants and other property income	18,597	14,872	18,577	14,867
	167,382	142,390	138,410	128,819

## 18 PROPERTY OPERATING EXPENSES

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Property and lease management fees	2,897	2,764	2,897	2,764
Property tax	9,772	10,352	9,772	10,352
Other operating expenses	32,203	26,089	32,195	26,084
	44,872	39,205	44,864	39,200

## 19 BORROWING COSTS

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on borrowings	26,659	17,007	12,329	12,975
Interest expense on lease liabilities (note 13)	3,604	3,488	3,604	3,488
Amortisation of borrowing transaction costs	2,127	1,685	1,300	1,224
Others	919	648	604	561
	33,309	22,828	17,837	18,248

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 20 MANAGER'S MANAGEMENT FEES

	Group and Trust	
	2023	2022
	\$'000	\$'000
Base fees		
– Paid/payable in cash	4,887	5,281
– Paid/payable in Units	6,446	4,731
	<u>11,333</u>	<u>10,012</u>
Performance fees		
– Payable in Units	<u>4,476</u>	<u>4,619</u>

## 21 OTHER TRUST EXPENSES

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Audit fees paid/payable to:				
– auditors of the Trust	198	198	191	183
– other auditors	70	66	–	–
Non-audit fees paid/payable to auditors of the Trust	68	47	56	44
Trustees' fees				
– HSBC Institutional Trust Services (Singapore) Limited (the "Trustee")	368	338	368	333
– other trustee	16	21	16	18
Valuation fees	163	144	125	107
Professional fees	126	189	75	74
Transaction costs written-off	725	87	554	87
Investment management fees	3,676	2,645	–	–
Other expenses	1,030	860	831	736
	<u>6,440</u>	<u>4,595</u>	<u>2,216</u>	<u>1,582</u>

## 22 INCOME TAX (CREDIT)/EXPENSE

	Group		Trust	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore current tax	–	–*	–	–
Overseas deferred tax (note 12)	(955)	6,525	–	–
Overseas withholding tax (credit)/expense	(792)	1,662	(792)	1,662
Total tax (credit)/expense	<u>(1,747)</u>	<u>8,187</u>	<u>(792)</u>	<u>1,662</u>
Reconciliation of effective tax rate:				
Total return before income tax	<u>112,114</u>	<u>112,295</u>	<u>131,054</u>	<u>99,695</u>
Tax calculated using Singapore tax rate of 17% (2022: 17%)	19,059	19,090	22,279	16,948
Non-tax chargeable items	(6,815)	(3,577)	(6,815)	(3,577)
Non-tax deductible items	2,454	2,073	2,454	2,073
Tax transparency	(11,775)	(11,269)	(11,775)	(11,269)
Foreign-sourced income	(2,923)	(6,317)	(6,143)	(4,175)
Deferred tax on investment properties (note 12)	(955)	6,525	–	–
Overseas withholding tax (credit)/expense	(792)	1,662	(792)	1,662
	<u>(1,747)</u>	<u>8,187</u>	<u>(792)</u>	<u>1,662</u>

\* less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

201

AIMS APAC REIT

## 23 EARNINGS PER UNIT

	Group	
	2023	2022
Earnings per Unit (Singapore cents)		
Basic and diluted	13.01	12.59

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

	Group	
	2023	2022
	\$'000	\$'000
Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders	113,861	104,108
Less: Amount reserved for distribution to Perpetual Securities holders	(20,500)	(14,867)
Total return after income tax attributable to Unitholders of the Trust	93,361	89,241

	Trust	
	Number of Units	
	2023	2022
	'000	'000

### Basic EPU

Units in issue at beginning of the year	712,017	706,663
Effect of Units issued relating to:		
– Manager's management fees	2,285	846
– Manager's performance fees	3,063	–
– Manager's acquisition fees	–	1,178
Weighted average number of Units at end of the year	717,365	708,687

### Diluted EPU

Units in issue at beginning of the year	712,017	706,663
Effect of Units issued/to be issued relating to:		
– Manager's management fees	2,440	927
– Manager's performance fees	3,073	9
– Manager's acquisition fees	–	1,178
Weighted average number of Units at end of the year	717,530	708,777

## 24 COMMITMENTS

As at 31 March 2023, the Group had \$3.7 million (31 March 2022: \$1.2 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 31 March 2023, the option has not been exercised.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 25 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>The Manager</b>				
Manager's management fees				
– Base fees	11,333	10,012	11,333	10,012
– Performance fees	4,476	4,619	4,476	4,619
– Acquisition fees	–	4,597	–	4,597
<b>Entities controlled by corporate shareholders of the Manager</b>				
Investment management fees	3,676	2,645	–	–
<b>The Property Manager</b>				
Property management fees	1,931	1,843	1,931	1,843
Lease management fees	966	921	966	921
Marketing services commissions	3,034	2,768	3,034	2,768
Project management fees	189	44	189	44
Property tax services fees	167	–	167	–
Reimbursement of on-site staff costs <sup>1</sup>	689	438	689	438
<b>The Trustee</b>				
Trustee's fees	368	338	368	333
<b>Joint venture</b>				
Interest income	1,797	655	–	–
<b>Subsidiaries</b>				
Distribution income	–	–	25,495	23,983
Interest expense	–	–	–	1,751
Service fee expense	–	–	–	28

<sup>1</sup> 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 relevant properties.

Year ended 31 March 2023

## 26 FINANCIAL RISK MANAGEMENT

### Capital management

The Board of the Manager reviews the Group's capital management and financing policy regularly so as to optimise the Group's funding structure. The Board also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subjected to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code (the "Property Funds Appendix"). The Property Funds Appendix stipulates the aggregate leverage of a property fund should not exceed 50% of the fund's deposited property if the property fund met the minimum adjusted interest coverage ratio of 2.5 times. In the event if the adjusted interest coverage ratio is below 2.5 times, the aggregate leverage of a property fund should not exceed 45% of the fund's deposited property.

As at 31 March 2023, the Group's aggregate leverage<sup>1</sup> was 36.1% (31 March 2022: 37.5%) and its interest coverage ratio<sup>2</sup> and adjusted interest coverage ratio<sup>2</sup> were 3.8 times (31 March 2022: 5.1 times) and 2.3 times (31 March 2022: 2.9 times), respectively. The Group had complied with the aggregate leverage limit during the financial year.

There were no changes in the Group's approach to capital management during the financial year.

### Risk management framework

Exposure to credit, interest rate, liquidity and foreign currency risks arises in the normal course of the Group's business. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### (a) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a tenant to settle its financial and contractual obligations to the Group, as and when they fall due.

##### *Trade receivables*

Credit evaluations are performed by the Manager before lease agreements are entered into with the tenants. Rental deposits as a multiple of monthly rent are received either in cash or bank guarantees to reduce credit risk. The Manager also monitors the amount owing by the tenants on an ongoing basis.

Based on historical default rates, the Manager believes that no additional impairment allowance is necessary in respect of the remaining trade receivables as these receivables mainly arose from tenants that have good credit standing with the Group and the Group has sufficient security deposits as collateral.

Concentration of credit risk relating to trade receivables is limited due to the Group's varied tenant profile and credit policy of obtaining security deposits, banker's guarantees or other forms of collateral from tenants.

<sup>1</sup> 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 to MAS guidelines.

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

#### (a) Credit risk (cont'd)

##### *Cash and cash equivalents*

Cash and fixed deposits are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The ECL on cash and cash equivalents is negligible.

##### *Derivatives*

Transactions involving derivative financial instruments are entered only with bank counterparties that are regulated.

##### *Loan to joint venture*

The Group extended a loan to a joint venture to fund the capital expenditure requirement in relation to Optus Centre. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, the exposure is considered to be of low credit risk. Therefore, the Manager believes that no impairment allowance is necessary as at 31 March 2023.

##### *Other receivables*

The Group assesses on a forward-looking basis the ECLs associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk of these counterparties have not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 31 March 2023.

##### *Exposure to credit risk*

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

The ageing of the trade and other receivables at the reporting date was as follows:

	Impairment		Impairment	
	Gross	losses	Gross	losses
	2023	2023	2022	2022
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Not past due	4,901	–	5,384	–
Past due 1 – 30 days	450	–	138	–
Past due 31 – 90 days	22	–	87	–
Past due more than 90 days	24	–	11	–
	<u>5,397</u>	<u>–</u>	<u>5,620</u>	<u>–</u>
<b>Trust</b>				
Not past due	4,836	–	7,362	–
Past due 1 – 30 days	450	–	138	–
Past due 31 – 90 days	22	–	87	–
Past due more than 90 days	24	–	11	–
	<u>5,332</u>	<u>–</u>	<u>7,598</u>	<u>–</u>



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

205

AIMS APAC REIT

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Trust will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations and to mitigate the effect of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

As at 31 March 2023, the Group has unutilised committed credit facilities amounting to \$169.1 million (31 March 2022: \$160.4 million).

The Group also monitors and observes the Property Funds Appendix issued by the MAS concerning limits on total borrowings.

The Group has bank loans which contain certain covenants. Any breach of covenants may require the Group to repay the loans earlier than indicated in note 10.

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting arrangements:

Group	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Medium term notes	(99,762)	(107,210)	(3,600)	(103,610)	–
Bank borrowings	(691,226)	(804,146)	(33,472)	(770,674)	–
Trade and other payables <sup>1</sup>	(50,112)	(50,112)	(35,011)	(12,316)	(2,785)
Liabilities directly associated with the investment property held for sale	(253)	(259)	(259)	–	–
Lease liabilities	(98,098)	(140,485)	(8,794)	(29,515)	(102,176)
	<u>(939,451)</u>	<u>(1,102,212)</u>	<u>(81,136)</u>	<u>(916,115)</u>	<u>(104,961)</u>
<b>Derivative financial instruments</b>					
<b>Non-current assets</b>					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	12,064	11,578	6,160	5,418	–
<b>Current assets</b>					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	939	1,151	1,151	–	–
Currency forward contracts (net-settled)					
– at FVTPL	232	217	217	–	–
<b>Current liabilities</b>					
Currency forward contracts (net-settled)					
– at FVTPL	(–*)	(1)	(1)	–	–
	<u>13,235</u>	<u>12,945</u>	<u>7,527</u>	<u>5,418</u>	<u>–</u>

<sup>1</sup> Excluding rental received in advance.

\* less than \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Liquidity risk (cont'd)

Group	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Medium term notes	(99,614)	(110,810)	(3,600)	(107,210)	–
Bank borrowings	(753,374)	(864,610)	(54,959)	(809,651)	–
Trade and other payables <sup>1</sup>	(48,810)	(48,810)	(35,675)	(10,315)	(2,820)
Lease liabilities	(94,050)	(134,056)	(8,726)	(29,664)	(95,666)
	(995,848)	(1,158,286)	(102,960)	(956,840)	(98,486)
<b>Derivative financial instruments</b>					
<b>Non-current assets</b>					
Interest rate swaps (net-settled)					
– at FVTPL	4,567	4,760	1,328	3,432	–
– designated as cash flow hedge	5,422	9,144	530	8,614	–
<b>Non-current liabilities</b>					
Interest rate swaps (net-settled)					
– at FVTPL	(1,495)	(2,054)	(2,028)	(26)	–
<b>Current liabilities</b>					
Interest rate swaps (net-settled)					
– at FVTPL	(49)	(54)	(54)	–	–
Currency forward contracts (net-settled)					
– at FVTPL	(491)	(478)	(478)	–	–
	7,954	11,318	(702)	12,020	–

<sup>1</sup> Excluding rental received in advance.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

207

AIMS APAC REIT

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk (cont'd)

Trust	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Medium term notes	(99,762)	(107,210)	(3,600)	(103,610)	–
Bank borrowings	(290,249)	(329,100)	(14,050)	(315,050)	–
Trade and other payables <sup>1</sup>	(44,956)	(44,956)	(29,855)	(12,316)	(2,785)
Liabilities directly associated with the investment property held for sale	(253)	(259)	(259)	–	–
Lease liabilities	(98,098)	(140,485)	(8,794)	(29,515)	(102,176)
	<u>(533,318)</u>	<u>(622,010)</u>	<u>(56,558)</u>	<u>(460,491)</u>	<u>(104,961)</u>
<b>Derivative financial instruments</b>					
<u>Non-current assets</u>					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	8,041	8,257	4,669	3,588	–
<u>Current assets</u>					
Interest rate swaps (net-settled)					
– at FVTPL	317	435	435	–	–
– designated as cash flow hedge	622	716	716	–	–
Currency forward contracts (net-settled)					
– at FVTPL	232	217	217	–	–
<u>Current liabilities</u>					
Currency forward contracts (net-settled)					
– at FVTPL	(–*)	(1)	(1)	–	–
	<u>9,212</u>	<u>9,624</u>	<u>6,036</u>	<u>3,588</u>	<u>–</u>

<sup>1</sup> Excluding rental received in advance.

\* less than \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Liquidity risk (cont'd)

Trust	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
2022					
Non-derivative financial liabilities					
Medium term notes	(99,614)	(110,810)	(3,600)	(107,210)	–
Bank borrowings	(305,570)	(349,551)	(8,144)	(341,407)	–
Trade and other payables <sup>1</sup>	(44,905)	(44,905)	(31,770)	(10,315)	(2,820)
Lease liabilities	(94,050)	(134,056)	(8,726)	(29,664)	(95,666)
	(544,139)	(639,322)	(52,240)	(488,596)	(98,486)
Derivative financial instruments					
Non-current assets					
Interest rate swaps (net-settled)					
– at FVTPL	4,254	4,364	1,271	3,093	–
– designated as cash flow hedge	2,962	3,170	(345)	3,515	–
Non-current liabilities					
Interest rate swaps (net settled)					
– at FVTPL	(1,495)	(2,054)	(2,028)	(26)	–
Current liabilities					
Interest rate swaps (net-settled)					
– at FVTPL	(49)	(54)	(54)	–	–
Currency forward contracts (net-settled)					
– at FVTPL	(491)	(478)	(478)	–	–
	5,181	4,948	(1,634)	6,582	–

<sup>1</sup> Excluding rental received in advance.

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

#### (i) Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with adverse movement in interest rates on the loan facilities while also seeking to ensure that the Group's cost of debt remains competitive. The policy aims to protect the Group's earnings from the volatility in interest rates and provide stability to Unitholders' returns.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's and Trust's exposure to cash flow interest rate risks arise mainly from variable rate financial liabilities. The Manager manages the cash flow interest rate risks of these variable rate financial liabilities using floating-to-fixed interest rate swaps or via fixed rates borrowings.

As at 31 March 2023, the Group had interest rate swap contracts with total notional amounts of \$172.0 million and AUD478.5 million, equivalent to approximately \$426.6 million (31 March 2022: \$202.0 million and AUD478.5 million, equivalent to approximately \$484.8 million). For the interest rate swap contracts, the Group had agreed with counterparties to exchange at specified intervals, the difference between the floating rates pegged to the SORA or BBSY (31 March 2022: SOR, SORA or BBSY) and fixed rate interest amounts calculated by reference to the agreed notional amounts.

#### *Managing interest rate benchmark reform and associated risks*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform").

The Group's main IBOR exposure in previous year was indexed to SOR. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STs) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and a shift towards the use of SORA as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR is by the end of June 2023.

As at 31 March 2022, the Group had exposures to SOR on its financial instruments that has been replaced with SORA subsequently. As at 31 March 2023, the Group has no remaining IBOR exposure.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk (cont'd)

#### (i) Interest rate risk (cont'd)

##### Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's and Trust's interest-bearing financial instruments was as follows:

	Group Nominal amount		Trust Nominal amount	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Fixed rate instruments</b>				
Financial liabilities	(100,000)	(100,000)	(100,000)	(100,000)
Interest rate swaps <sup>1</sup>	(598,631)	(686,768)	(343,633)	(397,022)
	<u>(698,631)</u>	<u>(786,768)</u>	<u>(443,633)</u>	<u>(497,022)</u>
<b>Variable rate instruments</b>				
Financial liabilities	(695,967)	(758,922)	(292,882)	(309,236)
Interest rate swaps <sup>1</sup>	598,631	686,768	343,633	397,022
	<u>(97,336)</u>	<u>(72,154)</u>	<u>50,751</u>	<u>87,786</u>

<sup>1</sup> Including forward interest rate swaps.

##### Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) the total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return		Unitholders' funds	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
<b>Group</b>				
<b>31 March 2023</b>				
Variable rate instruments	<u>(2,311)</u>	<u>2,311</u>	<u>7,019</u>	<u>(7,240)</u>
<b>31 March 2022</b>				
Variable rate instruments	<u>2,157</u>	<u>(2,208)</u>	<u>6,126</u>	<u>(6,439)</u>
<b>Trust</b>				
<b>31 March 2023</b>				
Variable rate instruments	<u>626</u>	<u>(627)</u>	<u>3,658</u>	<u>(3,761)</u>
<b>31 March 2022</b>				
Variable rate instruments	<u>3,652</u>	<u>(3,701)</u>	<u>1,983</u>	<u>(2,068)</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

211

AIMS APAC REIT

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk (cont'd)

#### (ii) Foreign currency risk

##### *Risk management policy*

The Group has exposure to foreign currency risks arising from its interest in a joint venture and an investment property in Australia. Transactions in relation to these investments are mainly denominated in the Australian dollar.

The Manager's strategy is to achieve a natural hedge, wherever possible through the use of Australian dollar denominated borrowings to match the Group's interests in its Australian joint venture and investment properties to mitigate the currency risk. As at 31 March 2023, the Group's investment in its Australian assets was hedged as approximately 60.0% (31 March 2022: 65.0%) of the carrying value of the Trust's investments in Australia was funded with Australian dollar denominated borrowings.

##### *Exposure to currency risk*

The Group's and Trust's exposures to foreign currencies as at 31 March 2023 and 31 March 2022 were as follows:

	Group		Trust	
	Australian dollar 2023 \$'000	Australian dollar 2022 \$'000	Australian dollar 2023 \$'000	Australian dollar 2022 \$'000
Amounts due from joint venture	39,809	35,224	–	–
Cash and cash equivalents	6,875	11,877	1,396	2,110
Trade and other receivables	3,226	2,555	3,148	3,452
Derivative financial instruments	6,579	3,475	2,557	702
Trade and other payables	(5,321)	(1,853)	(189)	(869)
Interest-bearing borrowings	(473,967)	(583,922)	(70,882)	(134,236)
	(422,799)	(532,644)	(63,970)	(128,841)
Less: Currency forward contracts	(7,579)	(12,157)	(7,579)	(12,157)
Net currency exposure on financial liabilities	(430,378)	(544,801)	(71,549)	(140,998)
Add: Non-financial assets				
Investment in joint venture	289,568	332,539	–	–
Investment properties	460,511	528,332	–	–
Net currency exposure including non-financial assets	319,701	316,070	(71,549)	(140,998)



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Market risk (cont'd)

##### (ii) Foreign currency risk (cont'd)

##### Sensitivity analysis

A strengthening/weakening of the Australian dollar, as indicated below, against the Singapore dollar at the reporting date would have increased/(decreased) total return and Unitholders' funds by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Statements of total return \$'000	Unitholders' funds \$'000
<b>Group</b>		
<b>2023</b>		
Australian dollar (5% strengthening)	60	15,925
Australian dollar (5% weakening)	(60)	(15,925)
<b>2022</b>		
Australian dollar (5% strengthening)	97	15,706
Australian dollar (5% weakening)	(97)	(15,706)
<b>Trust</b>		
<b>2023</b>		
Australian dollar (5% strengthening)	(3,689)	112
Australian dollar (5% weakening)	3,689	(112)
<b>2022</b>		
Australian dollar (5% strengthening)	(7,050)	–
Australian dollar (5% weakening)	7,050	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### Classification and fair value of financial instruments

The carrying amounts and the fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

Group	Note	Amortised cost \$'000	Carrying amount			Fair value				
			FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2023										
Financial assets not measured at fair value										
	6	39,809	-	-	-	39,809				
	7	5,397	-	-	-	5,397				
	8	13,223	-	-	-	13,223				
		58,429	-	-	-	58,429				
Financial assets measured at fair value										
	11	-	232	13,003	-	13,235	-	13,235	-	13,235
Financial liabilities measured at fair value										
	11	-	(-*)	-	-	(-*)	-	(-*)	-	(-*)
Financial liabilities not measured at fair value										
	9	-	-	-	(50,112)	(50,112)				
	10	-	-	-	(790,988)	(790,988)	-	(789,314)	-	(789,314)
	13	-	-	-	(253)	(253)				
	13	-	-	-	(98,098)	(98,098)				
		-	-	-	(939,451)	(939,451)				

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance.

\* Less than \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

Group	Note	Amortised cost \$'000	Carrying amount			Fair value			
			FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2022</b>									
<b>Financial assets not measured at fair value</b>									
Amounts due from joint venture	6	35,224	-	-	-	35,224	-	-	-
Trade and other receivables <sup>1</sup>	7	5,620	-	-	-	5,620	-	-	-
Cash and cash equivalents	8	21,395	-	-	-	21,395	-	-	-
		62,239	-	-	-	62,239	-	-	-
<b>Financial assets measured at fair value</b>									
Derivative financial assets	11	-	4,567	5,422	-	9,989	-	9,989	-
<b>Financial liabilities measured at fair value</b>									
Derivative financial liabilities	11	-	(2,035)	-	-	(2,035)	-	(2,035)	(2,035)
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables <sup>2</sup>	9	-	-	-	(48,810)	(48,810)	-	-	-
Interest-bearing borrowings	10	-	-	-	(852,988)	(852,988)	-	(854,601)	(854,601)
Lease liabilities	13	-	-	-	(94,050)	(94,050)	-	-	-
		-	-	-	(995,848)	(995,848)	-	-	-

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

Trust	Note	Amortised cost \$'000	Carrying amount			Fair value				Total \$'000
			FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
2023										
Financial assets not measured at fair value										
Trade and other receivables <sup>1</sup>	7	5,332	-	-	-	5,332	-	-	-	-
Cash and cash equivalents	8	7,728	-	-	-	7,728	-	-	-	-
		13,060	-	-	-	13,060	-	-	-	-
Financial assets measured at fair value										
Derivative financial assets	11	-	549	8,663	-	9,212	-	9,212	-	9,212
Financial liabilities measured at fair value										
Derivative financial liabilities	11	-	(-*)	-	-	(-*)	-	(-*)	-	(-*)
Financial liabilities not measured at fair value										
Trade and other payables <sup>2</sup>	9	-	-	-	(44,956)	(44,956)	-	-	-	-
Interest-bearing borrowings	10	-	-	-	(390,011)	(390,011)	-	(388,337)	-	(388,337)
Liabilities directly associated with the investment property held for sale	13	-	-	-	(253)	(253)	-	-	-	-
Lease liabilities	13	-	-	-	(98,098)	(98,098)	-	-	-	-
		-	-	-	(533,318)	(533,318)	-	-	-	-

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance.

\* Less than \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

### 26 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

Trust	Note	Amortised cost \$'000	Carrying amount		Fair value			
			FVTPL instruments \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000
							Level 3 \$'000	Total \$'000
<b>2022</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>1</sup>	7	7,598	-	-	-	7,598	-	-
Cash and cash equivalents	8	11,599	-	-	-	11,599	-	-
		19,197	-	-	-	19,197	-	-
<b>Financial assets measured at fair value</b>								
Derivative financial assets	11	-	4,254	2,962	-	7,216	-	7,216
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	11	-	(2,035)	-	-	(2,035)	-	(2,035)
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>2</sup>	9	-	-	-	(44,905)	(44,905)	-	-
Interest-bearing borrowings	10	-	-	-	(405,184)	(405,184)	-	-
Lease liabilities	13	-	-	-	(94,050)	(94,050)	-	-
		-	-	-	(544,139)	(544,139)	-	-

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance.

## 26 FINANCIAL RISK MANAGEMENT (cont'd)

### Estimation of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### (i) Derivatives

The fair values of interest rate swaps and currency forward contracts (Level 2 fair values) are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

#### (ii) Other non-derivative financial assets and liabilities

Other non-derivative financial assets and liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

The carrying amounts of non-derivative financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The carrying amounts of non-derivative financial liabilities with maturity of more than one year (including trade and other payables) are assumed to approximate their fair values because the effect of discounting is immaterial. The carrying amount of borrowings which reprice within three months are assumed to approximate their fair values because of the short period to maturity or repricing. The fair values of the fixed rate notes are based on banks' quotes. The fair value disclosure of lease liabilities is not required.

The Group's policy is to recognise transfers between levels as of the end of the reporting period during which the transfer has occurred. There had been no transfers between the levels during the year.

## 27 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*.

In 2022, certain assets and liabilities, borrowing costs and trust and other expenses were not allocated to the segments as treasury activities were centrally managed by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

## 27 SEGMENT REPORTING (cont'd)

### Information about reportable segments

	Singapore \$'000	Australia \$'000	Total \$'000
<b>2023</b>			
<b>Revenue and expenses</b>			
Gross revenue	138,410	28,972	167,382
Property operating expenses	(44,864)	(8)	(44,872)
<b>Net property income</b>	93,546	28,964	122,510
Share of profits of joint venture (net of tax) <sup>1</sup>	–	16,039	16,039
Net change in fair value of investment properties	38,158	(7,639)	30,519
Net change in fair value of right-of-use assets	(5,294)	–	(5,294)
Net change in fair value of derivative financial instruments	1,475	2,795	4,270
			168,044
Interest income	224	67	291
Borrowing costs	(14,230)	(19,079)	(33,309)
Trust and other expenses	(18,054)	(4,195)	(22,249)
Unallocated item:			
Net foreign exchange loss			(663)
<b>Total return before income tax</b>			112,114
Income tax credit			1,747
<b>Total return after income tax</b>			113,861
<b>Total assets</b>	1,531,249	805,173	2,336,422
Other segment items:			
Joint venture	–	329,377	329,377
Capital expenditure <sup>2</sup>	2,342	211	2,553
<b>Total liabilities</b>	(465,821)	(503,206)	(969,027)
<b>2022</b>			
<b>Revenue and expenses</b>			
Gross revenue	128,819	13,571	142,390
Property operating expenses	(39,200)	(5)	(39,205)
<b>Net property income</b>	89,619	13,566	103,185
Share of profits of joint venture (net of tax) <sup>1</sup>	–	48,140	48,140
Net change in fair value of investment properties	17,116	(17,706)	(590)
Net change in fair value of right-of-use assets	(5,238)	–	(5,238)
Net change in fair value of derivative financial instruments	2,796	5,423	8,219
			153,716
Unallocated items:			
Net foreign exchange loss			(86)
Interest income			719
Borrowing costs			(22,828)
Trust and other expenses			(19,226)
<b>Total return before income tax</b>			112,295
Income tax expense			(8,187)
<b>Total return after income tax</b>			104,108
<b>Total assets</b>	1,490,276	913,385	2,403,661
Other segment items:			
Joint venture	–	367,763	367,763
Capital expenditure <sup>2</sup>	4,884	–	4,884
Acquisition of investment property	–	489,839	489,839

<sup>1</sup> 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 \$0.4 million (2022: \$32.3 million).

<sup>2</sup> Capital expenditure consists of additions of investment properties.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

219

AIMS APAC REIT

## 27 SEGMENT REPORTING (cont'd)

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

### Major tenants

Rental income from one major tenant of the Group's reportable segment represents approximately \$25.6 million (2022: \$10.3 million) of the Group's rental income.

## 28 FINANCIAL RATIOS

	Group	
	2023 %	2022 %
Expenses to weighted average net assets <sup>1</sup>		
– Expense ratio excluding performance-related fee	1.24	1.16
– Expense ratio including performance-related fee	1.56	1.52
Portfolio turnover rate <sup>2</sup>	–	–

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

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

## 29 SUBSEQUENT EVENTS

- On 24 April 2023, the Group announced its divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore, at a sale price of \$12.88 million (the "Divestment"). The Divestment is targeted to be completed by the third quarter of 2023, subject to relevant authority's approval.
- On 5 May 2023, the Board of the Manager approved a distribution of 2.654 Singapore cents per Unit in respect of the period from 1 January 2023 to 31 March 2023 to be paid on 28 June 2023.
- On 31 May 2023, the Trust launched an equity fund raising comprising a private placement and a non-renounceable preferential offering to raise gross proceeds of up to approximately \$100.0 million. On 1 June 2023, the Trust announced the closed of the private placement with a total of 57,660,000 new units that will be issued on 12 June 2023 pursuant to the private placement at an issue price of \$1.214 per new unit. The gross proceeds raised from the private placement is approximately \$70.0 million.

**AUDITED FINANCIAL STATEMENTS OF AIMS APAC REIT AND ITS  
SUBSIDIARIES FOR THE FINANCIAL  
YEAR ENDED 31 MARCH 2024**

*The information in this Appendix III has been extracted and reproduced from the audited financial statements of AA REIT and its subsidiaries for the financial year ended 31 March 2024 and has not been specifically prepared for inclusion in this Information Memorandum.*



# FINANCIAL STATEMENTS

142	Report of The Trustee	149	Distribution Statements
143	Statement by The Manager	151	Statements of Movements in Unitholders' Funds
144	Independent Auditors' Report	152	Portfolio Statements
147	Statements of Financial Position	159	Consolidated Statement of Cash Flows
148	Statements of Total Return	161	Notes to the Financial Statements

# REPORT OF THE TRUSTEE

Year ended 31 March 2024

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of AIMS APAC REIT (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of AIMS APAC REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the provisions of the trust deed establishing the Trust 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") between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year covered by these financial statements, set out on pages 147 to 219, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
**HSBC Institutional Trust Services (Singapore) Limited**

## AUTHORISED SIGNATORY

Singapore  
10 June 2024

## STATEMENT BY THE MANAGER

Year ended 31 March 2024

In the opinion of the Directors of AIMS APAC REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 147 to 219, comprising the statements of financial position, statements of total return, distribution statements, statements of movements in Unitholders' funds and portfolio statements of the Group and of the Trust, the consolidated statement of cash flows of the Group and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 March 2024, and the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
**AIMS APAC REIT Management Limited**

**GEORGE WANG**  
DIRECTOR

**CHONG TECK SIN**  
DIRECTOR

Singapore  
10 June 2024

# INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of AIMS APAC REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and portfolio statements of the Group and the Trust as at 31 March 2024, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Group and the Trust and the consolidated statement of cash flows of the Group for the year then ended, material accounting policy information and other explanatory information, as set out on pages 147 to 219.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, portfolio statement, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and portfolio holdings of the Group and the financial position and portfolio holdings of the Trust as at 31 March 2024 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA").

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Valuation of investment properties**

(Refer to Note 4 to the financial statements)

#### **Risk:**

As at 31 March 2024, the Group owns a portfolio of investment properties comprising twenty-five properties located in Singapore, two properties located in Australia and a 49% interest in an investment property located in Australia held through a joint venture.

These investment properties are stated at their fair values based on valuations performed by independent external valuers engaged by the Group. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in determining the underlying assumptions to be applied.

#### **Our response:**

We assessed the Group's process for the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuations reported by the external valuers. We evaluated the independence, objectivity and competency of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the appropriateness of the valuation methodologies applied against those applied by other valuers for similar property types, and the reasonableness of the key assumptions applied by the external valuers by benchmarking against industry data.



# INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

## **Our findings:**

The Group has a structured process in appointing the external valuers, and in reviewing and accepting their valuation results. The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work.

In determining the fair values of the Group's investment properties, the external valuers have adopted the Capitalisation Approach, Discounted Cash Flow Analysis and/or Direct Comparison method. The valuation methodologies used were consistent with generally accepted market practices.

The key assumptions applied were within the range of market data available as at 31 March 2024.

## *Other Information*

The management of AIMS APAC REIT Management Limited, the Manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Manager for the financial statements*

The management of the Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the management of the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

## *Auditors' responsibilities for the audit of financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



# INDEPENDENT AUDITORS' REPORT UNITHOLDERS OF AIMS APAC REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sarina Lee.

**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

10 June 2024

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Investment properties	4	1,973,169	1,957,409	1,570,037	1,496,898
Plant and equipment	5	14,153	–	14,153	–
Subsidiaries	6	–	–	360,433	328,681
Joint venture	7	289,296	329,377	–	–
Trade and other receivables	8	4,742	3,465	4,742	3,465
Derivative financial instruments	9	9,137	12,064	3,609	8,041
		<u>2,290,497</u>	<u>2,302,315</u>	<u>1,952,974</u>	<u>1,837,085</u>
<b>Current assets</b>					
Investment property held for sale	4	–	12,153	–	12,153
Trade and other receivables	8	7,925	7,560	7,529	7,495
Derivative financial instruments	9	382	1,171	294	1,171
Cash and cash equivalents	10	17,816	13,223	9,170	7,728
		<u>26,123</u>	<u>34,107</u>	<u>16,993</u>	<u>28,547</u>
<b>Total assets</b>		<u>2,316,620</u>	<u>2,336,422</u>	<u>1,969,967</u>	<u>1,865,632</u>
<b>Non-current liabilities</b>					
Trade and other payables	11	25,991	15,101	25,991	15,101
Interest-bearing borrowings	12	587,504	790,988	215,882	390,011
Deferred tax liabilities	13	20,406	26,989	–	–
Lease liabilities	14	96,449	92,747	96,449	92,747
		<u>730,350</u>	<u>925,825</u>	<u>338,322</u>	<u>497,859</u>
<b>Current liabilities</b>					
Trade and other payables	11	46,689	37,598	39,103	32,442
Interest-bearing borrowings	12	99,910	–	99,910	–
Derivative financial instruments	9	9	–*	9	–*
Liabilities directly associated with the investment property held for sale	14	–	253	–	253
Lease liabilities	14	5,388	5,351	5,388	5,351
		<u>151,996</u>	<u>43,202</u>	<u>144,410</u>	<u>38,046</u>
<b>Total liabilities</b>		<u>882,346</u>	<u>969,027</u>	<u>482,732</u>	<u>535,905</u>
<b>Net assets</b>		<u>1,434,274</u>	<u>1,367,395</u>	<u>1,487,235</u>	<u>1,329,727</u>
Represented by:					
Unitholders' funds	15	1,060,709	993,849	1,113,670	956,181
Perpetual Securities holders' funds	16	373,565	373,546	373,565	373,546
		<u>1,434,274</u>	<u>1,367,395</u>	<u>1,487,235</u>	<u>1,329,727</u>
Units in issue and to be issued ('000)	17	<u>810,955</u>	<u>725,039</u>	<u>810,955</u>	<u>725,039</u>
Net asset value/net tangible asset per Unit attributable to Unitholders <sup>1</sup> (\$)		<u>1.31</u>	<u>1.37</u>	<u>1.37</u>	<u>1.32</u>

\* less than \$1,000.

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

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

# STATEMENTS OF TOTAL RETURN

Year ended 31 March 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Gross revenue	18	177,281	167,382	150,048	138,410
Property operating expenses	19	(46,302)	(44,872)	(46,201)	(44,864)
<b>Net property income</b>		<b>130,979</b>	<b>122,510</b>	<b>103,847</b>	<b>93,546</b>
Net foreign exchange gain/(loss)		300	(663)	1,128	11,110
Interest income		443	291	271	223
Other non-operating income					
– interim insurance proceeds <sup>1</sup>		1,111	–	1,111	–
Distribution income from a subsidiary		–	–	20,119	25,495
Borrowing costs	20	(35,241)	(33,309)	(15,694)	(17,837)
Manager's management fees	21	(11,257)	(11,333)	(11,257)	(11,333)
Manager's performance fees	21	–	(4,476)	–	(4,476)
Other trust expenses	22	(5,539)	(6,440)	(1,867)	(2,216)
Non-property expenses		(52,037)	(55,558)	(28,818)	(35,862)
<b>Net income before joint venture's (losses)/profits</b>		<b>80,796</b>	<b>66,580</b>	<b>97,658</b>	<b>94,512</b>
Share of (losses)/profits of joint venture (net of tax)		(24,766)	16,039	–	–
<b>Net income</b>		<b>56,030</b>	<b>82,619</b>	<b>97,658</b>	<b>94,512</b>
Net change in fair value of investment properties		3,167	25,225	56,293	32,864
Net change in fair value of derivative financial instruments		(3,440)	4,270	(2,685)	3,678
Gain on divestment of investment property		637	–	637	–
<b>Total return before income tax</b>		<b>56,394</b>	<b>112,114</b>	<b>151,903</b>	<b>131,054</b>
Income tax credit/(expense)	23	6,512	1,747	(71)	792
<b>Total return after income tax</b>		<b>62,906</b>	<b>113,861</b>	<b>151,832</b>	<b>131,846</b>
<b>Attributable to:</b>					
Unitholders		42,350	93,361	131,276	111,346
Perpetual Securities holders		20,556	20,500	20,556	20,500
		<b>62,906</b>	<b>113,861</b>	<b>151,832</b>	<b>131,846</b>
<b>Earnings per Unit (Singapore cents)</b>					
Basic and diluted	24	<b>5.35</b>	<b>13.01</b>		

<sup>1</sup> Relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for property damage and revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore (refer to announcement dated 10 October 2023).

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

# DISTRIBUTION STATEMENTS

Year ended 31 March 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Amount available for distribution to Unitholders at beginning of the year</b>		19,246	16,911	19,246	16,911
Total return before income tax		56,394	112,114	151,903	131,054
Less: Amount reserved for distribution to Perpetual Securities holders		(20,556)	(20,500)	(20,556)	(20,500)
Net effect of tax adjustments	A	(53,843)	(24,929)	(75,198)	(61,787)
Other adjustments	B	74,154	(17,918)	–	–
		56,149	48,767	56,149	48,767
<b>Amount available for distribution to Unitholders from taxable income</b>		75,395	65,678	75,395	65,678
Capital distribution		18,182	22,860	18,182	22,860
<b>Amount available for distribution to Unitholders</b>		93,577	88,538	93,577	88,538
<b>Distributions to Unitholders during the year:</b>					
2.360 cents per Unit for the period from 1 January 2022 – 31 March 2022		–	(16,911)	–	(16,911)
2.280 cents per Unit for the period from 1 April 2022 – 30 June 2022		–	(16,348)	–	(16,348)
2.420 cents per Unit for the period from 1 July 2022 – 30 September 2022		–	(17,376)	–	(17,376)
2.590 cents per Unit for the period from 1 October 2022 – 31 December 2022		–	(18,657)	–	(18,657)
2.654 cents per Unit for the period from 1 January 2023 – 31 March 2023		(19,242)	–	(19,242)	–
1.800 cents per Unit for the period from 1 April 2023 – 11 June 2023		(13,051)	–	(13,051)	–
0.510 cents per Unit for the period from 12 June 2023 – 30 June 2023		(4,126)	–	(4,126)	–
2.340 cents per Unit for the period from 1 July 2023 – 30 September 2023		(18,957)	–	(18,957)	–
2.340 cents per Unit for the period from 1 October 2023 – 31 December 2023		(18,967)	–	(18,967)	–
		(74,343)	(69,292)	(74,343)	(69,292)
<b>Amount available for distribution to Unitholders at end of the year</b>		19,234	19,246	19,234	19,246
<b>Number of Units entitled to distributions at end of the year ('000)</b>		810,955	725,039	810,955	725,039
<b>Distribution per Unit (Singapore cents)</b>		9.360	9.944	9.360	9.944

Please refer to note 3.14 for the Trust's distribution policy.

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

# DISTRIBUTION STATEMENTS

Year ended 31 March 2024

## Note A – Net effect of tax adjustments

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Amortisation and write-off of borrowing transaction costs	1,275	1,300	1,275	1,300
Net foreign exchange (gain)/loss	(108)	879	(937)	(10,894)
Manager's management fees paid/payable in units	3,623	6,446	3,623	6,446
Manager's performance fees payable in units	–	4,476	–	4,476
Land rent paid on investment properties	(9,040)	(8,897)	(9,040)	(8,897)
Interest expense on lease liabilities	3,662	3,604	3,662	3,604
Net change in fair value of investment properties	(56,293)	(32,864)	(56,293)	(32,864)
Net change in fair value of derivative financial instruments	3,092	(4,084)	2,685	(3,678)
Depreciation of plant and equipment	488	–	488	–
Gain on divestment of investment property	(637)	–	(637)	–
Net tax adjustment on foreign sourced income	1,971	3,026	(18,148)	(22,465)
Net tax adjustment on net income from sale of electricity and renewable energy certificates	(1,048)	–	(1,048)	–
Interim insurance proceeds – compensation for property damage <sup>1</sup>	(1,010)	–	(1,010)	–
Industrial building allowance	605	–	605	–
Temporary differences and other tax adjustments	(423)	1,185	(423)	1,185
Net effect of tax adjustments	(53,843)	(24,929)	(75,198)	(61,787)

## Note B – Other adjustments

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

<sup>1</sup> Relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for property damage at 61 Yishun Industrial Park A, Singapore.

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

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 March 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Unitholders' Funds</b>					
<b>Balance at beginning of the year</b>		993,849	1,000,196	956,181	902,852
<b>Operations</b>					
Total return after income tax, attributable to Unitholders and Perpetual Securities holders		62,906	113,861	151,832	131,846
Less: Amount reserved for distribution to Perpetual Securities holders		(20,556)	(20,500)	(20,556)	(20,500)
Net increase in net assets from operations		42,350	93,361	131,276	111,346
<b>Foreign currency translation reserve</b>					
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	15	(4,180)	(43,307)	–	–
<b>Hedging reserve</b>					
Effective portion of changes in fair value of cash flow hedges	15	1,608	1,969	(869)	353
<b>Unitholders' contributions</b>					
Issuance of Units (including Units to be issued):					
Manager's management fees		3,623	6,446	3,623	6,446
Manager's performance fees		–	4,476	–	4,476
Private Placement		69,999	–	69,999	–
Preferential Offering		30,172	–	30,172	–
Issuance costs for new units	15	(2,369)	–	(2,369)	–
Distributions to Unitholders		(74,343)	(69,292)	(74,343)	(69,292)
Change in Unitholders' funds resulting from Unitholders' transactions		27,082	(58,370)	27,082	(58,370)
Total increase/(decrease) in Unitholders' funds		66,860	(6,347)	157,489	53,329
<b>Balance at end of the year</b>		1,060,709	993,849	1,113,670	956,181
<b>Perpetual Securities holders' funds</b>					
<b>Balance at beginning of the year</b>		373,546	373,546	373,546	373,546
Amount reserved for distribution to Perpetual Securities holders		20,556	20,500	20,556	20,500
Distribution to Perpetual Securities holders		(20,537)	(20,500)	(20,537)	(20,500)
<b>Balance at end of the year</b>	16	373,565	373,546	373,565	373,546

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

# PORTFOLIO STATEMENTS

As at 31 March 2024

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>3</sup>
<b>Group and the Trust</b>					
<b>Investment properties in Singapore</b>					
1	20 Gul Way	20 Gul Way	35 years	16.8	Logistics and Warehouse
2	27 Penjuru Lane	27 Penjuru Lane	45 years	25.5	Logistics and Warehouse
3	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	44.2	Logistics and Warehouse
4	7 Bulim Street	7 Bulim Street	30 years	18.4	Logistics and Warehouse
5	NorthTech	29 Woodlands Industrial Park E1	60 years	30.8	Hi-Tech
6	1A International Business Park	1A International Business Park	52 years	35.2	Business Park
7	30 Tuas West Road	30 Tuas West Road	60 years	31.8	Logistics and Warehouse
8	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	31.0	Industrial
9	51 Marsiling Road	51 Marsiling Road	70 years and 5 months	20.3	Industrial
10	23 Tai Seng Drive	23 Tai Seng Drive	60 years	26.3	Industrial
11	15 Tai Seng Drive	15 Tai Seng Drive	60 years	27.0	Industrial
12	103 Defu Lane 10	103 Defu Lane 10	60 years	19.2	Logistics and Warehouse
13	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	31.2	Industrial
14	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	31.1	Logistics and Warehouse
15	8 Tuas Avenue 20	8 Tuas Avenue 20	59 years and 1.5 months	27.6	Industrial
16	135 Joo Seng Road	135 Joo Seng Road	60 years	30.2	Industrial
17	11 Changi South Street 3	11 Changi South Street 3	60 years	31.0	Logistics and Warehouse

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

<sup>2</sup> The carrying value of investment properties are based on independent full valuation.

<sup>3</sup> Existing use for Industrial includes General Industrial and Light Industrial.

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



Occupancy rate		Carrying value <sup>2</sup>		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
2024	2023	2024	2023	2024	2023	2024	2023
%	%	\$'000	\$'000	%	%	%	%
100	100	241,100	228,700	22.7	23.0	21.6	23.9
97	97	190,000	160,900	17.9	16.2	17.1	16.8
100	100	161,000	161,300	15.2	16.2	14.5	16.9
100	100	139,400	130,800	13.1	13.2	12.5	13.7
100	100	139,000	133,600	13.1	13.4	12.5	14.0
61	64	72,000	73,700	6.8	7.4	6.5	7.7
100	100	56,400	55,900	5.3	5.6	5.1	5.8
100	100	56,000	55,900	5.3	5.6	5.0	5.8
100	100	50,600	49,400	4.8	5.0	4.5	5.2
100	100	41,600	38,800	3.9	3.9	3.7	4.1
99	99	30,900	34,300	2.9	3.5	2.8	3.6
100	100	30,700	33,200	2.9	3.3	2.8	3.5
100	100	28,500	26,300	2.7	2.6	2.6	2.8
79	100	27,000	19,800	2.5	2.0	2.4	2.1
100	100	26,600	27,900	2.5	2.8	2.4	2.9
93	93	23,300	20,800	2.2	2.1	2.1	2.2
91	91	23,100	21,700	2.2	2.2	2.1	2.3

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

# PORTFOLIO STATEMENTS

As at 31 March 2024

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>3</sup>
<b>Group and the Trust</b>					
<b>Investment properties in Singapore</b>					
18	10 Changi South Lane	10 Changi South Lane	60 years	32.2	Logistics and Warehouse
19	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	28.4	Industrial
20	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	23.0	Industrial
21	3 Toh Tuck Link	3 Toh Tuck Link	60 years	32.6	Logistics and Warehouse
22	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	29.8	Industrial
23	8 Senoko South Road	8 Senoko South Road	60 years	30.6	Industrial
24	1 Kallang Way 2A	1 Kallang Way 2A	60 years	31.2	Industrial
25	7 Clementi Loop	7 Clementi Loop	60 years	29.2	Logistics and Warehouse
<b>Group</b>					
<b>Investment properties in Australia</b>					
26	Woolworths HQ <sup>4</sup>	1 Woolworths Way, Bella Vista, New South Wales 2153, Australia	Freehold	N.A.	Business Park
27	Boardriders Asia Pacific HQ <sup>5</sup>	209-217 Burleigh Connection Road, Burleigh Waters, Queensland 4220, Australia	Freehold	N.A.	Industrial
<b>Total investment properties</b>					
<b>Group and the Trust</b>					
<b>Investment property held for sale in Singapore</b>					
28	541 Yishun Industrial Park A <sup>6</sup>	541 Yishun Industrial Park A	60 years	N.A.	Industrial
<b>Total investment property held for sale</b>					
<b>Total investment properties and investment property held for sale, at valuation (note 4)</b>					

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

<sup>2</sup> The carrying value of investment properties are based on independent full valuation.

<sup>3</sup> Existing use for Industrial includes General Industrial and Light Industrial.

<sup>4</sup> As at 31 March 2024, the Woolworths HQ was valued at AUD410.0 million (equivalent to approximately \$360.9 million) (31 March 2023: AUD460.0 million (equivalent to approximately \$410.1 million)).

<sup>5</sup> As at 31 March 2024, the Boardriders Asia Pacific HQ was valued at AUD48.0 million (equivalent to approximately \$42.3 million) (31 March 2023: AUD56.5 million (equivalent to approximately \$50.4 million)).

<sup>6</sup> 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 financial statements.

Occupancy rate		Carrying value <sup>2</sup>		Group percentage of total Unitholders' funds		Trust percentage of total Unitholders' funds	
2024	2023	2024	2023	2024	2023	2024	2023
%	%	\$'000	\$'000	%	%	%	%
93	95	22,400	22,400	2.1	2.3	2.0	2.3
100	95	19,900	19,600	1.9	2.0	1.8	2.0
100	100	19,400	15,200	1.8	1.5	1.7	1.6
83	83	18,400	18,300	1.7	1.8	1.7	1.9
100	100	13,700	12,500	1.3	1.3	1.2	1.3
100	100	13,500	14,100	1.3	1.4	1.2	1.5
100	100	12,200	12,300	1.2	1.2	1.1	1.3
87	87	11,500	11,400	1.1	1.1	1.0	1.2
		1,468,200	1,398,800	138.4	140.6	131.9	146.4
100	100	360,882	410,136	34.0	41.3	–	–
100	100	42,250	50,375	4.0	5.1	–	–
		1,871,332	1,859,311	176.4	187.0	131.9	146.4
N.A.	100	–	11,900	–	1.2	–	1.2
		–	11,900	–	1.2	–	1.2
		1,871,332	1,871,211	176.4	188.2	131.9	147.6

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

# PORTFOLIO STATEMENTS

As at 31 March 2024

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>3</sup>
<b>Group</b>					
1-28	<b>Investment properties and investment property held for sale – fair value (pages 152 to 155)</b>				
	Investment properties – right-of-use assets				
	Investment property held for sale – right-of-use assets <sup>4</sup>				
	<b>Total investment properties and investment property held for sale</b>				
<b>Joint venture (note 7)</b>					
	<b>Investment property in Australia held by a joint venture</b>				
29	Optus Centre <sup>5</sup>	1-5 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia	Freehold	N.A.	Business Park
	Other assets and liabilities (net)				
	Net assets of the Group				
	Perpetual Securities holders' funds				
	Total Unitholders' funds of the Group				

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

<sup>2</sup> The carrying value of investment properties are based on independent full valuation.

<sup>3</sup> Existing use for Industrial includes General Industrial and Light Industrial.

<sup>4</sup> 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.

<sup>5</sup> The Group has a 49.0% (2023: 49.0%) interest in Optus Centre. As at 31 March 2024, the property was valued at AUD668.0 million (equivalent to approximately \$588.0 million) (31 March 2023: AUD753.0 million (equivalent to approximately \$671.4 million)).

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

Occupancy rate		Carrying value <sup>2</sup>		Group percentage of total Unitholders' funds	
2024	2023	2024	2023	2024	2023
%	%	\$'000	\$'000	%	%
		1,871,332	1,871,211	176.4	188.2
		101,837	98,098	9.6	9.9
		–	253	–	–
		1,973,169	1,969,562	186.0	198.1
		289,296	329,377	27.3	33.1
100	100				
		(828,191)	(931,544)	(78.1)	(93.7)
		1,434,274	1,367,395	135.2	137.5
		(373,565)	(373,546)	(35.2)	(37.5)
		1,060,709	993,849	100.0	100.0

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

# PORTFOLIO STATEMENTS

As at 31 March 2024

Description of property	Carrying value <sup>1</sup>		Trust percentage of total Unitholders' funds	
	2024 \$'000	2023 \$'000	2024 %	2023 %
<b>Trust</b>				
1-25, <b>Investment properties and investment property</b>				
28 <b>held for sale – fair value (pages 152 to 155)</b>	1,468,200	1,410,700	131.9	147.6
Investment properties – right-of-use assets	101,837	98,098	9.1	10.3
Investment property held for sale – right-of-use assets <sup>2</sup>	–	253	–	–
<b>Total investment properties and investment property held for sale</b>	<b>1,570,037</b>	<b>1,509,051</b>	<b>141.0</b>	<b>157.9</b>
Other assets and liabilities (net)	(82,802)	(179,324)	(7.4)	(18.8)
Net assets of the Trust	1,487,235	1,329,727	133.6	139.1
Perpetual Securities holders' funds	(373,565)	(373,546)	(33.6)	(39.1)
<b>Total Unitholders' funds of the Trust</b>	<b>1,113,670</b>	<b>956,181</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> The carrying value of investment properties are based on independent full valuation.

<sup>2</sup> 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.

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial years ended 31 March 2024 and 31 March 2023 related wholly to investing in real estate in the industrial sector.

As at 31 March 2024, the investment properties in Singapore were valued by CBRE Pte. Ltd. or Cushman & Wakefield VHS Pte. Ltd. (2023: Savills Valuation and Professional Services (S) Pte Ltd or Jones Lang LaSalle Property Consultants Pte Ltd) and the investment properties in Australia were valued by Savills Valuations Pty Ltd or Knight Frank Valuation and Advisory Queensland (2023: Knight Frank NSW Valuations & Advisory Pty Ltd or Knight Frank Valuation and Advisory Queensland). The independent valuation of the investment property held through a joint venture was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd as at 31 March 2024 (2023: Knight Frank NSW Valuations & Advisory Pty Ltd).

The Manager believes that the independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations of the investment properties were based on capitalisation method, discounted cash flow analysis and/or direct comparison method. Refer to note 4 of the financial statements for details of the valuation techniques.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Note	Group 2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Total return after income tax		62,906	113,861
<b>Adjustments for:</b>			
Share of losses/(profits) of joint venture (net of tax)		24,766	(16,039)
Borrowing costs		35,241	33,309
Depreciation of plant and equipment		488	–
Net foreign exchange (gain)/loss		(300)	663
Manager's management fees in Units	A	3,623	6,446
Manager's performance fees in Units	A	–	4,476
Net change in fair value of investment properties		(3,167)	(25,225)
Net change in fair value of derivative financial instruments		3,440	(4,270)
Gain on divestment of investment property		(637)	–
Income tax credit		(6,512)	(1,747)
<b>Operating income before working capital changes</b>		<b>119,848</b>	<b>111,474</b>
<b>Changes in working capital</b>			
Trade and other receivables		(2,320)	(1,750)
Trade and other payables		(246)	195
<b>Cash generated from operations</b>		<b>117,282</b>	<b>109,919</b>
Income tax paid		–	(246)
<b>Net cash from operating activities</b>		<b>117,282</b>	<b>109,673</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(3,781)	(3,049)
Additions to plant and equipment	B	(487)	–
Net proceeds from divestment of investment property <sup>1</sup>		12,537	–
Deposit received from divestment of investment property <sup>1</sup>		–	129
Refund of option fee received for proposed acquisition <sup>2</sup>		–	1,020
Loan to a joint venture		(7,101)	(9,045)
Distributions and interest income received from a joint venture		18,756	17,547
<b>Net cash from investing activities</b>		<b>19,924</b>	<b>6,602</b>
<b>Cash flows from financing activities</b>			
Distributions to Unitholders		(74,292)	(69,290)
Distributions to Perpetual Securities holders		(20,537)	(20,500)
Issue costs paid/payable in relation to new units issued		(2,369)	–
Proceeds from the issuance of new units <sup>3</sup>		100,171	–
Proceeds from interest-bearing borrowings		78,672	220,311
Repayments of interest-bearing borrowings		(177,922)	(217,239)
Borrowing costs paid		(27,202)	(27,540)
Repayment of lease liabilities		(9,040)	(8,897)
<b>Net cash used in financing activities</b>		<b>(132,519)</b>	<b>(123,155)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,687</b>	<b>(6,880)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>13,223</b>	<b>21,395</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(94)	(1,292)
<b>Cash and cash equivalents at end of the year</b>		<b>17,816</b>	<b>13,223</b>

<sup>1</sup> This relates to the deposit and net proceeds received for the divestment of a leasehold property at 541 Yishun Industrial Park A in Singapore.

<sup>2</sup> 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.

<sup>3</sup> The Trust 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 financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2024

## Significant non-cash transactions

### **Note A:**

During the financial year ended 31 March 2024, 2,879,556 of new Units amounting to \$3,623,000 were issued/issuable as partial payment for the Manager's management fees.

During the financial year ended 31 March 2023, 5,035,666 of new Units amounting to \$6,446,000 were issued/issuable as partial payment for the Manager's management fees and 3,420,035 of new Units amounting to \$4,476,000 were issuable as payment of Manager's performance fees.

### **Note B:**

During the financial year ended 31 March 2024, the Manager completed the installation of rooftop solar photovoltaic systems ("Systems") across 6 of the Trust's properties in Singapore and are recognised as plant and equipment (refer to notes 5 and 11 of the financial statements).

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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 June 2024.

## 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 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. The principal activities of the subsidiaries and joint venture are set out in note 6 and note 7 respectively.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are summarised below.

### 1.1 Trustee's fees

Under the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of the Deposited Property (as defined in the Trust Deed) or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The Trustee's fee is accrued daily and is payable out of the value of the Deposited Property on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 1 GENERAL (cont'd)

### 1.2 Manager's fees

The Manager is entitled to receive base fee, performance fee, acquisition fee and divestment fee, respectively as follows:

#### *Base fee*

Under clause 14.1.1 of the Trust Deed, the Manager is entitled to a base fee of 0.5% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an extraordinary resolution of a meeting of Unitholders.

The base fee is payable in the form of cash and/or Units as the Manager may elect. Prior to 6 April 2023, where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 30 days of the last day of each calendar month in arrears; and where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 30 days of the last day of each calendar quarter in arrears.

From 6 April 2023, in accordance with clauses 14.1.4 (i) and (ii) of the Trust Deed, where the base fee (or any part or component thereof) is payable in the form of cash, such payment shall be made out of the Deposited Property within 60 days of the last day of each calendar month in arrears; and where the base fee (or any part or component thereof) is payable in the form of Units, such payment shall be made within 60 days of the last day of each calendar quarter in arrears.

#### *Performance fee*

Under clause 14.1.2 of the Trust Deed, the Manager is also entitled to a performance fee of 0.1% per annum of the value of the Deposited Property, provided that growth in distribution per Unit ("DPU") in a given financial year (calculated before accounting for the performance fee in that financial year) relative to the DPU in the previous financial year exceeds 2.5%. The performance fee is 0.2% per annum if the growth in DPU in a given financial year relative to the DPU in the previous financial year exceeds 5.0%. In accordance with clause 14.1.4 (iii) of the Trust Deed, the payment of the performance fee, whether in the form of cash or Units, shall be made out of the Deposited Property within 60 days of the last day of every financial year in arrears.

The performance fee is payable in the form of cash and/or Units as the Manager may elect.

#### *Acquisition and divestment fee*

Under clause 14.2 of the Trust Deed, the Manager is entitled to receive the following fees:

- (a) An acquisition fee of 1.0% of the acquisition price of any Authorised Investment (as defined in the Trust Deed), acquired directly or indirectly by the Trust or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders; and
- (b) A divestment fee of 0.5% of the sale price of any Authorised Investment sold or divested by the Trustee or such higher percentage as may be fixed by an extraordinary resolution at a meeting of Unitholders.

The acquisition and divestment fee will be paid in the form of cash and/or Units and is payable as soon as practicable after completion of the acquisition or disposal.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 1 GENERAL (cont'd)

### 1.3 Property Manager's fees

The Manager and the Trustee have appointed the Property Manager to operate, maintain and market all of the properties of the Group. The following fees are payable to the Property Manager in respect of all of the investment properties in Singapore:

- (i) A property management fee of 2.0% per annum of the rental income of each of the relevant properties.
- (ii) A lease management fee of 1.0% per annum of the rental income of each of the relevant properties.
- (iii) A marketing services commission equivalent to:
  - (a) one month's gross rent for securing a tenancy of three years or less;
  - (b) two months' gross rent for securing a tenancy of more than three years;
  - (c) half of one month's gross rent for securing a renewal of tenancy of three years or less; and
  - (d) one month's gross rent for securing a renewal of tenancy of more than three years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commissions payable to such third party agent, and the Property Manager shall be entitled to a marketing services commission equivalent to:

- (a) 1.2 months' gross rent for securing a tenancy of three years or less; and
- (b) 2.4 months' gross rent for securing a tenancy of more than three years.

The gross rental, where applicable, includes service charge, reimbursements, which are the contributions paid by tenants towards covering the operating maintenance expenses of the property, and licence fees.

- (iv) A project management fee in relation to development or redevelopment, the refurbishment, retrofitting and renovation works on a property equivalent to:
  - (a) 3.0% of the construction costs where the construction costs are \$2.0 million or less;
  - (b) 2.0% of the construction costs where the construction costs exceed \$2.0 million but do not exceed \$20.0 million;
  - (c) 1.5% of the construction costs where the construction costs exceed \$20.0 million but do not exceed \$50.0 million; and
  - (d) a fee to be mutually agreed by the parties where the construction costs exceed \$50.0 million.
- (v) A property tax service fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property. The fee shall be determined as follows:
  - (a) 7.5% of the property tax savings where the proposed property annual value is \$1.0 million or less;
  - (b) 5.5% of the property tax savings where the proposed property annual value exceeds \$1.0 million but does not exceed \$5.0 million; and
  - (c) 5.0% of the property tax savings where the proposed property annual value exceeds \$5.0 million.

The above fee is a lump sum fixed fee based on the property tax savings calculated on a 12-month period.

- (vi) Employment costs and remuneration to the employees of the Property Manager engaged solely and exclusively for management of the relevant properties.

The Property Manager's fees are payable monthly, in arrears.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS"). The related changes to material accounting policies are described in note 2.5.

### 2.2 Basis of measurement

The 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.

### 2.3 Functional and presentation currency

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

### 2.4 Use of estimates and judgement

The preparation of 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 prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 4: *Valuation of investment properties*.

#### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 2 BASIS OF PREPARATION (cont'd)

### 2.5 Changes in material accounting policies

#### New accounting standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

#### Material accounting policy information

The Group adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 – Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

## 3 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.1 Basis of consolidation (cont'd)

#### *Business combinations (cont'd)*

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in statement of total return.

Non-controlling interests are measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance.

#### *Joint venture*

A joint venture is an entity over which the Group has joint control established by contractual arrangement, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in a joint venture is accounted for under the equity method and is recognised initially at cost. The cost of the investment includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

#### *Accounting for subsidiaries by the Trust*

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.2 Foreign currencies

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on translation are recognised in statement of total return, except for the foreign currency differences which are recognised in Unitholders' funds arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation and financial liabilities designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Singapore dollar at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollar at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised within Unitholders' funds, and are presented in the foreign currency translation reserve. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its investment in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture which includes a foreign operation while retaining significant influence or joint control; the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in the Unitholders' funds, and are presented in the foreign currency translation reserve.

### 3.3 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter.

Cost includes expenditure that is directly attributable to the investment property. Transaction costs shall be included in the initial measurement. The cost of self-constructed investment property includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.3 Investment properties (cont'd)

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- (i) in such manner and frequency as required under the CIS Code issued by MAS; and
- (ii) at least once in each period of 12 months following the acquisition of an investment property.

Any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Subsequent expenditure relating to investment properties or that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

### 3.4 Investment property held for sale

Investment property that is highly probable to be recovered primarily through sale rather than through continuing use, is classified as an investment property held for sale. Immediately before classification as held for sale, the investment property is remeasured in accordance with the Group's accounting policies. Thereafter, the investment property classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell.

Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the investment property.

### 3.5 Plant and equipment

#### (i) Recognition and measurement

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 acquisition of the asset. The cost includes:

- the cost of material and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended uses; and
- 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 the statement of total return.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.5 Plant and equipment (cont'd)

#### (ii) Subsequent costs

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.

#### (iii) Depreciation

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 statement of total return 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.

### 3.6 Financial instruments

#### (i) Recognition and initial measurement

##### *Non-derivative financial assets and financial liabilities*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

##### *Non-derivative financial assets*

On initial recognition, the Group classifies its non-derivative financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.6 Financial instruments (cont'd)

#### (ii) Classification and subsequent measurement (cont'd)

##### *Non-derivative financial assets (cont'd)*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Non-derivative financial assets: Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

##### *Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.6 Financial instruments (cont'd)

#### (ii) Classification and subsequent measurement (cont'd)

##### *Non-derivative financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

##### *Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return. These financial liabilities comprised interest-bearing borrowings, trade and other payables (excluding rental received in advance, goods and services tax payable and provision for income tax), lease liabilities and liabilities directly associated with the investment property held for sale.

#### (iii) Derecognition

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

#### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.6 Financial instruments (cont'd)

#### (v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits that are subject to an insignificant risk of changes in their fair values.

#### (vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to manage its interest rate and foreign currency risk exposures.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships.

##### *Cash flow hedges*

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

For all hedged transactions, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Unitholders' funds until it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to the statement of total return.

##### *Net investment hedge*

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Trust's functional currency (Singapore dollar), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Unitholders' funds to the extent that the hedge is effective, and are presented in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the statement of total return as part of the gain or loss on disposal.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.7 Impairment

#### (i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Lease receivables are disclosed as part of trade and other receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

#### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### *General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.7 Impairment (cont'd)

#### (i) Non-derivative financial assets (cont'd)

##### *Measurement of ECLs*

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.7(iii). An impairment is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.7 Impairment (cont'd)

#### (iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein being recognised in the statement of total return and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.8 Leases (cont'd)

#### (i) As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

#### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

### 3.9 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental cost, directly attributable to the issuance, offering and placement of Units in the Trust are deducted directly against Unitholders' funds.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.10 Revenue recognition

#### (i) Rental income and service charge from operating leases

Rental income and service charges receivable under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received.

#### (ii) Sales of electricity and renewable energy certificates

The Group generates electricity and renewable energy certificates ("RECs") from the Systems. Revenue from the sales of electricity and RECs is recognised at a point in time when the electricity or the RECs are delivered to customers.

The consideration for the sale of electricity is measured based on the Uniform Singapore Energy Price ("USEP") at the point of delivery, while the consideration for the sale of RECs is based on agreed rates between the customer and the seller. Payments are due upon delivery of the electricity or the RECs to the customers.

#### (iii) Distribution income

Distribution income is recognised in the statement of total return on the date that the Group's or the Trust's right to receive payment is established.

### 3.11 Expenses

#### (i) Manager's fees

Manager's fees are recognised on an accrual basis based on the applicable formula stipulated in note 1.2.

#### (ii) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses is the Property Manager's fee which is based on the applicable formula stipulated in note 1.3.

#### (iii) Other trust expenses

Other trust expenses are recognised on an accrual basis.

### 3.12 Interest income and finance costs

Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and amortisation of borrowings related transaction costs which are recognised in the statement of total return using the effective interest rate method over the period for which the borrowings are granted.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

In calculating interest income and finance costs, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.13 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income tax, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience with tax authorities. The assessment of these factors relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee will not be assessed to tax on the taxable income of the Trust that is distributed to the Unitholders. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Distributions made by the Trust out of such taxable income to individuals and Qualifying Unitholders (as defined below) are distributed without deducting any income tax. This treatment is known as the "tax transparency" treatment.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.13 Income tax expense (cont'd)

For distributions made to foreign non-individual Unitholders (as defined below) up to 31 December 2025, the Trustee is required to withhold tax at the reduced rate of 10.0% on distributions made out of the Trust's taxable income (that is not taxed at the Trust level).

For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such Unitholders are subject to tax on the regressed amounts of the distributions received but may claim a credit for the tax deducted at source by the Trustee.

Any portion of the taxable income that is not distributed, known as retained taxable income, tax will be assessed on the Trustee in accordance with the Singapore Income Tax Act, Chapter 134. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

A "Qualifying Unitholder" is a Unitholder who is:

- An individual and who holds the Units either in his sole name or jointly with other individuals;
- A Singapore-incorporated company which is a tax resident in Singapore;
- A body of persons other than a company or a partnership, registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and a trade industry association);
- A Singapore branch of a foreign company;
- An international organisation that is exempt from tax; or
- A real estate investment trust exchange-traded fund.

A "foreign non-individual Unitholder" is one which is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with the Singapore Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

The Trust's foreign-sourced trust distributions and interest income to be received in Singapore by the Trust from its Australian subsidiary, where such income originate from property rental income from its investments in Australia as well as income derived from property-related activities or other activities in line with the regulatory requirements imposed on the Trust, are exempted from Singapore income tax under section 13(12) of the Singapore Income Tax Act.

These tax exemptions are granted by the IRAS but are subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The income from the sales of electricity and RECs generated from the Systems is taxable in the hands of the Trust at the prevailing corporate tax rate. Distributions made out of this income will not be subject to further tax when distributed to the Unitholders.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.14 Distribution policy

The Manager's distribution policy is to distribute at least 90.0% of the Trust's taxable income other than gains from sale of real estate that are determined by IRAS to be trading gains, income that is taxable in the at the prevailing corporate tax rate and net overseas income. Taxable income comprised substantially the Trust's income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion.

The Trust makes distributions to Unitholders on a quarterly basis, with the amount calculated as at 30 June, 30 September, 31 December and 31 March in each distribution year for the three-month period ending on each of those dates. Under the Trust Deed, the Manager shall pay distributions within 90 days after the end of each distribution period. Distributions, when paid, will be in Singapore dollar.

In the event that there are gains arising from sale of real estate properties, and only if such gains are surplus to the business requirements and needs of the Group, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. The Trustee shall not distribute any gain arising from the sale of real estate properties until IRAS agrees on the nature of the gain and its taxability.

The Manager has also implemented a Distribution Reinvestment Plan ("DRP"), which provides eligible Unitholders with the option to elect to receive Units in lieu of the cash amount of any distribution (including any interim, final, special or other distribution declared on their holding of Units (after the deduction of applicable income tax, if any)). The Manager may, in its absolute discretion, determine that the DRP will apply to any particular distribution.

### 3.15 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of units outstanding for the effects of all dilutive potential units.

### 3.16 Perpetual securities

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. 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.

### 3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Makers ("CODMs") which comprise mainly the Board of Directors including the Chief Executive Officer ("CEO") of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise foreign exchange gain/loss and income tax credit/expense.

Segment capital expenditure is the total cost incurred during the year relating to investment properties.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3 MATERIAL ACCOUNTING POLICIES (cont'd)

### 3.18 New standards, interpretations and revised recommended accounting practice not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

The following amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Trust's statement of financial position.

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 21: *Lack of Exchangeability*

## 4 INVESTMENT PROPERTIES

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 April		1,957,409	1,992,582	1,496,898	1,464,250
Capital expenditure capitalised		7,729	2,553	7,729	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		9,117	9,595	9,117	9,595
Net change in fair value of investment properties recognised in the statement of total return		8,545	30,519	61,671	38,158
Net change in fair value of right-of-use assets	14	(5,378)	(5,294)	(5,378)	(5,294)
Foreign currency translation and other movements		(4,253)	(60,393)	–	–
At 31 March		<u>1,973,169</u>	<u>1,957,409</u>	<u>1,570,037</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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 4 INVESTMENT PROPERTIES (cont'd)

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

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Investment properties including investment property held for sale	1,389,082	1,438,211	1,028,200	977,700

### 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 (see note 2.4).

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fair value of investment properties (based on valuation reports)	1,871,332	1,859,311	1,468,200	1,398,800
Add: carrying amount of lease liabilities	101,837	98,098	101,837	98,098
Investment properties	1,973,169	1,957,409	1,570,037	1,496,898
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	–	12,153	–	12,153

### 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

Investment properties, including the investment property held for sale, are stated at fair value as at 31 March 2024 based on valuations performed by independent professional valuers, CBRE Pte. Ltd., Cushman & Wakefield VHS Pte. Ltd., Savills Valuations Pty Ltd or Knight Frank Valuation and Advisory Queensland (2023: Savills Valuation and Professional Services (S) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Knight Frank NSW Valuations & Advisory Pty Ltd or Knight Frank Valuation and Advisory Queensland). The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation. Valuations of the investment properties are carried out at least once a year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 4 INVESTMENT PROPERTIES (cont'd)

### Level 3 fair value measurements (cont'd)

#### (ii) Valuation techniques (cont'd)

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

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

#### (iii) Significant unobservable inputs

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

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	• Discount rate of 6.75% to 7.75% (2023: 6.25% to 7.75%)	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	• Terminal capitalisation rate of 5.75% to 7.50% (2023: 5.50% to 7.00%)	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
Capitalisation method	• Capitalisation rate of 5.50% to 7.00% (2023: 5.25% to 6.50%)	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).
Direct comparison method	• Adjusted price per square meter	The estimated fair value would increase (decrease) if adjusted price per square meter was higher (lower).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 5 PLANT AND EQUIPMENT

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Cost</b>				
At 1 April	–	–	–	–
Additions	14,641	–	14,641	–
At 31 March	14,641	–	14,641	–
<b>Accumulated depreciation</b>				
At 1 April	–	–	–	–
Depreciation	(488)	–	(488)	–
At 31 March	(488)	–	(488)	–
<b>Net book value</b>				
At 31 March	14,153	–	14,153	–

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

## 6 SUBSIDIARIES

	Trust	
	2024 \$'000	2023 \$'000
Unquoted equity, at cost	360,433	328,681

Details of the subsidiaries are as follows:

Subsidiaries of the Trust	Country of incorporation or constitution/ Principal place of business	Principal activity	Effective equity interest held by the Group	
			2024 %	2023 %
AACI REIT MTN Pte. Ltd. <sup>1</sup>	Singapore	Provision of treasury services	100.0	100.0
AACI REIT Opera Pte. Ltd. <sup>2</sup>	Singapore	Investment holding	100.0	100.0
AA REIT (Alexandra) Pte. Ltd. <sup>2</sup>	Singapore	Investment holding	100.0	100.0
AA REIT Alexandra Trust <sup>1</sup>	Singapore	Investment in real estate	100.0	100.0
AIMS APAC REIT (Australia) Trust <sup>3</sup>	Australia	Investment in real estate	100.0	100.0

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 6 SUBSIDIARIES (cont'd)

Subsidiaries of the Trust	Country of incorporation or constitution/ Principal place of business	Principal activity	Effective equity interest held by the Group	
			2024 %	2023 %
AA REIT Macquarie Park Investment Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0
AA REIT Australia Trust (QLD) <sup>3</sup>	Australia	Investment in real estate	100.0	100.0
Burleigh Heads Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0
AA REIT Australia Trust (NSW) <sup>3</sup>	Australia	Investment in real estate	100.0	100.0
Bella Vista Trust <sup>4</sup>	Australia	Investment in real estate	100.0	100.0

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Dormant and not required to be audited.

<sup>3</sup> Not required to be audited by the laws of the country of its constitution.

<sup>4</sup> Audited by a member firm of KPMG International.

## 7 JOINT VENTURE

	Group	
	2024 \$'000	2023 \$'000
Investment in joint venture	242,998	289,568
Amounts due from joint venture, at amortised cost:		
– Interest-bearing loan	46,298	39,809
	<u>289,296</u>	<u>329,377</u>

The amounts due from joint venture relates to an unsecured loan 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 limit 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 31 March 2024, the Group's share of the capital commitments of the joint venture is \$5.1 million (2023: \$6.0 million).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 7 JOINT VENTURE (cont'd)

Details of the joint venture are as follows:

Name of entity	Country of constitution/Principal place of business	Principal Activity	Effective equity interest held by the Group	
			2024 %	2023 %
Macquarie Park Trust ("MPT") <sup>1</sup>	Australia	Investment in real estate	49.0	49.0

<sup>1</sup> Audited by PricewaterhouseCoopers Australia. This entity is also audited by a member firm of KPMG International for the purpose of preparing the Group's consolidated financial statements.

MPT is 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 following table summarises the financial information of MPT based on its financial statements for the respective financial years ended 31 March.

	2024 \$'000	2023 \$'000
<b>Assets and liabilities</b>		
Non-current assets <sup>a</sup>	587,974	671,375
Current assets <sup>b</sup>	5,020	5,440
Total assets	592,994	676,815
Non-current liabilities	94,485	81,243
Current liabilities <sup>c</sup>	2,594	4,616
Total liabilities	97,079	85,859
<b>Results</b>		
Revenue	36,544	37,999
Expenses	(12,322)	(9,770)
Net change in fair value of investment property	(80,744)	837
Total (loss)/return for the year	(56,522)	29,066

<sup>a</sup> Represents the valuation of Optus Centre, Macquarie Park, New South Wales, Australia. The independent valuation of the property was carried out by Knight Frank NSW Valuations & Advisory Pty Ltd as at 31 March 2024 (2023: Knight Frank NSW Valuations & Advisory Pty Ltd) and the property was valued at AUD 668.0 million (equivalent to approximately \$588.0 million) (2023: AUD 753.0 million (equivalent to approximately \$671.4 million)).

<sup>b</sup> Includes cash at banks and in hand of \$4.2 million (2023: \$4.7 million).

<sup>c</sup> Comprises trade and other payables and goods and service tax payable.

	2024 \$'000	2023 \$'000
<b>Group's interest in net assets and carrying amount of joint venture</b>		
At 1 April	289,568	332,539
Share of (losses)/profits of joint venture (net of tax)	(27,696)	14,242
Distributions received/receivable	(15,258)	(17,345)
Foreign currency translation movements	(3,616)	(39,868)
At 31 March	242,998	289,568

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 8 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	1,669	1,314	1,669	1,314
Deposits	31	69	31	69
Amount due from subsidiaries	–	–	37	12
Distribution receivable from a subsidiary	–	–	2,729	3,148
Distribution receivable from a joint venture	776	1,340	–	–
Interest receivable from banks	859	672	344	540
Other receivables	2,218	2,002	347	249
	5,553	5,397	5,157	5,332
Prepayments	7,114	5,628	7,114	5,628
	12,667	11,025	12,271	10,960
Non-current	4,742	3,465	4,742	3,465
Current	7,925	7,560	7,529	7,495
	12,667	11,025	12,271	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 Group's and the Trust's exposure to credit risk related to trade and other receivables is disclosed in note 27.

### *Impairment losses*

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.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Interest rate swaps				
– designated as cash flow hedge	9,137	12,064	3,609	8,041
<b>Current assets</b>				
Interest rate swaps				
– at fair value through statement of				
total return ("FVTPL")	–	–	–	317
– designated as cash flow hedge	338	939	250	622
Currency forward contracts				
– at FVTPL	44	232	44	232
	382	1,171	294	1,171
<b>Current liabilities</b>				
Currency forward contracts				
– at FVTPL	(9)	(–*)	(9)	(–*)

\* less than \$1,000.

### Interest rate swaps

The Group and the Trust use interest rate swaps to manage their exposures to interest rate movements on floating rate interest-bearing term loans by swapping the interest expense on a portion of interest-bearing borrowings from floating rates to fixed rates.

As at 31 March 2024, the Group had interest rate swap contracts with remaining tenors between approximately one and three years with total notional amounts of \$122.0 million and AUD336.0 million (equivalent to approximately \$295.7 million), in total of \$417.7 million (2023: interest rate swap contracts with remaining tenors between approximately one and four years with total notional amounts of \$172.0 million and AUD478.5 million (equivalent to approximately \$426.6 million), in total of \$598.6 million). Under the contracts, the Group pays fixed interest rates of 0.380% to 3.313% (2023: 0.280% to 3.313%) per annum and receives interest at the three-month SORA or BBSY (2023: three-month SORA or BBSY).

As at 31 March 2024, the Group had designated the interest rate swap contracts with notional amounts of \$122.0 million and AUD336.0 million (equivalent to approximately \$295.7 million), in total of \$417.7 million (2023: \$172.0 million and AUD478.5 million (equivalent to approximately \$426.6 million), in total of \$598.6 million), as hedging instruments in a cash flow hedge to hedge against variable interest payment arising from the floating rate loans.

### Currency forward contracts

The Group and the Trust use currency forward contracts to hedge its foreign currency risk on distributions to Unitholders.

As at 31 March 2024, the Group and the Trust had currency forward contracts with tenor of less than one year with total notional amounts of AUD7.7 million, equivalent to approximately \$6.8 million (2023: AUD8.5 million, equivalent to approximately \$7.6 million). Under the contracts, the Group and the Trust sell AUD7.7 million in exchange for approximately \$6.8 million (2023: AUD8.5 million in exchange for approximately \$7.8 million).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 9 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

### Hedge accounting

#### Cash flow hedges

The following table provides a reconciliation by risk category of components of equity and analysis of hedging reserve, net of tax, resulting from cash flow hedge accounting.

	Hedging reserve	
	Group	Trust
	\$'000	\$'000
<b>Cash flow hedges</b>		
At 1 April 2022	5,393	2,962
Effective portion of changes in fair value of cash flow hedges	1,969	353
At 31 March 2023	7,362	3,315
Effective portion of changes in fair value of cash flow hedges	1,608	(869)
At 31 March 2024	8,970	2,446

### Offsetting financial assets and financial liabilities

The Group entered into International Swaps and Derivatives Association ("ISDA") master netting agreements with various bank counterparties ("ISDA Master Agreement"). In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 10 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	17,816	11,440	9,170	6,836
Fixed deposits with financial institutions	–	1,783	–	892
	<u>17,816</u>	<u>13,223</u>	<u>9,170</u>	<u>7,728</u>

## 11 TRADE AND OTHER PAYABLES

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade payables and accrued expenses	20,797	17,016	19,241	14,846
Trade amounts due to:				
– the Manager	1,589	1,169	1,589	1,169
– the Property Manager	2,321	1,722	2,321	1,722
– the Trustee	60	59	60	59
– entities controlled by corporate shareholders of the Manager	542	288	–	–
Goods and services tax payable	3,085	2,532	2,921	2,532
Rental received in advance	2,652	2,587	791	2,587
Rental and security deposits	22,091	22,099	22,091	22,099
Interest payable	5,955	5,227	2,492	2,529
Deferred consideration	13,517	–	13,517	–
Provision for income tax	71	–	71	–
	<u>72,680</u>	<u>52,699</u>	<u>65,094</u>	<u>47,543</u>
Non-current	25,991	15,101	25,991	15,101
Current	<u>46,689</u>	<u>37,598</u>	<u>39,103</u>	<u>32,442</u>
	<u>72,680</u>	<u>52,699</u>	<u>65,094</u>	<u>47,543</u>

The Group's and the Trust's deferred consideration of \$13,517,000 relates to the present value of all remaining 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 (see note 5). The current and non-current portion of the deferred consideration as at 31 March 2024 amounted to \$957,000 and \$12,560,000 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 12 INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current</b>					
<b>Secured</b>					
Bank borrowings	(a),(b)	590,645	695,967	217,538	292,882
<b>Unsecured</b>					
Medium term notes	(c)	–	100,000	–	100,000
		590,645	795,967	217,538	392,882
Less: Unamortised borrowing transaction costs		(3,141)	(4,979)	(1,656)	(2,871)
		587,504	790,988	215,882	390,011
<b>Current</b>					
<b>Unsecured</b>					
Medium term notes	(c)	100,000	–	100,000	–
		100,000	–	100,000	–
Less: Unamortised borrowing transaction costs		(90)	–	(90)	–
		99,910	–	99,910	–
<b>Total</b>		687,414	790,988	315,792	390,011

As at 31 March 2024, the Group had the following borrowings:

- (a) Secured credit facilities of the Trust
  - (i) first legal mortgage over 15 (2023: 16) investment properties with market value totalling \$1,028.2 million (2023: \$977.7 million) of the Trust (the "Mortgaged Properties"); and
  - (ii) 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) Secured term loan facility of a wholly-owned subsidiaries
  - (i) A secured five-year term loan facility granted to a wholly-owned subsidiary of the Trust which is secured by a mortgage over a property with market value of \$360.9 million (2023: \$410.1 million) and a general security agreement over all present and after acquired property of the subsidiary; and
  - (ii) A secured five-year term loan facility granted to a wholly-owned subsidiary of the Trust which is 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

As at 31 March 2024, unsecured medium term notes issued comprises \$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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 12 INTEREST-BEARING BORROWINGS (cont'd)

### Terms and debt repayment schedule

Terms and conditions of the interest-bearing borrowings are as follows:

	Nominal interest rate %	Date of maturity	Group		Trust	
			Face value	Carrying amount	Face value	Carrying amount
			\$'000	\$'000	\$'000	\$'000
2024						
SGD fixed rate medium term notes	3.60	November 2024	100,000	99,910	100,000	99,910
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2025	37,000	36,460	37,000	36,460
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2025	36,528	36,301	36,528	36,301
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2026	100,000	99,410	100,000	99,410
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2026	44,010	43,711	44,010	43,711
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	November 2026	231,449	230,712	–	–
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	June 2027	141,658	140,910	–	–
			690,645	687,414	317,538	315,792
2023						
SGD fixed rate medium term notes	3.60	November 2024	100,000	99,762	100,000	99,762
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	July 2024	100,000	99,813	100,000	99,813
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	July 2024	18,860	18,778	–	–
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2025	22,000	21,132	22,000	21,132
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2025	26,302	25,936	26,302	25,936
SGD floating rate bank borrowing	SORA <sup>1</sup> + margin	October 2026	100,000	99,195	100,000	99,195
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	October 2026	44,580	44,173	44,580	44,173
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	November 2026	247,820	246,791	–	–
AUD floating rate bank borrowing	BBSY <sup>2</sup> + margin	June 2027	136,405	135,408	–	–
			795,967	790,988	392,882	390,011

<sup>1</sup> Singapore Overnight Rate Average.

<sup>2</sup> Bank Bill Swap Bid Rate.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 12 INTEREST-BEARING BORROWINGS (cont'd)

Reconciliation of changes in liabilities arising from financing activities

	Financing cash flows					Foreign exchange, remeasurement of right-of-use assets and other movements	At 31 March 2024
	At 1 April 2023	Proceeds from borrowings	Repayment of borrowings/lease liabilities	Borrowing costs paid	Borrowing costs expensed		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
Medium term notes	99,762	-	-	-	148	-	99,910
Bank borrowings	691,226	78,672	(177,922)	(166)	1,767	(6,073)	587,504
Interest payable	5,227	-	-	(27,036)	29,324	(1,560)	5,955
Liabilities directly associated with the investment property held for sale	253	-	-	-	-	(253)	-
Lease liabilities	98,098	-	(9,040)	-	3,662	9,117	101,837
	<u>894,566</u>	<u>78,672</u>	<u>(186,962)</u>	<u>(27,202)</u>	<u>34,901</u>	<u>1,231</u>	<u>795,206</u>

	Financing cash flows					Foreign exchange, remeasurement of right-of-use assets and other movements	At 31 March 2023
	At 1 April 2022	Proceeds from borrowings	Repayment of borrowings/lease liabilities	Borrowing costs paid	Borrowing costs expensed		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
Medium term notes	99,614	-	-	-	148	-	99,762
Bank borrowings	753,374	220,311	(217,239)	(1,173)	1,979	(66,026)	691,226
Interest payable	3,359	-	-	(26,367)	27,578	657	5,227
Liabilities directly associated with the investment property held for sale	-	-	-	-	-	253	253
Lease liabilities	94,050	-	(8,897)	-	3,604	9,341	98,098
	<u>950,397</u>	<u>220,311</u>	<u>(226,136)</u>	<u>(27,540)</u>	<u>33,309</u>	<u>(55,775)</u>	<u>894,566</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 13 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year are as follows:

	At 1 April 2022 \$'000	Recognised in statement of total return (note 23) \$'000	At 31 March 2023 \$'000	Recognised in statement of total return (note 23) \$'000	At 31 March 2024 \$'000
<b>Group</b>					
<b>Deferred tax liabilities</b>					
Investment properties	27,944	(955)	26,989	(6,583)	20,406

## 14 LEASES

### Leases as lessee (FRS 116)

The Group leases land in respect of certain properties from JTC Corporation ("JTC") and CapitaLand Singapore (BP&C) Pte. Ltd. ("CapitaLand"). The leases typically run for a period of 30 years, with an option to renew the lease after that date. The annual land rent payable is based on the market land rent in the relevant period of the lease term. However, the lease agreements limit any increase of the annual land rent from year to year to 5.5% and 7.6% for leases with JTC and CapitaLand respectively, of the annual land rent for the immediate preceding year.

Information about leases for which the Group is a lessee is presented below.

#### (a) Amounts recognised in the statement of financial position

	Note	Group and Trust 2024 \$'000	2023 \$'000
Right-of-use assets (included within investment properties)	4	101,837	98,098
Lease liabilities			
– Non-current		96,449	92,747
– Current		5,388	5,351
		101,837	98,098
Right-of-use assets (included within investment property held for sale)	4	–	253
Liabilities directly associated with the investment property held for sale		–	253

#### (b) Amounts recognised in the statement of total return

	Note	Group and Trust 2024 \$'000	2023 \$'000
<b>Leases under FRS 116</b>			
Interest on lease liabilities	20	3,662	3,604
Net change in fair value of right-of-use assets (included within net change in fair value of investment properties)	4	5,378	5,294



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 14 LEASES (cont'd)

### (c) Amounts recognised in the statement of cash flows

	Group	
	2024	2023
	\$'000	\$'000
Repayment of lease liabilities	9,040	8,897

### Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$48.6 million as at 31 March 2024 (2023: \$52.7 million).

### Leases as lessor

The Group leases out its investment properties (see note 4). All leases are classified as operating leases from a lessor perspective.

### Operating lease

The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 to 10 years and subsequent renewals are negotiated with the tenants to reflect market rentals. None of the leases contain contingent rental arrangements.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date and excluding prevailing market rent adjustments.

	Group	Trust
	\$'000	\$'000
<b>2024</b>		
Less than one year	130,684	104,722
One to two years	104,524	77,840
Two to three years	78,997	51,572
Three to four years	68,208	40,020
Four to five years	59,561	30,590
More than five years	121,150	46,130
<b>Total lease receivables</b>	<b>563,124</b>	<b>350,874</b>
<b>2023</b>		
Less than one year	112,623	87,363
One to two years	86,006	60,044
Two to three years	67,056	40,372
Three to four years	54,182	26,757
Four to five years	52,548	24,360
More than five years	155,567	51,576
<b>Total lease receivables</b>	<b>527,982</b>	<b>290,472</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 15 UNITHOLDERS' FUNDS

### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation as well as the foreign exchange gains and losses arising from monetary items that are considered to form part of the Group's net investment in a foreign operation.

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected the statement of total return.

### Issue expenses

Issue expenses comprised professional, underwriting, selling commission and other costs relating to issuance of Units in the Trust. These expenses are deducted directly against Unitholders' funds.

## 16 PERPETUAL SECURITIES

As at 31 March 2024, \$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 31 March 2024, the \$373.6 million (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 (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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 17 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust	
	2024	2023
	'000	'000
Units in issue at beginning of the year	720,344	712,017
<u>Units in issue relating to:</u>		
Manager's management fees	3,764	5,009
Manager's performance fees	3,420	3,318
Private Placement	57,660	–
Preferential Offering	25,376	–
Units in issue at end of the year	810,564	720,344
<u>Units to be issued relating to:</u>		
Manager's management fees	391	1,275
Manager's performance fees	–	3,420
Total Units in issue and to be issued at end of the year	810,955	725,039

### 2023

During the financial year ended 31 March 2023, there were the following issuances of Units to the Manager:

- (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 for the 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.
- (iii) On 27 October 2022, 1,005,940 new Units at an average price of \$1.3140 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2022 to 30 September 2022.
- (iv) On 26 January 2023, 2,331,534 new Units at an average price of \$1.2175 were issued to the Manager as payment of the base fee element of the Manager's management fees incurred for the period from 1 October 2022 to 31 December 2022.

During the financial year ended 31 March 2023, there were the following Units to be issued to the Manager:

- (i) 1,274,492 new Units at an average price of \$1.3358 to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2023 to 31 March 2023.
- (ii) 3,420,035 new Units at an average price of \$1.3088 to be issued to the Manager as payment of the performance fee element of the Manager's management fees incurred for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 17 UNITS IN ISSUE AND TO BE ISSUED (cont'd)

### 2024

During the financial year ended 31 March 2024, there were the following issuances of Units to the Manager:

- (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 year ended 31 March 2023.
- (ii) 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.
- (iii) On 6 November 2023, 1,039,688 new Units at an average price of \$1.2540 were issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2023 to 30 September 2023.
- (iv) On 6 February 2024, 417,153 new Units at an average price of \$1.2709 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 October 2023 to 31 December 2023.

During the financial year ended 31 March 2024, there were the following issuances of Units:

- (i) On 12 June 2023, 57,660,000 new Units were issued at the issue price of \$1.2140 in relation to the Private Placement<sup>1</sup>.
- (ii) On 3 July 2023, 25,376,361 new Units were issued at the issue price of \$1.1890 in relation to the Preferential Offering<sup>1</sup>.

During the financial year ended 31 March 2024, there were the following Units to be issued to the Manager:

- (i) 390,992 new Units at an average price of \$1.2819 to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2024 to 31 March 2024.

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.

<sup>1</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 18 GROSS REVENUE

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Property rental income	131,965	125,526	104,732	96,574
Service charge, land rent and property tax	24,928	23,259	24,928	23,259
Other property expenses recoverable from tenants and other property income	18,850	18,597	18,850	18,577
	175,743	167,382	148,510	138,410
<u>Others</u>				
Sale of electricity and renewable energy certificates	1,538	–	1,538	–
	177,281	167,382	150,048	138,410

## 19 PROPERTY OPERATING EXPENSES

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Property and lease management fees	3,142	2,897	3,142	2,897
Property tax	10,566	9,772	10,566	9,772
Other operating expenses	32,594	32,203	32,493	32,195
	46,302	44,872	46,201	44,864

## 20 BORROWING COSTS

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest expense on borrowings	28,562	26,659	9,893	12,329
Interest expense on lease liabilities (note 14)	3,662	3,604	3,662	3,604
Interest expense on unwinding of deferred consideration	340	–	340	–
Amortisation of borrowing transaction costs	1,915	2,127	1,275	1,300
Others	762	919	524	604
	35,241	33,309	15,694	17,837

## 21 MANAGER'S MANAGEMENT FEES

	Group and Trust	
	2024	2023
	\$'000	\$'000
Base fees		
– Paid/payable in cash	7,634	4,887
– Paid/payable in Units	3,623	6,446
	11,257	11,333
Performance fees		
– Payable in Units	–	4,476

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 22 OTHER TRUST EXPENSES

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Audit fees to:				
– auditors of the Trust	190	198	183	191
– other auditors	65	70	–	–
Non-audit fees to auditors of the Trust	55	68	52	56
Trustees' fees				
– HSBC Institutional Trust Services (Singapore) Limited (the "Trustee")	365	368	365	368
– other trustee	16	16	16	16
Valuation fees	81	163	65	125
Professional fees	238	126	225	75
Transaction costs written-off	–	725	–	554
Investment management fees	3,427	3,676	–	–
Other expenses	1,102	1,030	961	831
	<u>5,539</u>	<u>6,440</u>	<u>1,867</u>	<u>2,216</u>

## 23 INCOME TAX (CREDIT)/EXPENSE

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore current tax	71	–	71	–
Overseas deferred tax (note 13)	(6,583)	(955)	–	–
Overseas withholding tax credit	–	(792)	–	(792)
Total tax (credit)/expense	<u>(6,512)</u>	<u>(1,747)</u>	<u>71</u>	<u>(792)</u>

Reconciliation of effective tax rate:

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total return before income tax	<u>56,394</u>	<u>112,114</u>	<u>151,903</u>	<u>131,054</u>
Tax calculated using Singapore tax rate of 17% (2023: 17%)	9,587	19,059	25,824	22,279
Non-tax chargeable items	(11,217)	(6,815)	(11,217)	(6,815)
Non-tax deductible items	1,462	2,454	1,462	2,454
Tax transparency	(13,039)	(11,775)	(13,039)	(11,775)
Foreign-sourced income	13,278	(2,923)	(2,959)	(6,143)
Deferred tax on investment properties (note 13)	(6,583)	(955)	–	–
Overseas withholding tax credit	–	(792)	–	(792)
	<u>(6,512)</u>	<u>(1,747)</u>	<u>71</u>	<u>(792)</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 24 EARNINGS PER UNIT

	Group	
	2024	2023

### Earnings per Unit (Singapore cents)

Basic and diluted	5.35	13.01
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The earnings per Unit ("EPU") is computed using total return after tax over the weighted average number of Units outstanding as follows:

	Group	
	2024	2023
	\$'000	\$'000

Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders	62,906	113,861
Less: Amount reserved for distribution to Perpetual Securities holders	(20,556)	(20,500)
Total return after income tax attributable to Unitholders of the Trust	42,350	93,361

	Trust	
	Number of Units	
	2024	2023
	'000	'000

### Basic EPU

Units in issue at beginning of the year	720,344	712,017
Effect of Units issued relating to:		
– Manager's management fees	2,311	2,285
– Manager's performance fees	3,065	3,063
– Private Placement	46,317	–
– Preferential Offering	18,928	–
Weighted average number of Units at end of the year	790,965	717,365

### Diluted EPU

Units in issue at beginning of the year	720,344	712,017
Effect of Units issued/to be issued relating to:		
– Manager's management fees	2,345	2,440
– Manager's performance fees	3,065	3,073
– Private Placement	46,317	–
– Preferential Offering	18,928	–
Weighted average number of Units at end of the year	790,999	717,530



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 25 COMMITMENTS

As at 31 March 2024, the Group had \$6.2 million (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 31 March 2024, the option has not been exercised.

## 26 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>The Manager</b>				
Manager's management fees				
– Base fees	11,257	11,333	11,257	11,333
– Performance fees	–	4,476	–	4,476
– Divestment fees	64	–	64	–
<b>Entities controlled by corporate shareholders of the Manager</b>				
Investment management fees	3,427	3,676	–	–
<b>The Property Manager</b>				
Property management fees	2,095	1,931	2,095	1,931
Lease management fees	1,047	966	1,047	966
Marketing services commissions	4,017	3,034	4,017	3,034
Project management fees	533	189	533	189
Property tax services fees	51	167	51	167
Reimbursement of on-site staff costs <sup>1</sup>	979	689	979	689
<b>The Trustee</b>				
Trustee's fees	365	368	365	368
<b>Joint venture</b>				
Interest income	2,930	1,797	–	–

<sup>1</sup> 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 relevant properties.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT

### Capital management

The Board of the Manager reviews the Group's capital management and financing policy regularly so as to optimise the Group's funding structure. The Board also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subjected to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code (the "Property Funds Appendix"). The Property Funds Appendix stipulates the aggregate leverage of a property fund should not exceed 50% of the fund's deposited property if the property fund met the minimum adjusted interest coverage ratio of 2.5 times. In the event if the adjusted interest coverage ratio is below 2.5 times, the aggregate leverage of a property fund should not exceed 45% of the fund's deposited property.

As at 31 March 2024, the Group's aggregate leverage<sup>1</sup> was 32.6% (2023: 36.1%) and its interest coverage ratio<sup>2</sup> and adjusted interest coverage ratio<sup>3</sup> were 4.1 times (2023: 3.8 times) and 2.4 times (2023: 2.3 times), respectively. The Group had complied with the aggregate leverage limit during the financial year.

There were no changes in the Group's approach to capital management during the financial year.

### Risk management framework

Exposure to credit, interest rate, liquidity and foreign currency risks arises in the normal course of the Group's business. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### (a) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a tenant to settle its financial and contractual obligations to the Group, as and when they fall due.

##### *Trade receivables*

Credit evaluations are performed by the Manager before lease agreements are entered into with the tenants. Rental deposits as a multiple of monthly rent are received either in cash or bank guarantees to reduce credit risk. The Manager also monitors the amount owing by the tenants on an ongoing basis.

Based on historical default rates, the Manager believes that no additional impairment allowance is necessary in respect of the remaining trade receivables as these receivables mainly arose from tenants that have good credit standing with the Group and the Group has sufficient security deposits as collateral.

Concentration of credit risk relating to trade receivables is limited due to the Group's varied tenant profile and credit policy of obtaining security deposits, banker's guarantees or other forms of collateral from tenants.

<sup>1</sup> The aggregate leverage includes lease liabilities that are entered into in the ordinary course of the Trust's business on or after 1 April 2019 in accordance with MAS guidelines.

<sup>2</sup> 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, foreign exchange translation and interim insurance compensation for property damage), 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.

<sup>3</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (a) Credit risk (cont'd)

#### *Cash and cash equivalents*

Cash and fixed deposits are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The ECL on cash and cash equivalents is negligible.

#### *Derivatives*

Transactions involving derivative financial instruments are entered only with bank counterparties that are regulated.

#### *Loan to joint venture*

The Group extended loan to a joint venture to fund the capital expenditure requirement in relation to Optus Centre. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, the exposure is considered to be of low credit risk. Therefore, the Manager believes that no impairment allowance is necessary as at 31 March 2024.

#### *Other receivables*

The Group assesses on a forward-looking basis the ECLs associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk of these counterparties have not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 31 March 2024.

#### *Exposure to credit risk*

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

The ageing of the trade and other receivables at the reporting date was as follows:

	Impairment		Impairment	
	Gross	losses	Gross	losses
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Not past due	4,946	–	4,901	–
Past due 1 – 30 days	439	–	450	–
Past due 31 – 90 days	131	–	22	–
Past due more than 90 days	37	–	24	–
	<u>5,553</u>	<u>–</u>	<u>5,397</u>	<u>–</u>
<b>Trust</b>				
Not past due	4,550	–	4,836	–
Past due 1 – 30 days	439	–	450	–
Past due 31 – 90 days	131	–	22	–
Past due more than 90 days	37	–	24	–
	<u>5,157</u>	<u>–</u>	<u>5,332</u>	<u>–</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Trust will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations and to mitigate the effect of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

As at 31 March 2024, the Group has unutilised committed credit facilities amounting to \$135.7 million (2023: \$169.1 million) to fulfil the Group's liabilities as and when they fall due.

The Group also monitors and observes the Property Funds Appendix issued by the MAS concerning limits on total borrowings.

The Group has bank loans which contain certain covenants. Any breach of covenants may require the Group to repay the loans earlier than indicated in note 12.

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>Group</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Medium term notes	(99,910)	(102,219)	(102,219)	-	-
Bank borrowings	(587,504)	(667,475)	(26,681)	(640,794)	-
Trade and other payables <sup>1</sup>	(66,872)	(71,853)	(41,392)	(15,272)	(15,189)
Lease liabilities	(101,837)	(146,328)	(8,966)	(29,688)	(107,674)
	(856,123)	(987,875)	(179,258)	(685,754)	(122,863)
<b>Derivative financial instruments</b>					
<b>Non-current assets</b>					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	9,137	9,295	5,368	3,927	-
<b>Current assets</b>					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	338	337	337	-	-
Currency forward contracts (gross-settled)					
– at FVTPL	44				
• Outflow		(4,489)	(4,489)	-	-
• Inflow		4,486	4,486	-	-
<b>Current liabilities</b>					
Currency forward contracts (gross-settled)					
– at FVTPL	(9)				
• Outflow		(2,289)	(2,289)	-	-
• Inflow		2,272	2,272	-	-
	9,510	9,612	5,685	3,927	-

<sup>1</sup> Excluding rental received in advance, goods and services tax payable and provision for income tax.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
Group					
2023					
Non-derivative financial liabilities					
Medium term notes	(99,762)	(107,210)	(3,600)	(103,610)	–
Bank borrowings	(691,226)	(804,146)	(33,472)	(770,674)	–
Trade and other payables <sup>1</sup>	(47,580)	(47,580)	(32,479)	(12,316)	(2,785)
Liabilities directly associated with the investment property held for sale	(253)	(259)	(259)	–	–
Lease liabilities	(98,098)	(140,485)	(8,794)	(29,515)	(102,176)
	(936,919)	(1,099,680)	(78,604)	(916,115)	(104,961)
Derivative financial instruments					
Non-current assets					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	12,064	11,578	6,160	5,418	–
Current assets					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	939	1,151	1,151	–	–
Currency forward contracts (gross-settled)					
– at FVTPL	232				
• Outflow		(6,866)	(6,866)	–	–
• Inflow		7,083	7,083	–	–
Current liabilities					
Currency forward contracts (gross-settled)					
– at FVTPL	(–*)				
• Outflow		(713)	(713)	–	–
• Inflow		712	712	–	–
	13,235	12,945	7,527	5,418	–

<sup>1</sup> Excluding rental received in advance and goods and services tax payable.

\* less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
Trust					
2024					
Non-derivative financial liabilities					
Medium term notes	(99,910)	(102,219)	(102,219)	–	–
Bank borrowings	(215,882)	(240,406)	(9,695)	(230,711)	–
Trade and other payables <sup>1</sup>	(61,311)	(66,292)	(35,831)	(15,272)	(15,189)
Lease liabilities	(101,837)	(146,328)	(8,966)	(29,688)	(107,674)
	(478,940)	(555,245)	(156,711)	(275,671)	(122,863)
Derivative financial instruments					
Non-current assets					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	3,609	3,802	2,241	1,561	–
Current assets					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	250	249	249	–	–
Currency forward contracts (gross-settled)					
– at FVTPL	44				
• Outflow		(4,489)	(4,489)	–	–
• Inflow		4,486	4,486	–	–
Current liabilities					
Currency forward contracts (gross-settled)					
– at FVTPL	(9)				
• Outflow		(2,289)	(2,289)	–	–
• Inflow		2,272	2,272	–	–
	3,894	4,031	2,470	1,561	–

<sup>1</sup> Excluding rental received in advance, goods and services tax payable and provision for income tax.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Liquidity risk (cont'd)

		Contractual cash flows			
	Carrying amount \$'000	Total \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
Trust					
2023					
Non-derivative financial liabilities					
Medium term notes	(99,762)	(107,210)	(3,600)	(103,610)	–
Bank borrowings	(290,249)	(329,100)	(14,050)	(315,050)	–
Trade and other payables <sup>1</sup>	(42,424)	(42,424)	(27,323)	(12,316)	(2,785)
Liabilities directly associated with the investment property held for sale	(253)	(259)	(259)	–	–
Lease liabilities	(98,098)	(140,485)	(8,794)	(29,515)	(102,176)
	(530,786)	(619,478)	(54,026)	(460,491)	(104,961)
Derivative financial instruments					
Non-current assets					
Interest rate swaps (net-settled)					
– designated as cash flow hedge	8,041	8,257	4,669	3,588	–
Current assets					
Interest rate swaps (net-settled)					
– at FVTPL	317	435	435	–	–
– designated as cash flow hedge	622	716	716	–	–
Currency forward contracts (gross-settled)					
– at FVTPL	232				
• Outflow		(6,866)	(6,866)	–	–
• Inflow		7,083	7,083	–	–
Current liabilities					
Currency forward contracts (gross-settled)					
– at FVTPL	(–*)				
• Outflow		(713)	(713)	–	–
• Inflow		712	712	–	–
	9,212	9,624	6,036	3,588	–

<sup>1</sup> Excluding rental received in advance and goods and services tax payable.

\* less than \$1,000.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

#### (i) Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with adverse movement in interest rates on the loan facilities while also seeking to ensure that the Group's cost of debt remains competitive. The policy aims to protect the Group's earnings from the volatility in interest rates and provide stability to Unitholders' returns.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's and Trust's exposure to cash flow interest rate risks arise mainly from variable rate financial liabilities. The Manager manages the cash flow interest rate risks of these variable rate financial liabilities using floating-to-fixed interest rate swaps or via issuance of fixed rate borrowings.

As at 31 March 2024, the Group had interest rate swap contracts with total notional amounts of \$122.0 million and AUD336.0 million (equivalent to approximately \$295.7 million), in total of \$417.7 million (2023: \$172.0 million and AUD478.5 million (equivalent to approximately \$426.6 million), in total of \$598.6 million). For the interest rate swap contracts, the Group had agreed with counterparties to exchange at specified intervals, the difference between the floating rates pegged to the SORA or BBSY (2023: SORA or BBSY) and fixed rate interest amounts calculated by reference to the agreed notional amounts.

#### Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's and Trust's interest-bearing financial instruments was as follows:

	Group		Trust	
	Nominal amount		Nominal amount	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Fixed rate instruments</b>				
Financial liabilities	(100,000)	(100,000)	(100,000)	(100,000)
Interest rate swaps <sup>1</sup>	(417,747)	(598,631)	(166,010)	(343,633)
	<u>(517,747)</u>	<u>(698,631)</u>	<u>(266,010)</u>	<u>(443,633)</u>
<b>Variable rate instruments</b>				
Financial liabilities	(590,645)	(695,967)	(217,538)	(292,882)
Interest rate swaps <sup>1</sup>	417,747	598,631	166,010	343,633
	<u>(172,898)</u>	<u>(97,336)</u>	<u>(51,528)</u>	<u>50,751</u>

<sup>1</sup> Including forward interest rate swaps.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk (cont'd)

#### (i) Interest rate risk (cont'd)

##### Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return		Unitholders' funds	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
<b>Group</b>				
<b>31 March 2024</b>				
Variable rate instruments	(1,869)	1,869	6,472	(6,629)
<b>31 March 2023</b>				
Variable rate instruments	(2,311)	2,311	7,019	(7,240)
<b>Trust</b>				
<b>31 March 2024</b>				
Variable rate instruments	(655)	655	1,975	(2,022)
<b>31 March 2023</b>				
Variable rate instruments	626	(627)	3,658	(3,761)

#### (ii) Foreign currency risk

##### Risk management policy

The Group has exposure to foreign currency risks arising from its interest in a joint venture and investments in Australia. Transactions in relation to these investments are mainly denominated in the Australian dollar.

The Manager's strategy is to achieve a natural hedge, wherever possible through the use of Australian dollar denominated borrowings to match the Group's interests in its Australian joint venture and investment properties to mitigate the currency risk. As at 31 March 2024, the Group's investment in its Australian assets was hedged as approximately 65.6% (2023: 60.0%) of the carrying value of the Trust's investments in Australia was funded with Australian dollar denominated borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk (cont'd)

#### (ii) Foreign currency risk (cont'd)

##### Exposure to currency risk

The Group's and Trust's exposures to foreign currencies were as follows:

	Group		Trust	
	Australian dollar 2024 \$'000	Australian dollar 2023 \$'000	Australian dollar 2024 \$'000	Australian dollar 2023 \$'000
Amounts due from joint venture	46,298	39,809	–	–
Cash and cash equivalents	9,007	6,875	378	1,396
Trade and other receivables	3,340	3,226	2,907	3,148
Derivative financial instruments	6,990	6,579	1,374	2,557
Trade and other payables	(8,234)	(5,321)	(660)	(189)
Interest-bearing borrowings	(453,645)	(473,967)	(80,538)	(70,882)
	(396,244)	(422,799)	(76,539)	(63,970)
Less: Currency forward contracts	(6,778)	(7,579)	(6,778)	(7,579)
Net currency exposure on financial liabilities	(403,022)	(430,378)	(83,317)	(71,549)
Add: Non-financial assets				
Investment in joint venture	242,998	289,568	–	–
Investment properties	403,132	460,511	–	–
Net currency exposure including non-financial assets	243,108	319,701	(83,317)	(71,549)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### (c) Market risk (cont'd)

#### (ii) Foreign currency risk (cont'd)

##### Sensitivity analysis

A strengthening/weakening of the Australian dollar, as indicated below, against the Singapore dollar at the reporting date would have increased/(decreased) total return and Unitholders' funds by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Statements of total return \$'000	Unitholders' funds \$'000
<b>Group</b>		
<b>2024</b>		
Australian dollar (5% strengthening)	(14)	12,170
Australian dollar (5% weakening)	14	(12,170)
<b>2023</b>		
Australian dollar (5% strengthening)	60	15,925
Australian dollar (5% weakening)	(60)	(15,925)
<b>Trust</b>		
<b>2024</b>		
Australian dollar (5% strengthening)	(4,235)	69
Australian dollar (5% weakening)	4,235	(69)
<b>2023</b>		
Australian dollar (5% strengthening)	(3,689)	112
Australian dollar (5% weakening)	3,689	(112)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### Classification and fair value of financial instruments

The carrying amounts and the fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

Group	Note	Amortised cost \$'000	Carrying amount				Fair value			
			FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2024										
Financial assets not measured at fair value										
	7	46,298	-	-	-	-	46,298			
	8	5,553	-	-	-	-	5,553			
	10	17,816	-	-	-	-	17,816			
		69,667	-	-	-	-	69,667			
Financial assets measured at fair value										
	9	-	44	9,475	-	-	9,519	-	9,519	-
Financial liabilities measured at fair value										
	9	-	(9)	-	-	-	(9)	-	(9)	(9)
Financial liabilities not measured at fair value										
	11	-	-	-	-	(66,872)	(66,872)			
	12	-	-	-	-	(687,414)	(687,414)			
	14	-	-	-	-	(101,837)	(101,837)			
		-	-	-	-	(856,123)	(856,123)			
								</		

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance, goods and services tax payable and provision for income tax.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 27 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

Group	Note	Amortised cost \$'000	Carrying amount			Fair value			Total \$'000
			FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
2023									
Financial assets not measured at fair value									
	7	39,809	-	-	-	-	-	-	39,809
	8	5,397	-	-	-	-	-	-	5,397
	10	13,223	-	-	-	-	-	-	13,223
		58,429	-	-	-	-	-	-	58,429
Financial assets measured at fair value									
	9	-	232	13,003	-	-	13,235	-	13,235
Financial liabilities measured at fair value									
	9	-	(-*)	-	-	-	(-*)	-	(-*)
Financial liabilities not measured at fair value									
	11	-	-	-	-	(47,580)	(47,580)	-	-
	12	-	-	-	-	(790,988)	(790,988)	-	(789,314)
	14	-	-	-	-	(253)	(253)	-	-
	14	-	-	-	-	(98,098)	(98,098)	-	-
		-	-	-	-	(936,919)	(936,919)	-	-

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance and goods and services tax payable.

\* less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

	Note	Carrying amount					Fair value			
		Amortised cost \$'000	FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust										
2024										
Financial assets not measured at fair value										
	8	5,157	-	-	-	-	-	-	-	5,157
	10	9,170	-	-	-	-	-	-	-	9,170
		14,327	-	-	-	-	-	-	-	14,327
Financial assets measured at fair value										
	9	-	44	3,859	-	3,903	-	3,903	-	3,903
Financial liabilities measured at fair value										
	9	-	(9)	-	-	(9)	-	(9)	-	(9)
Financial liabilities not measured at fair value										
	11	-	-	-	-	(61,311)	-	-	-	(61,311)
	12	-	-	-	-	(315,792)	-	(315,343)	-	(315,343)
	14	-	-	-	-	(101,837)	-	-	-	(101,837)
		-	-	-	-	(478,940)	-	-	-	(478,940)

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance, goods and services tax payable and provision for income tax.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 27 FINANCIAL RISK MANAGEMENT (cont'd)

Classification and fair value of financial instruments (cont'd)

	Note	Carrying amount					Fair value			
		Amortised cost \$'000	FVTPL \$'000	Fair value – Hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust										
2023										
Financial assets not measured at fair value										
Trade and other receivables <sup>1</sup>	8	5,332	-	-	-	5,332				
Cash and cash equivalents	10	7,728	-	-	-	7,728				
		13,060	-	-	-	13,060				
Financial assets measured at fair value										
Derivative financial assets	9	-	549	8,663	-	9,212	-	9,212	-	9,212
Financial liabilities measured at fair value										
Derivative financial liabilities	9	-	(-*)	-	-	(-*)	-	(-*)	-	(-*)
Financial liabilities not measured at fair value										
Trade and other payables <sup>2</sup>	11	-	-	-	(42,424)	(42,424)				
Interest-bearing borrowings	12	-	-	-	(390,011)	(390,011)				
Liabilities directly associated with the investment property held for sale	14	-	-	-	(253)	(253)				
Lease liabilities	14	-	-	-	(98,098)	(98,098)				
		-	-	-	(530,786)	(530,786)		(388,337)	-	(388,337)

<sup>1</sup> Excluding prepayments.

<sup>2</sup> Excluding rental received in advance and goods and services tax payable.

\* less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 27 FINANCIAL RISK MANAGEMENT (cont'd)

### Estimation of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### (i) *Derivatives*

The fair values of interest rate swaps and currency forward contracts (Level 2 fair values) are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

#### (ii) *Other non-derivative financial assets and liabilities*

Other non-derivative financial assets and liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date.

The carrying amounts of non-derivative financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The carrying amounts of non-derivative financial liabilities with maturity of more than one year (including trade and other payables) are assumed to approximate their fair values because the effect of discounting is immaterial. The carrying amounts of borrowings and amounts due from joint venture which reprice within three months are assumed to approximate their fair values because of the short period to maturity or repricing. The fair values of the fixed rate notes are based on banks' quotes. The fair value disclosure of lease liabilities is not required.

The Group's policy is to recognise transfers between levels as of the end of the reporting period during which the transfer has occurred. There had been no transfers between the levels during the year.

## 28 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*.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 28 SEGMENT REPORTING (cont'd)

### Information about reportable segments

	Singapore \$'000	Australia \$'000	Total \$'000
<b>2024</b>			
<b>Revenue and expenses</b>			
Gross revenue	150,048	27,233	177,281
Property operating expenses	(46,201)	(101)	(46,302)
<b>Net property income</b>	103,847	27,132	130,979
Share of losses of joint venture (net of tax) <sup>1</sup>	–	(24,766)	(24,766)
Net change in fair value of investment properties	61,671	(53,126)	8,545
Net change in fair value of right-of-use assets	(5,378)	–	(5,378)
Net change in fair value of derivative financial instruments	(1,130)	(2,310)	(3,440)
Gain on divestment of investment property	637	–	637
	159,647	(53,070)	106,577
Interest income	271	172	443
Other non-operating income: interim insurance proceeds	1,111	–	1,111
Borrowing costs	(13,327)	(21,914)	(35,241)
Trust and other expenses	(13,134)	(3,662)	(16,796)
	134,568	(78,474)	56,094
Unallocated item:			
Net foreign exchange gain			300
<b>Total return before income tax</b>			56,394
Income tax credit			6,512
<b>Total return after income tax</b>			62,906
<b>Total assets</b>	1,605,411	711,209	2,316,620
Other segment items:			
Joint venture	–	289,296	289,296
Capital expenditure <sup>2</sup>	7,729	–	7,729
Additions to plant and equipment <sup>3</sup>	14,641	–	14,641
<b>Total liabilities</b>	(402,731)	(479,615)	(882,346)
<b>2023</b>			
<b>Revenue and expenses</b>			
Gross revenue	138,410	28,972	167,382
Property operating expenses	(44,864)	(8)	(44,872)
<b>Net property income</b>	93,546	28,964	122,510
Share of profits of joint venture (net of tax) <sup>1</sup>	–	16,039	16,039
Net change in fair value of investment properties	38,158	(7,639)	30,519
Net change in fair value of right-of-use assets	(5,294)	–	(5,294)
Net change in fair value of derivative financial instruments	1,475	2,795	4,270
	127,885	40,159	168,044
Interest income	224	67	291
Borrowing costs	(14,230)	(19,079)	(33,309)
Trust and other expenses	(18,054)	(4,195)	(22,249)
	95,825	16,952	112,777
Unallocated item:			
Net foreign exchange loss			(663)
<b>Total return before income tax</b>			112,114
Income tax credit			1,747
<b>Total return after income tax</b>			113,861
<b>Total assets</b>	1,531,249	805,173	2,336,422
Other segment items:			
Joint venture	–	329,377	329,377
Capital expenditure <sup>2</sup>	2,342	211	2,553
<b>Total liabilities</b>	(465,821)	(503,206)	(969,027)

<sup>1</sup> Included in the share of (losses)/profits of joint venture (net of tax) is the share of revaluation loss recognised on the revaluation of Optus Centre of \$39.6 million (2023: revaluation gain of \$0.4 million).

<sup>2</sup> Capital expenditure consists of additions to investment properties.

<sup>3</sup> During financial year ended 31 March 2024, the Manager completed the installation of the Systems across 6 of the Trust's properties in Singapore and are recognised as plant and equipment (refer to note 5)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 28 SEGMENT REPORTING (cont'd)

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

### Major tenants

Rental income from one major tenant of the Group's reportable segment represents approximately \$24.1 million (2023: \$25.6 million) of the Group's rental income.

## 29 FINANCIAL RATIOS

	Group	
	2024	2023
	%	%
Expenses to weighted average net assets <sup>1</sup>		
– Expense ratio excluding performance-related fee	1.16	1.24
– Expense ratio including performance-related fee	1.16	1.56
Portfolio turnover rate <sup>2</sup>	–	–

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

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

## 30 SUBSEQUENT EVENT

On 7 May 2024, the Manager approved a distribution of 2.370 Singapore cents per Unit in respect of the period from 1 January 2024 to 31 March 2024 to be paid on 24 June 2024.

**UNAUDITED INTERIM FINANCIAL STATEMENTS OF  
AIMS APAC REIT AND ITS SUBSIDIARIES FOR  
THE FIRST HALF ENDED 30 SEPTEMBER 2024**

*The information in this Appendix IV has been extracted and reproduced from the unaudited financial statement announcement of AA REIT and its subsidiaries for the first half ended 30 September 2024 and has not been specifically prepared for inclusion in this Information Memorandum.*



**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 2024  
("1H FY2025")

**STATEMENTS OF FINANCIAL POSITION**  
**As at 30 September 2024**

		Group		Trust	
	Note	30 September 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
<b>Non-current assets</b>					
Investment properties	3	1,988,936	1,973,169	1,581,585	1,570,037
Plant and equipment	4	13,766	14,153	13,766	14,153
Subsidiaries		—	—	396,552	360,433
Joint venture	5	294,697	289,296	—	—
Trade and other receivables	6	4,227	4,742	4,227	4,742
Derivative financial instruments	7	5,231	9,137	1,520	3,609
		<u>2,306,857</u>	<u>2,290,497</u>	<u>1,997,650</u>	<u>1,952,974</u>
<b>Current assets</b>					
Trade and other receivables	6	6,817	7,925	7,111	7,529
Derivative financial instruments	7	260	382	260	294
Cash and cash equivalents		12,957	17,816	7,007	9,170
		<u>20,034</u>	<u>26,123</u>	<u>14,378</u>	<u>16,993</u>
<b>Total assets</b>		<b>2,326,891</b>	<b>2,316,620</b>	<b>2,012,028</b>	<b>1,969,967</b>
<b>Non-current liabilities</b>					
Trade and other payables	8	25,696	25,991	25,696	25,991
Interest-bearing borrowings	9	602,332	587,504	260,451	215,882
Derivative financial instruments	7	628	—	628	—
Deferred tax liabilities		20,904	20,406	—	—
Lease liabilities		101,116	96,449	101,116	96,449
		<u>750,676</u>	<u>730,350</u>	<u>387,891</u>	<u>338,322</u>
<b>Current liabilities</b>					
Trade and other payables	8	39,895	46,689	36,115	39,103
Interest-bearing borrowings	9	99,984	99,910	99,984	99,910
Derivative financial instruments	7	29	9	29	9
Lease liabilities		5,241	5,388	5,241	5,388
		<u>145,149</u>	<u>151,996</u>	<u>141,369</u>	<u>144,410</u>
<b>Total liabilities</b>		<b>895,825</b>	<b>882,346</b>	<b>529,260</b>	<b>482,732</b>
<b>Net assets</b>		<b>1,431,066</b>	<b>1,434,274</b>	<b>1,482,768</b>	<b>1,487,235</b>
Represented by:					
Unitholders' funds		1,057,518	1,060,709	1,109,220	1,113,670
Perpetual Securities holders' funds	10	373,548	373,565	373,548	373,565
		<u>1,431,066</u>	<u>1,434,274</u>	<u>1,482,768</u>	<u>1,487,235</u>
Units in issue and to be issued ('000)	11	813,632	810,955	813,632	810,955
Net asset value/net tangible asset per Unit attributable to Unitholders <sup>1</sup> (\$)		<u>1.30</u>	<u>1.31</u>	<u>1.36</u>	<u>1.37</u>

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

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

FS1



**CONSOLIDATED STATEMENT OF TOTAL RETURN**  
**For the Half Year Ended 30 September 2024**

		Group	
	Note	1 April 2024 to 30 September 2024 ("1H FY2025") \$'000	1 April 2023 to 30 September 2023 ("1H FY2024") \$'000
Gross revenue	12	93,514	86,834
Property operating expenses		(25,927)	(22,544)
<b>Net property income</b>		67,587	64,290
Net foreign exchange gain		51	234
Interest income		166	256
Other non-operating income			
- Interim insurance proceeds <sup>1</sup>		606	–
Borrowing costs	13	(19,572)	(17,792)
Manager's management fees		(5,573)	(5,643)
Other trust expenses	13	(2,747)	(2,810)
Non-property expenses		(27,892)	(26,245)
<b>Net income before joint venture's profits</b>		40,518	38,535
Share of profits of joint venture (net of tax)		7,394	7,451
<b>Net income</b>		47,912	45,986
Net change in fair value of investment properties		(2,645)	(2,755)
Net change in fair value of derivative financial instruments		(1,547)	(2,496)
Gain on divestment of investment property		–	637
<b>Total return before income tax</b>	13	43,720	41,372
Income tax expense		(661)	(101)
<b>Total return after income tax</b>		43,059	41,271
<b>Attributable to:</b>			
Unitholders		32,781	30,993
Perpetual Securities holders		10,278	10,278
		43,059	41,271
<b>Earnings per Unit (Singapore cents)</b>			
Basic	14	4.04	4.02
Diluted	14	4.04	4.01

<sup>1</sup> Relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore (refer to announcement dated 10 October 2023).

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

**CONSOLIDATED DISTRIBUTION STATEMENT**  
**For the Half Year Ended 30 September 2024**

Note	Group	
	1H FY2025 \$'000	1H FY2024 \$'000
<b>Amount available for distribution to Unitholders at beginning of the period</b>	19,234	19,246
Total return before income tax	43,720	41,372
Less: Amount reserved for distribution to Perpetual Securities holders	(10,278)	(10,278)
Net effect of tax adjustments	A 8,668	5,762
Other adjustments	B (10,412)	(9,477)
	<u>31,698</u>	<u>27,379</u>
<b>Amount available for distribution to Unitholders from taxable income</b>	50,932	46,625
Capital distribution	7,722	9,417
<b>Amount available for distribution to Unitholders</b>	58,654	56,042
<b>Distributions to Unitholders during the period:</b>		
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)
2.370 cents per Unit for the period from 1 January 2024 – 31 March 2024	(19,220)	–
2.270 cents per Unit for the period from 1 April 2024 – 30 June 2024	(18,431)	–
	<u>(37,651)</u>	<u>(36,419)</u>
<b>Amount available for distribution to Unitholders at end of the period</b>	21,003	19,623
<b>Number of Units entitled to distributions at end of the period ('000)</b>	813,632	810,147
<b>Distribution per Unit (Singapore cents)</b>	4.670	4.650
	Group	
	1H FY2025 \$'000	1H FY2024 \$'000
<b>Note A – Net effect of tax adjustments</b>		
Amortisation and write-off of borrowing transaction costs	1,824	736
Net foreign exchange gain	(21)	(67)
Manager's management fees paid/payable in units	2,873	2,592
Property management fees and lease management fees payable in units	552	–
Land rent paid on investment properties	(4,571)	(4,557)
Interest expense on lease liabilities	1,926	1,802
Net change in fair value of investment properties	2,645	2,755
Net change in fair value of derivative financial instruments	1,458	2,496
Depreciation of plant and equipment	387	101
Gain on divestment of investment property	–	(637)
Net tax adjustment on foreign sourced income	1,905	595
Net tax adjustment on net income from sale of electricity	(1,386)	(250)
Temporary differences and other tax adjustments	1,076	196
Net effect of tax adjustments	<u>8,668</u>	<u>5,762</u>
<b>Note B – Other adjustments</b>		

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 2024**

	Note	Group 1H FY2025 \$'000	Group 1H FY2024 \$'000	Trust 1H FY2025 \$'000	Trust 1H FY2024 \$'000
<b>Unitholders' Funds</b>					
Balance at beginning of the period		1,060,709	993,849	1,113,670	956,181
<b>Operations</b>					
Total return after income tax, attributable to Unitholders and Perpetual Securities holders		43,059	41,271	41,365	43,047
Less: Amount reserved for distribution to Perpetual Securities holders		(10,278)	(10,278)	(10,278)	(10,278)
Net increase in net assets from operations		32,781	30,993	31,087	32,769
<b>Foreign currency translation reserve</b>					
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations		1,441	(4,013)	–	–
<b>Hedging reserve</b>					
Net change in fair value of cash flow hedges		(3,187)	6,606	(1,311)	1,092
<b>Unitholders' contributions</b>					
Issuance of Units (including Units to be issued):					
Manager's management fees		2,873	2,592	2,873	2,592
Property management fees and lease management fees		552	–	552	–
Private placement		–	69,999	–	69,999
Preferential Offering		–	30,172	–	30,172
Issuance costs for new units		–	(2,425)	–	(2,425)
Distributions to Unitholders		(37,651)	(36,419)	(37,651)	(36,419)
Change in Unitholders' funds resulting from Unitholders' transactions		(34,226)	63,919	(34,226)	63,919
Total (decrease)/increase in Unitholders' funds		(3,191)	97,505	(4,450)	97,780
Balance at end of the period		1,057,518	1,091,354	1,109,220	1,053,961
<b>Perpetual Securities holders' funds</b>					
Balance at beginning of the period		373,565	373,546	373,565	373,546
Amount reserved for distribution to Perpetual Securities holders		10,278	10,278	10,278	10,278
Distributions to Perpetual Securities holders		(10,295)	(10,276)	(10,295)	(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	813,632	810,147	813,632	810,147

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

**PORTFOLIO STATEMENTS**  
**As at 30 September 2024**

	Description of property Group and the Trust	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>2</sup>	Occupancy rate				Carrying Value				Group				Trust			
						30 September 2024		31 March 2024		30 September 2024		31 March 2024		30 September 2024		31 March 2024		30 September 2024		31 March 2024	
						%	%	%	%	\$'000	\$'000	\$'000	\$'000	%	%	%	%	%	%	%	%
1	20 Gul Way	20 Gul Way	35 years	16.3	Logistics and Warehouse	97	100	100	100	241,100	241,100	241,100	241,100	22.8	22.7	21.7	21.6				
2	27 Penjuru Lane	27 Penjuru Lane	45 years	25.0	Logistics and Warehouse	97	97	97	97	190,000	190,000	190,000	190,000	18.0	17.9	17.1	17.1				
3	8 & 10 Pandan Crescent	8 & 10 Pandan Crescent	92 years and 8 months	43.7	Logistics and Warehouse	99	100	100	100	161,045	161,045	161,000	161,000	15.2	15.2	14.5	14.5				
4	NorthTech	29 Woodlands Industrial Park E1	60 years	30.3	Hi-Tech	100	100	100	100	141,671	139,000	139,000	139,000	13.4	13.1	12.8	12.5				
5	7 Bulim Street	7 Bulim Street	30 years	17.9	Logistics and Warehouse	100	100	100	100	139,517	139,400	139,400	139,400	13.2	13.1	12.6	12.5				
6	1A International Business Park	1A International Business Park	52 years	34.7	Business Park	61	61	61	61	72,000	72,000	72,000	72,000	6.8	6.8	6.5	6.5				
7	30 Tuas West Road	30 Tuas West Road	60 years	31.3	Logistics and Warehouse	100	100	100	100	56,400	56,400	56,400	56,400	5.3	5.3	5.1	5.1				
8	3 Tuas Avenue 2	3 Tuas Avenue 2	73 years	30.5	Industrial	100	100	100	100	56,000	56,000	56,000	56,000	5.3	5.3	5.0	5.0				
9	51 Marsiling Road	51 Marsiling Road	70 years and 5 months	19.8	Industrial	100	100	100	100	51,706	50,600	50,600	50,600	4.9	4.8	4.7	4.5				
10	23 Tai Seng Drive	23 Tai Seng Drive	60 years	25.8	Industrial	100	100	100	100	41,600	41,600	41,600	41,600	3.9	3.9	3.8	3.7				
11	15 Tai Seng Drive	15 Tai Seng Drive	60 years	26.5	Industrial	88	99	99	99	30,940	30,940	30,900	30,900	2.9	2.9	2.8	2.8				
12	103 Defu Lane 10	103 Defu Lane 10	60 years	18.7	Logistics and Warehouse	100	100	100	100	30,709	30,700	30,700	30,700	2.9	2.9	2.8	2.8				

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
**As at 30 September 2024**

	Description of property Group and the Trust	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>2</sup>	Occupancy rate				Carrying Value				Group				Trust			
						30 September 2024		31 March 2024		30 September 2024		31 March 2024		30 September 2024		31 March 2024		30 September 2024		31 March 2024	
						%	%	%	%	\$'000	\$'000	\$'000	\$'000	%	%	%	%	%	%	%	%
13	1 Bukit Batok Street 22	1 Bukit Batok Street 22	60 years	30.7	Industrial	90	100			28,508	28,500	28,500	28,500	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6
14	56 Serangoon North Avenue 4	56 Serangoon North Avenue 4	60 years	30.6	Logistics and Warehouse	79	79			27,000	27,000	27,000	27,000	2.6	2.5	2.5	2.4	2.4	2.4	2.4	2.4
15	8 Tuas Avenue 20	8 Tuas Avenue 20	59 years and 1.5 months	27.1	Industrial	100	100			26,600	26,600	26,600	26,600	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4
16	135 Joo Seng Road	135 Joo Seng Road	60 years	29.7	Industrial	87	93			24,025	23,300	23,300	23,300	2.3	2.2	2.2	2.2	2.1	2.1	2.1	2.1
17	11 Changi South Street 3	11 Changi South Street 3	60 years	30.5	Logistics and Warehouse	91	91			23,100	23,100	23,100	23,100	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1
18	10 Changi South Lane	10 Changi South Lane	60 years	31.7	Logistics and Warehouse	88	93			22,400	22,400	22,400	22,400	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0
19	61 Yishun Industrial Park A	61 Yishun Industrial Park A	60 years	27.9	Industrial	61	100			21,151	19,900	19,900	19,900	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.8
20	2 Ang Mo Kio Street 65	2 Ang Mo Kio Street 65	60 years	22.5	Industrial	100	100			19,400	19,400	19,400	19,400	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7
21	3 Toh Tuck Link	3 Toh Tuck Link	60 years	32.1	Logistics and Warehouse	83	83			18,400	18,400	18,400	18,400	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
22	Aalst Chocolate Building	26 Tuas Avenue 7	60 years	29.3	Industrial	100	100			13,703	13,700	13,700	13,700	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2
23	8 Senoko South Road	8 Senoko South Road	60 years	30.1	Industrial	100	100			13,500	13,500	13,500	13,500	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
**As at 30 September 2024**

	Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Existing use <sup>2</sup>	Occupancy rate		Carrying Value		percentage of total Unitholders' funds		percentage of total Unitholders' funds	
						30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024
						%	%	\$'000	\$'000	%	%	%	%
<b>Group and the Trust</b>													
<b>Investment properties in Singapore</b>													
24	7 Clementi Loop	7 Clementi Loop	60 years	28.7	Logistics and Warehouse	100	87	12,553	11,500	1.2	1.1	1.1	1.0
25	1 Kallang Way 2A	1 Kallang Way 2A	60 years	30.7	Industrial	100	100	12,200	12,200	1.2	1.2	1.1	1.1
<b>Group</b>													
<b>Investment properties in Australia</b>													
26	Woolworths HQ	1 Woolworths Way, Bella Vista, New South Wales 2153, Australia	Freehold	N.A.	Business Park	100	100	364,695	360,882	34.5	34.0	–	–
27	Boardriders Asia Pacific HQ	209-217 Burleigh Connection Road, Burleigh Waters, Queensland 4220, Australia	Freehold	N.A.	Industrial	100	100	42,656	42,250	4.0	4.0	–	–
<b>Total investment properties (note 3)</b>								1,882,579	1,871,332	178.0	176.4	133.0	131.9

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
**As at 30 September 2024**

Description of property	Location	Term of land lease <sup>1</sup>	Remaining term of land lease <sup>1</sup> (years)	Occupancy rate		Carrying Value		Group percentage of total Unitholders' funds	
				30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024
			Existing use <sup>2</sup>	%	%	\$'000	\$'000	%	%
<b>1-27 Investment properties (FS5 to FS7)</b>									
Investment properties – right-of-use assets						1,882,579	1,871,332	178.0	176.4
<b>Total investment properties</b>						106,357	101,837	10.1	9.6
						1,988,936	1,973,169	188.1	186.0
<b>Joint venture (note 5)</b>									
						294,697	289,296	27.9	27.3
<b>Investment property in Australia held by a joint venture</b>									
28 Optus Centre	1-5 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia	Freehold	N.A.	100	100				
Other assets and liabilities (net)						(852,567)	(828,191)	(80.7)	(78.1)
Net assets of the Group						1,431,066	1,434,274	135.3	135.2
Perpetual Securities holders' funds						(373,548)	(373,565)	(35.3)	(35.2)
<b>Total Unitholders' funds of the Group</b>						1,057,518	1,060,709	100.0	100.0

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

<sup>2</sup> Existing use for Industrial includes General Industrial and Light Industrial.

<sup>3</sup> As of 30 September 2024, the property is undergoing asset enhancement initiatives

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

**PORTFOLIO STATEMENTS (CONTINUED)**  
As at 30 September 2024

	Carrying value		Trust	
	30 September 2024 \$'000	31 March 2024 \$'000	percentage of total Unitholders' funds 30 September 2024 %	31 March 2024 %
<b>Description of property</b>				
1-25 <b>Investment properties (FS5 – FS7)</b>				
Investment properties – right-of-use assets	1,475,228	1,468,200	133.0	131.9
	106,357	101,837	9.6	9.1
<b>Total investment properties</b>	1,581,585	1,570,037	142.6	141.0
Other assets and liabilities (net)	(98,817)	(82,802)	(8.9)	(7.4)
Net assets of the Trust	1,482,768	1,487,235	133.7	133.6
Perpetual Securities holders' funds	(373,548)	(373,565)	(33.7)	(33.6)
<b>Total Unitholders' funds of the Trust</b>	<b>1,109,220</b>	<b>1,113,670</b>	<b>100.0</b>	<b>100.0</b>

Portfolio statement by industry segment is not presented as the Group's and the Trust's activities for the financial period ended 30 September 2024 and financial year ended 31 March 2024 related wholly to investing in real estate in the industrial sector.

External valuations of the investment properties are conducted at least once annually. Independent valuations for all the investment properties were undertaken by independent professional valuers as at 31 March 2024. For interim financial reporting purposes, the carrying values of the investment properties as at 30 September 2024 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 approximate the fair values of the investment properties as at 31 March 2024.

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 2024**

	Note	Group 1H FY2025 \$'000	1H FY2024 \$'000
<b>Cash flows from operating activities</b>			
Total return after income tax		43,059	41,271
<b>Adjustments for:</b>			
Share of profits of joint venture (net of tax)		(7,394)	(7,451)
Borrowing costs		19,572	17,792
Depreciation of plant and equipment		387	101
Net foreign exchange gain		(51)	(234)
Manager's management fees in Units	A	2,873	2,592
Property management fees and lease management fees in Units	A	552	–
Net change in fair value of investment properties		2,645	2,755
Net change in fair value of derivative financial instruments		1,547	2,496
Gain on divestment of investment property		–	(637)
Income tax expense		661	101
<b>Operating income before working capital changes</b>		<b>63,851</b>	<b>58,786</b>
<b>Changes in working capital</b>			
Trade and other receivables		806	(1,629)
Trade and other payables		(3,170)	2,310
<b>Cash generated from operations</b>		<b>61,487</b>	<b>59,467</b>
Income tax paid		(70)	–
<b>Net cash from operating activities</b>		<b>61,417</b>	<b>59,467</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(10,083)	(3,328)
Additions to plant and equipment	B	–	(243)
Net proceeds from divestment of investment property <sup>1</sup>		–	12,638
Loan to a joint venture		(2,288)	(3,607)
Distributions and interest income received from a joint venture		6,573	9,340
<b>Net cash (used in)/from investing activities</b>		<b>(5,798)</b>	<b>14,800</b>
<b>Cash flows from financing activities</b>			
Distributions to Unitholders		(37,651)	(36,925)
Distributions to Perpetual Securities holders		(10,295)	(10,276)
Issue costs paid in relation to new units issued		–	(2,296)
Proceeds from the issuance of new units <sup>2</sup>		–	100,171
Proceeds from interest-bearing borrowings		307,110	32,607
Repayments of interest-bearing borrowings		(295,468)	(135,085)
Borrowing costs paid		(19,709)	(13,746)
Repayment of lease liabilities		(4,571)	(4,557)
<b>Net cash used in financing activities</b>		<b>(60,584)</b>	<b>(70,107)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,965)</b>	<b>4,160</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>17,816</b>	<b>13,223</b>
Effect of exchange rate fluctuations on cash held		106	(83)
<b>Cash and cash equivalents at end of the period</b>		<b>12,957</b>	<b>17,300</b>

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

<sup>2</sup> 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.

FS10

**Significant non-cash transactions**

**Note A:**

During 1H FY2025, 2,250,581 (1H FY2024: 2,071,411) of new units in the Trust ("Units") amounting to \$2,873,000 (1H FY2024: \$2,592,000) were issued/issuable as partial payment for the Manager's management fees.

During 1H FY2025, 427,105 (1H FY2024: Nil) of new Units amounting to \$552,000 (1H FY2024: Nil) were issuable as partial payment for the property management fees and lease 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 the Systems 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.

FS11

## 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 2024.

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 2024. 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 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
Beginning of financial period/year	1,973,169	1,957,409	1,570,037	1,496,898
Capital expenditure capitalised	7,028	7,729	7,028	7,729
Remeasurement of right-of-use assets due to revised lease payments and recognition of lease extension option	7,165	9,117	7,165	9,117
Net change in fair value of investment properties recognised in the statement of total return	–	8,545	–	61,671
Net change in fair value of right-of- use assets	(2,645)	(5,378)	(2,645)	(5,378)
Foreign currency translation and other movements	4,219	(4,253)	–	–
End of financial period/year	1,988,936	1,973,169	1,581,585	1,570,037

Details of the properties are shown in the Portfolio Statements.

**Security**

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

	Group		Trust	
	30 September 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
Investment properties	364,695	1,389,082	–	1,028,200

**Fair value hierarchy**

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

	Group		Trust	
	30 September 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
Fair value of investment properties	1,882,579	1,871,332	1,475,228	1,468,200
Add: carrying amount of lease liabilities	106,357	101,837	106,357	101,837
Investment properties	1,988,936	1,973,169	1,581,585	1,570,037

### Level 3 fair value measurements

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

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

#### (ii) Valuation techniques

External valuation of the investment properties are conducted at least once annually. For interim financial reporting purposes, the carrying values of the investment properties as at 30 September 2024 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 approximate the fair values of the investment properties as at 31 March 2024.

Investment properties as at 31 March 2024 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 2024. 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 2024	31 March 2024	30 September 2024	31 March 2024
	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>				
Beginning of financial period/year	14,641	—	14,641	—
Additions	—	14,641	—	14,641
End of financial period/year	14,641	14,641	14,641	14,641
<b>Accumulated depreciation</b>				
Beginning of financial period/year	(488)	—	(488)	—
Depreciation charges	(387)	(488)	(387)	(488)
End of financial period/year	(875)	(488)	(875)	(488)
<b>Net book value</b>				
<b>As at end of financial period/year</b>	<b>13,766</b>	<b>14,153</b>	<b>13,766</b>	<b>14,153</b>

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; and
- 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 the Consolidated Statement of Total Return.

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 Consolidated Statement of Total Return 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

	<b>Group</b>	
	<b>30 September 2024 \$'000</b>	<b>31 March 2024 \$'000</b>
Investment in joint venture	245,750	242,998
Amounts due from joint venture, at amortised cost:		
- Interest-bearing loan	48,947	46,298
	294,697	289,296

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 accounted for using equity method.

The amounts due from joint venture of \$48.9 million (31 March 2024: \$46.3 million) relates to an unsecured loan facility 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 limit 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 2024, the Group's share of the capital commitments of the joint venture is \$4.7 million (31 March 2024: \$5.1 million).

**6 TRADE AND OTHER RECEIVABLES**

	Group		Trust	
	30 September 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
Trade receivables	956	1,669	956	1,669
Less: Impairment loss	—	—	—	—
	956	1,669	956	1,669
Deposits	31	31	31	31
Amount due from subsidiaries	—	—	45	37
Distribution receivable from a subsidiary	—	—	3,063	2,729
Distribution receivable from a joint venture	868	776	—	—
Interest receivable from banks	820	859	313	344
Other receivables	1,621	2,218	182	347
	4,296	5,553	4,590	5,157
Prepayments	6,748	7,114	6,748	7,114
	11,044	12,667	11,338	12,271
Non-current	4,227	4,742	4,227	4,742
Current	6,817	7,925	7,111	7,529
	11,044	12,667	11,338	12,271

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 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
<b>Non-current assets</b>				
Interest rate swaps				
- designated as cash flow hedge	5,231	9,137	1,520	3,609
<b>Current assets</b>				
Interest rate swaps				
- designated as cash flow hedge	243	338	243	250
Currency forward contracts				
- at fair value through statement of total return ("FVTPL")	17	44	17	44
	260	382	260	294
<b>Non-current liabilities</b>				
Interest rate swaps				
- designated as cash flow hedge	(628)	—	(628)	—
<b>Current liabilities</b>				
Currency forward contracts				
- at FVTPL	(29)	(9)	(29)	(9)

## 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 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
Trade payables and accrued expenses	18,399	20,797	18,290	19,241
Trade amounts due to:				
- the Manager	846	1,589	846	1,589
- the Property Manager	1,293	2,321	1,293	2,321
- the Trustee	61	60	61	60
- entities controlled by corporate shareholders of the Manager	537	542	—	—
Goods and services tax payable	1,541	3,085	1,541	2,921
Rental received in advance	2,369	2,652	2,369	791
Rental and security deposits	22,513	22,091	22,513	22,091
Interest payable	4,782	5,955	1,648	2,492
Deferred consideration	13,087	13,517	13,087	13,517
Provision for income tax	163	71	163	71
	<u>65,591</u>	<u>72,680</u>	<u>61,811</u>	<u>65,094</u>
Non-current	25,696	25,991	25,696	25,991
Current	<u>39,895</u>	<u>46,689</u>	<u>36,115</u>	<u>39,103</u>
	<u>65,591</u>	<u>72,680</u>	<u>61,811</u>	<u>65,094</u>

The Group's and the Trust's deferred consideration of \$13,087,000 (31 March 2024: \$13,517,000) relates to the present value of all remaining 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 2024 amounted to \$936,000 (31 March 2024: \$957,000) and \$12,151,000 (31 March 2024: \$12,560,000) respectively.



**9**

**INTEREST-BEARING BORROWINGS**

		Group		Trust	
	Note	30 September 2024 \$'000	31 March 2024 \$'000	30 September 2024 \$'000	31 March 2024 \$'000
<b>Non-current</b>					
<b>Secured</b>					
Bank borrowings	(a),(c)	342,966	590,645	—	217,538
<b>Unsecured</b>					
Bank borrowings	(b)	263,706	—	263,706	—
		606,672	590,645	263,706	217,538
Less: Unamortised borrowing transaction costs		(4,340)	(3,141)	(3,255)	(1,656)
		602,332	587,504	260,451	215,882
<b>Current</b>					
<b>Unsecured</b>					
Medium term notes	(d)	100,000	100,000	100,000	100,000
		100,000	100,000	100,000	100,000
Less: Unamortised borrowing transaction costs		(16)	(90)	(16)	(90)
		99,984	99,910	99,984	99,910
<b>Total</b>		<b>702,316</b>	<b>687,414</b>	<b>360,435</b>	<b>315,792</b>

(a) As at 31 March 2024, the Trust had secured credit facilities which comprised of the following:

- a four-year revolving credit facility of \$120.0 million;
- a four-year revolving credit facility of AUD50.0 million;
- a five-year term loan facility of \$100.0 million; and
- a five-year term loan facility of AUD50.0 million.

As at 31 March 2024, the credit facilities were secured on the following:

- (i) first legal mortgage over 15 investment properties of the Trust (the "Mortgaged Properties"); and
- (ii) 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.

The amounts drawn from the above credit facilities were repaid, and the securities above were released on 24 September 2024 via a Deed of Release and Discharge.

(b) As at 30 September 2024, the Trust has unsecured sustainability-linked credit facilities ("SLL") which comprised of the following:

- a three-year revolving credit facility of \$40.0 million;
- a three-year revolving credit facility of AUD40.0 million;
- a four-year term loan facility of \$20.0 million;
- a four-year term loan facility of AUD50.0 million;
- a four-year revolving credit facility of \$150.0 million;
- a four-year revolving credit facility of AUD20.0 million;
- a five-year term loan facility of \$170.0 million;
- a five-year term loan facility of AUD40.0 million; and
- a five-year revolving credit facility of \$20.0 million.

The SLL incorporates interest rate reductions linked to predetermined sustainability performance targets which will allow the Trust to enjoy savings in interest costs when targets are achieved.

- (c) The secured term loan facilities of wholly-owned subsidiaries of the Trust:
- (i) A secured five-year term loan facility of AUD262.95 million (31 March 2024: AUD262.95 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; and
  - (ii) A secured five-year term loan facility of AUD150.00 million (31 March 2024: 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.

- (d) 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.

- (e) Capital management

	<b>Group</b>	
	<b>30 September 2024</b>	<b>31 March 2024</b>
<b>Key financial ratios</b>		
Aggregate leverage ratio <sup>1</sup> (%)	33.4%	32.6%
Interest coverage ratio <sup>2</sup> (times)	4.0	4.1
Adjusted Interest coverage ratio <sup>3</sup> (times)	2.5	2.4

As at 30 September 2024, the Group had total cash and bank balances and undrawn committed facilities of approximately \$305.9 million (31 March 2024: \$153.5 million) to fulfil their liabilities as and when they fall due.

There were no breaches of loan covenants as at 30 September 2024 and 31 March 2024.

<sup>1</sup> 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.

<sup>2</sup> 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, foreign exchange translation and interim insurance compensation for property damage), 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.

<sup>3</sup> 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.

## 10 PERPETUAL SECURITIES

As at 30 September 2024, \$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 2024, the \$373.5 million (31 March 2024: \$373.6 million) presented in the statements of financial position of the Group and the Trust represent the carrying value of the \$375.0 million (31 March 2024: \$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.

## 11 UNITS IN ISSUE AND TO BE ISSUED

	<b>Group and Trust</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>'000</b>	<b>'000</b>
Units in issue at beginning of the period	810,564	720,344
<u>Units in issue relating to:</u>		
Manager's management fees	1,374	2,307
Manager's performance fees	–	3,420
Private Placement	–	57,660
Preferential Offering	–	25,376
Units in issue at end of the period	811,938	809,107
<u>Units to be issued relating to:</u>		
Manager's management fees	1,267	1,040
Property management fees and lease management fees	427	–
Total Units in issue at end of the period	813,632	810,147

**1H FY2024**

During the 1H FY2024, there were the following issuances of Units to the Manager:

- (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 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.

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

- (i) On 12 June 2023, 57,660,000 new Units were issued at the issue price of \$1.2140 in relation to the Private Placement<sup>1</sup>.
- (ii) On 3 July 2023, 25,376,361 new Units were issued at the issue price of \$1.1890 in relation to the Preferential Offering<sup>1</sup>.

During 1H FY2024, there 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.

**1H FY2025**

During the 1H FY2025, there were the following issuances of Units to the Manager:

- (i) On 13 May 2024, 390,992 new Units at an average price of \$1.2819 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 2024 to 31 March 2024.
- (ii) On 6 August 2024, 982,964 new Units at an average price of \$1.2521 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 2024 to 30 June 2024.

During 1H FY2025, these were the following Units to be issued to the Manager:

- (i) 1,267,617 new Units at an average price of \$1.2956 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 2024 to 30 September 2024.

During 1H FY2025, these were the following Units to be issued to the Property Manager:

- (i) 427,105 new Units at an average price of \$1.2931 to be issued to the Property Manager as partial payment of the property management fees and lease management fees, incurred for the period from 1 July 2024 to 30 September 2024.

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.

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<sup>1</sup> 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.

**12 GROSS REVENUE**

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Property rental income	68,958	64,844
Service charge, land rent and property tax	12,732	12,436
Other property expenses recoverable from tenants and other property income	9,952	9,199
	<u>91,642</u>	<u>86,479</u>
<u>Others</u>		
Sale of electricity and renewable energy certificates	1,872	355
	<u>93,514</u>	<u>86,834</u>

**13 TOTAL RETURN BEFORE INCOME TAX**

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

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on borrowings	14,860	14,498
Interest expense on lease liabilities	1,926	1,802
Interest expense on unwinding of deferred consideration	261	70
Amortisation of borrowing transaction costs	2,235	1,029
Others	290	393
Borrowing costs	<u>19,572</u>	<u>17,792</u>
Audit fees to:		
- auditors of the Trust	95	92
- other auditors	35	35
Non-audit fees to auditors of the Trust	26	26
Trustees fees to:		
- HSBC Institutional Trust Services (Singapore) Limited (the "Trustee")	180	183
- other trustee	8	8
Professional fees	283	180
Investment management fees	1,538	1,735
Other expenses	582	551
Other trust expenses	<u>2,747</u>	<u>2,810</u>

**14 EARNINGS PER UNIT**

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
<u>Basic EPU</u>		
Weighted average number of Units ('000)	811,166	771,862
Earnings per Unit (Singapore cents)	<u>4.04</u>	<u>4.02</u>
<u>Diluted EPU</u>		
Weighted average number of Units ('000)	811,542	772,041
Earnings per Unit (Singapore cents)	<u>4.04</u>	<u>4.01</u>

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 and Units to be issued to the Property Manager as partial payment of the property management fees and lease management fees incurred for the period from 1 July 2024 to 30 September 2024 (1H FY2024: 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:

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total return after income tax attributable to Unitholders of the Trust and Perpetual Securities holders	43,059	41,271
Less: Amount reserved for distribution to Perpetual Securities holders	(10,278)	(10,278)
	32,781	30,993

	<b>Trust</b>	
	<b>Number of Units</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>'000</b>	<b>'000</b>
<u>Basic EPU</u>		
Units in issue at beginning of the period	810,564	720,344
Effect of Units issued relating to:		
- Manager's management fees	602	1,354
- Manager's performance fees	–	2,710
- Private Placement	–	34,974
- Preferential Offering	–	12,480
Weighted average number of Units at end of the period	811,166	771,862
<u>Diluted EPU</u>		
Units in issue at beginning of the period	810,564	720,344
Effect of Units issued/issuable relating to:		
- Manager's management fees	869	1,533
- Manager's performance fees	–	2,710
- Property management fees and lease management fees	108	–
- Private Placement	–	34,974
- Preferential Offering	–	12,480
Weighted average number of Units at end of the period	811,541	772,041

## 15 COMMITMENTS

As at 30 September 2024, the Group had \$15.4 million (31 March 2024: \$6.2 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 2024, 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:

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The Manager</b>		
Manager's management fees		
- Base fees	5,573	5,643
- Divestment fees	—	64
<b>Entities controlled by corporate shareholders of the Manager</b>		
Investment management fees	1,538	1,735
<b>The Property Manager</b>		
Property management fees	1,191	1,023
Lease management fees	596	512
Marketing services commissions	612	1,499
Project management fees	116	434
Property tax services fees	—	21
Reimbursement of site staff costs <sup>1</sup>	516	453
<b>The Trustee</b>		
Trustee fees	180	183
<b>Joint venture</b>		
Interest income	1,693	1,383

<sup>1</sup> 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*.

**AIMS APAC REIT and its subsidiaries**  
Interim Financial Statements  
Half year ended 30 September 2024

**Information about reportable segments**

	Singapore \$'000	Australia \$'000	Total \$'000
<b>1H FY2025</b>			
<b>Revenue and expenses</b>			
Gross revenue	79,849	13,665	93,514
Property operating expenses	(25,876)	(51)	(25,927)
<b>Net property income</b>	53,973	13,614	67,587
Share of profits of joint venture (net of tax)	–	7,394	7,394
Net change in fair value of investment properties	(2,645)	–	(2,645)
Net change in fair value of derivative financial instruments	(1,458)	(89)	(1,547)
	49,870	20,919	70,789
Interest income	87	79	166
Other non-operating income			
- interim insurance proceeds	606	–	606
Borrowing costs	(8,214)	(11,358)	(19,572)
Manager's management fees and other trust expenses	(6,630)	(1,690)	(8,320)
	35,719	7,950	43,669
Unallocated item:			
Net foreign exchange gain			51
<b>Total return before income tax</b>			43,720
Income tax expense			(661)
<b>Total return after income tax</b>			43,059
<b>Total assets</b>	<b>1,611,466</b>	<b>715,425</b>	<b>2,326,891</b>
Other segment items:			
Joint venture	–	294,697	294,697
Capital expenditure <sup>1</sup>	7,028	–	7,028
<b>Total liabilities</b>	<b>(448,829)</b>	<b>(446,996)</b>	<b>(895,825)</b>
<b>1H FY2024</b>			
<b>Revenue and expenses</b>			
Gross revenue	73,146	13,688	86,834
Property operating expenses	(22,507)	(37)	(22,544)
<b>Net property income</b>	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 investment properties	(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
	46,840	20,287	67,127
Interest income	181	75	256
Borrowing costs	(7,149)	(10,643)	(17,792)
Manager's management fees and other trust expenses	(6,592)	(1,861)	(8,453)
	33,280	7,858	41,138
Unallocated item:			
Net foreign exchange gain			234
<b>Total return before income tax</b>			41,372
Income tax expense			(101)
<b>Total return after income tax</b>			41,271
<b>Total assets</b>	<b>1,543,171</b>	<b>805,445</b>	<b>2,348,616</b>
Other segment items:			
Joint venture	–	327,184	327,184
Capital expenditure <sup>1</sup>	3,123	–	3,123
Additions to plant and equipment <sup>2</sup>	14,645	–	14,645
<b>Total liabilities</b>	<b>(388,231)</b>	<b>(495,483)</b>	<b>(883,714)</b>

<sup>1</sup> Capital expenditure consists of additions of investment properties.

<sup>2</sup> During 1H FY2024, the Manager completed the installation of rooftop solar photovoltaic systems ("Systems") across 6 of AA REIT's properties in Singapore and the Systems 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 FY2024: \$12.1 million) of the Group's rental income.

### **18 FINANCIAL RATIOS**

	<b>Group</b>	
	<b>1H FY2025</b>	<b>1H FY2024</b>
	<b>%</b>	<b>%</b>
Expenses to weighted average net assets <sup>1</sup>		
- Expense ratio excluding performance-related fee	1.15	1.21
- Expense ratio including performance-related fee	1.15	1.53
Portfolio turnover rate <sup>2</sup>	—	—

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

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

### **19 SUBSEQUENT EVENT**

On 5 November 2024, the Manager approved a distribution of 2.400 Singapore cents per Unit in respect of the period from 1 July 2024 to 30 September 2024 to be paid on 24 December 2024.

**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 2024, the Group<sup>1</sup> has a portfolio of 28 industrial properties, 25 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"), Australia<sup>2</sup>.

## 2 SUMMARY OF AIMS APAC REIT GROUP RESULTS

	Note	1H FY2025	1H FY2024	+/(−)
		S\$'000	S\$'000	%
Gross revenue	(a)	93,514	86,834	7.7
Net property income	(a)	67,587	64,290	5.1
Share of profits of joint venture (net of tax)	(b)	7,394	7,451	(0.8)
Distributions to Unitholders		37,958	36,135	5.0
Distribution per Unit ("DPU") (Singapore cents)		4.670	4.650	0.4

### Breakdown of DPU by quarter

	Note	1H FY2025	1H FY2024	+/(−)
		Singapore Cents	Singapore Cents	%
For the first quarter ended 30 June	(c)	2.270	2.310	(1.7)
For the second quarter ended 30 September	(d)	2.400	2.340	2.6
<b>For the half year ended 30 September</b>		<b>4.670</b>	<b>4.650</b>	<b>0.4</b>

### Notes:

- (a) Please refer to section 3.2 Consolidated Statement of Total Return, Note (a) for explanation of the variances.
- (b) Please refer to section 3.2 Consolidated Statement of Total Return, Note (h) for explanation of variances.
- (c) The distribution for the period 1 April 2024 to 30 June 2024 has been paid on 25 September 2024 (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).
- (d) The distribution for the second quarter ended 30 September 2024 will be payable on 24 December 2024 (second quarter ended 30 September 2023 has been paid on 22 December 2023).

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

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

**Distribution and Record Date**

Distribution	For 1 July 2024 to 30 September 2024
Distribution Type	(a) Taxable Income (b) Capital Distribution
Distribution Rate	(a) Taxable Income Distribution: 1.910 cents per Unit (b) Capital Distribution: <u>0.490 cents per Unit</u> <u>2.400 cents per Unit</u>
Record Date	14 November 2024
Payment Date	24 December 2024

### 3 REVIEW OF PERFORMANCE OF THE GROUP

#### 3.1 Statements of Financial Position as at 30 September 2024 vs. 31 March 2024

	Note	Group			Trust		
		30 September 2024	31 March 2024	+/(-) %	30 September 2024	31 March 2024	+/(-) %
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Investment properties	(a)	1,988,936	1,973,169	0.8	1,581,585	1,570,037	0.7
Plant and equipment	(b)	13,766	14,153	(2.7)	13,766	14,153	(2.7)
Subsidiaries		—	—	—	396,552	360,433	10.0
Joint venture	(c)	294,697	289,296	1.9	—	—	—
Trade and other receivables	(d)	4,227	4,742	(10.9)	4,227	4,742	(10.9)
Derivative financial instruments	(e)	5,231	9,137	(42.7)	1,520	3,609	(57.9)
		<u>2,306,857</u>	<u>2,290,497</u>	<u>0.7</u>	<u>1,997,650</u>	<u>1,952,974</u>	<u>2.3</u>
<b>Current assets</b>							
Trade and other receivables	(d)	6,817	7,925	(14.0)	7,111	7,529	(5.6)
Derivative financial instruments	(e)	260	382	(31.9)	260	294	(11.6)
Cash and cash equivalents	(f)	12,957	17,816	(27.3)	7,007	9,170	(23.6)
		<u>20,034</u>	<u>26,123</u>	<u>(23.3)</u>	<u>14,378</u>	<u>16,993</u>	<u>(15.4)</u>
<b>Total assets</b>		<b><u>2,326,891</u></b>	<b><u>2,316,620</u></b>	<b><u>0.4</u></b>	<b><u>2,012,028</u></b>	<b><u>1,969,967</u></b>	<b><u>2.1</u></b>
<b>Non-current liabilities</b>							
Trade and other payables	(g)	25,696	25,991	(1.1)	25,696	25,991	(1.1)
Interest-bearing borrowings	(h)	602,332	587,504	2.5	260,451	215,882	20.6
Derivative financial instruments	(e)	628	—	NM	628	—	NM
Deferred tax liabilities	(i)	20,904	20,406	2.4	—	—	—
Lease liabilities	(j)	101,116	96,449	4.8	101,116	96,449	4.8
		<u>750,676</u>	<u>730,350</u>	<u>2.8</u>	<u>387,891</u>	<u>338,322</u>	<u>14.7</u>
<b>Current liabilities</b>							
Trade and other payables	(k)	39,895	46,689	(14.6)	36,115	39,103	(7.6)
Interest-bearing borrowings	(h)	99,984	99,910	0.1	99,984	99,910	0.1
Derivative financial instruments	(e)	29	9	>100.0	29	9	>100.0
Lease liabilities	(j)	5,241	5,388	(2.7)	5,241	5,388	(2.7)
		<u>145,149</u>	<u>151,996</u>	<u>(4.5)</u>	<u>141,369</u>	<u>144,410</u>	<u>(2.1)</u>
<b>Total liabilities</b>		<b><u>895,825</u></b>	<b><u>882,346</u></b>	<b><u>1.5</u></b>	<b><u>529,260</u></b>	<b><u>482,732</u></b>	<b><u>9.6</u></b>
<b>Net assets</b>		<b><u>1,431,066</u></b>	<b><u>1,434,274</u></b>	<b><u>(0.2)</u></b>	<b><u>1,482,768</u></b>	<b><u>1,487,235</u></b>	<b><u>(0.3)</u></b>
Represented by:							
Unitholders' funds		1,057,518	1,060,709	(0.3)	1,109,220	1,113,670	(0.4)
Perpetual Securities holders' funds		373,548	373,565	< (0.1)	373,548	373,565	< (0.1)
		<u><b>1,431,066</b></u>	<u><b>1,434,274</b></u>	<u><b>(0.2)</b></u>	<u><b>1,482,768</b></u>	<u><b>1,487,235</b></u>	<u><b>(0.3)</b></u>

NM: Not meaningful

- (a) The increase in investment properties was largely due to capital expenditure capitalised during 1H FY2025 for Singapore properties, remeasurement of right-of-use assets in accordance with FRS 116 *Leases* ("FRS 116") on the lease extension option for the property at 11 Changi South Street 3 and the foreign currency translation gain from the Australian properties as a result of the strengthening of Australian dollar ("AUD") against Singapore dollar ("SGD").
- (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. The decrease in the plant and equipment was due to depreciation during 1H FY2025.
- (c) This relates to the Group's 49.0% interest in Macquarie Park Trust, the Australian trust which holds Optus Centre, located in Macquarie Park, NSW, Australia and a proportionate unitholder loan to the joint venture. The increase was mainly due to the foreign currency translation gain as a result of the strengthening of AUD against SGD and the additional loan to joint venture during 1H FY2025.
- (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 2024 of S\$6.8 million was S\$1.1 million lower compared to 31 March 2024. The decrease was mainly due to the higher collections from tenants during 1H FY2025.

- (e) The derivative financial instruments 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 decreased mainly due to a net cash outflow from financing activities, driven primarily by the repayment of borrowings, interest payments, and distributions to Unitholders and Perpetual Securities holders, partially offset by proceeds from the drawdown of borrowings. There was also a net cash outflow from investing activities, mainly due to capital expenditure on investment properties during 1H FY2025. These cash outflows were partially offset by a net cash inflow from operating activities. 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 remaining 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 decrease in non-current trade and other payables was mainly due to the repayment of deferred consideration during 1H FY2025.

- (h) The total borrowings of the Group as at 30 September 2024 of S\$702.3 million was S\$14.9 million higher compared to 31 March 2024 mainly due to additional loan drawn during 1H FY2025 and the strengthening of AUD against SGD on AUD denominated borrowings.

The current portion of Interest-bearing borrowings relates to the S\$100 million five-year medium-term notes, which will mature on 12 November 2024.

- (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 11 Changi South Street 3, partially offset by the land rent payments during 1H FY2025.

- (k) Current trade and other payables as at 30 September 2024 of S\$40.0 million was S\$6.8 million lower compared to 31 March 2024. The decrease was mainly due to payments of the property operating expenses and interest expenses during 1H FY2025.

As at 30 September 2024, the Group's current liabilities exceeded its current assets by approximately S\$125.1 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\$305.9 million to fulfil their liabilities as and when they fall due.

### 3.2 Consolidated Statement of Total Return

		Group		
	Note	1H FY2025 S\$'000	1H FY2024 S\$'000	+/(-) %
Gross revenue	(a)	93,514	86,834	7.7
Property operating expenses	(a)	(25,927)	(22,544)	15.0
<b>Net property income</b>	(a)	<b>67,587</b>	<b>64,290</b>	<b>5.1</b>
<b>Net property income margin</b>	(a)	<b>72.3%</b>	<b>74.0%</b>	
Net foreign exchange gain	(b)	51	234	(78.2)
Interest income	(c)	166	256	(35.2)
Other non-operating income:				
Interim insurance proceeds <sup>1</sup>	(d)	606	–	NM
Borrowing costs	(e)	(19,572)	(17,792)	10.0
Manager's management fees	(f)	(5,573)	(5,643)	(1.2)
Other trust expenses	(g)	(2,747)	(2,810)	(2.2)
Non-property expenses		(27,892)	(26,245)	6.3
<b>Net income before joint venture's profits</b>		<b>40,518</b>	<b>38,535</b>	<b>5.1</b>
Share of profits of joint venture (net of tax)	(h)	7,394	7,451	(0.8)
<b>Net income</b>		<b>47,912</b>	<b>45,986</b>	<b>4.2</b>
Net change in fair value of investment properties	(i)	(2,645)	(2,755)	(4.0)
Net change in fair value of derivative financial instruments	(j)	(1,547)	(2,496)	(38.0)
Gain on divestment of investment property	(k)	–	637	(100.0)
<b>Total return before income tax</b>		<b>43,720</b>	<b>41,372</b>	<b>5.7</b>
Income tax expense	(l)	(661)	(101)	>100.0
<b>Total return after income tax</b>		<b>43,059</b>	<b>41,271</b>	<b>4.3</b>
<b>Attributable to:</b>				
Unitholders		32,781	30,993	5.8
Perpetual Securities holders	(m)	10,278	10,278	–
		<b>43,059</b>	<b>41,271</b>	<b>4.3</b>
<b>Distributions to Unitholders</b>	(n)	<b>37,958</b>	<b>36,135</b>	<b>5.0</b>
<b>DPU (Singapore cents)</b>		<b>4.670</b>	<b>4.650</b>	<b>0.4</b>

NM: Not meaningful

<sup>1</sup> Relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore (refer to announcement dated 10 October 2023).



- (a) Gross revenue for 1H FY2025 of S\$93.5 million was S\$6.7 million higher as compared to 1H FY2024. 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 20 Gul Way, 27 Penjuru Lane, 51 Marsiling Road, 7 Bulim Street, 29 Woodlands Industrial Park E1 and 26 Tuas Avenue 7, higher electricity income and full period contribution of income from the sale of electricity and renewable energy certificates generated from the rooftop solar photovoltaic systems ("Systems") at 6 Singapore properties.

Property operating expenses for 1H FY2025 of S\$25.9 million was S\$3.4 million higher as compared to 1H FY2024 mainly due to higher electricity expenses, property tax expenses and full period impact of the depreciation of plant and equipment relating to the Systems at 6 Singapore properties.

Net property income for 1H FY2025 of S\$67.6 million was S\$3.3 million higher than 1H FY2024 mainly due to higher gross revenue. Net property income margin in 1H FY2025 at 72.3% compared to 74.0% in 1H FY2024 mainly due to the increase in the property operating expenses for 1H FY2025.

- (b) Net foreign exchange gain for 1H FY2025 and 1H FY2024 was mainly due to realised gain from the settlement of the foreign currency forward contracts.
- (c) Interest income for 1H FY2025 of S\$0.2 million was S\$0.1 million lower compared to 1H FY2024 mainly due to higher fixed deposit placements during 1H FY2024.
- (d) Other non-operating income relates to the interim payments by the insurer, as partial payment on account of the estimated insurance compensation for revenue loss due to business interruption at 61 Yishun Industrial Park A, Singapore.
- (e) 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.

Borrowing costs for 1H FY2025 of S\$19.6 million was S\$1.8 million higher compared to 1H FY2024 mainly due to higher floating interest rates and amortisation of borrowing transaction costs during 1H FY2025.

- (f) Manager's management fees for 1H FY2025 was fairly in line with 1H FY2024.
- (g) Other trust expenses for 1H FY2025 was fairly in line with 1H FY2024.
- (h) The share of profits of joint venture in 1H FY2025 was fairly in line with 1H FY2024.
- (i) The net change in fair value of investment properties relates to the fair value adjustments of ROU assets included in the Singapore investment properties in accordance with FRS 116 *Leases* ("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.
- (j) 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.
- (k) The gain on divestment of investment property in 1H FY2024 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.
- (l) The income tax expense for 1H FY2025 was largely due to the provision of deferred tax liability recognised for the Trust's investment in Australia and the net taxable income from the sale of electricity and renewable energy certificates.

The income tax expense for 1H FY2024 was largely due to the provision of deferred tax liability recognised for the Trust's investment in Australia and the withholding tax arising from the distribution from Australia.

- (m) 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.

- (n) Distribution to Unitholders for 1H FY2025 of S\$38.0 million was S\$1.8 million higher as compared to 1H FY2024. The increase in 1H FY2025 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 20 Gul Way, 27 Penjuru Lane, 51 Marsiling Road, 7 Bulim Street, 29 Woodlands Industrial Park E1 and 26 Tuas Avenue 7. This was partially offset by higher borrowing costs in 1H FY2025.

**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 2024.

**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 2024, the Trust had 811,937,775 units (31 March 2024: 809,106,978 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.**

At the September 2024 Federal Open Market Committee ("FOMC") meeting, the US Federal Reserve lowered interest rates by 50bps, easing monetary policy for the first time in four years<sup>1</sup>. The FOMC remained committed to its long-term inflation target of 2% and will be prepared to adjust the stance of monetary policy as appropriate.

The International Monetary Fund ("IMF") in October 2024 held its global economic growth expectations steady at 3.2% in 2024, unchanged from its April and July 2024 forecasts<sup>2</sup>.

**Singapore**

Singapore's economy picked up momentum with advance estimates provided by the Ministry of Trade and Industry ("MTI") showing gross domestic product ("GDP") grew 4.1% year-on-year in Q3 2024<sup>3</sup>. This followed the 2.9% growth recorded in Q2 2024. MTI attributed the growth to the expansion of the manufacturing sector after two quarters of contraction. The manufacturing sector grew 7.5% in Q3 2024, rebounding from the 1.1% contraction in the previous quarter.

The Purchasing Managers' Index ("PMI") also saw its highest reading in three years, gaining 0.2% to 50.9 in August 2024. The data points to a steady manufacturing recovery, boosted by the growing demand for consumer electronics, and hints at a broadening of the manufacturing recovery beyond electronics<sup>4</sup>.

Transaction volume of multiple-user factory spaces and warehouses looks to gain momentum. At the same time, the stability of Singapore continues to attract international firms looking for a safe and resilient location for expansion<sup>5</sup>, underpinning the demand for quality industrial space.

**Australia**

In light of an uncertain economic, labour market and geopolitical outlook and coupled with inflation at 3.9% and above its 2-3% target band, the Reserve Bank of Australia ("RBA") kept interest rates steady at 4.35% from its latest September 2024 meeting<sup>6</sup>.

AA REIT's two business parks in Sydney are located within Macquarie Park and Bella Vista which continues to benefit from significant government infrastructure investments. The extension of the Metro line, which was opened on 19 August 2024, will connect Sydney's northwest region through the Sydney Central Business District ("CBD") and provide unrivalled connectivity.

Macquarie Park and Bella Vista have been identified as a priority high growth area under the Transport Oriented Development ("TOD") Program, which aims to deliver more local residential areas and enhance the vibrancy of the existing precinct<sup>7</sup>.

The Brisbane 2032 Olympic and Paralympic Games are catalysts for improved infrastructure across Queensland with approximately A\$7.1 billion being earmarked for infrastructure investments, which will benefit our property in the Gold Coast area<sup>8</sup>.

<sup>1</sup> Federal Reserve Board - Federal Reserve issues FOMC statement

<sup>2</sup> World Economic Outlook Update, October 2024: Policy Pivot, Rising Threats (imf.org)

<sup>3</sup> Singapore Department of Statistics | Release of Advance GDP Estimates, 3rd Quarter 2024 (singstat.gov.sg)

<sup>4</sup> August 2024, Singapore PMI (pmi.sipmm.edu.sg)

<sup>5</sup> Knight Frank, Singapore Research: Industrial & Logistics Q3 2024

<sup>6</sup> Statement by the Reserve Bank Board: Monetary Policy Decision | Media Releases | RBA

<sup>7</sup> Macquarie Park | Planning (nsw.gov.au)

<sup>8</sup> Infrastructure funding agreement locked in for Brisbane Olympics – Ministry of Sport

### **Management Outlook**

The Manager remains optimistic of AA REIT's portfolio of high-quality and well-located assets underpinned by its commitment to execute its four strategic pillars. The continued strong operational performance of the Singapore assets is well-supported by sustained demand for modern industrial, logistics and warehouse facilities. In Australia, strong tenant covenants on long lease terms and built-in rental escalations are underpinned by long-term government infrastructure investments.

With the new unsecured Sustainability Linked Loan ("SLL") announced in September 2024, AA REIT has greater financial flexibility and headroom to pursue growth opportunities such as acquisitions, especially in a declining interest rate environment. The Manager also remains committed to proactive asset management including the successful revitalisation of its properties through the two AEIs to enhance asset and earnings quality and generate long-term sustainable returns for Unitholders.

## 14 Distributions

### (a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 75<sup>th</sup> distribution, for the period from 1 July 2024 to 30 September 2024

Distribution Type<sup>1</sup> Taxable Income  
Capital Distribution

Distribution Rate:	Taxable Income	1.910 cents per Unit
	Capital Distribution	<u>0.490 cents per Unit</u>
	Total	<u>2.400 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 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: 14 November 2024

Date payable: 24 December 2024

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<sup>1</sup> No tax-exempt income distribution was declared for the period from 1 July 2024 to 30 September 2024.

(iii) Name of distribution:	74 <sup>th</sup> distribution, for the period from 1 April 2024 to 30 June 2024		
Distribution Type <sup>1</sup>	Taxable Income Capital Distribution		
Distribution Rate:	Taxable Income	1.810 cents per Unit	
	Capital Distribution	<u>0.460 cents per Unit</u>	
	Total	<u>2.270 cents per Unit</u>	
Par value of units:	Not applicable		
Tax Rate:	<u><b>Taxable Income Distributions</b></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><b>Capital Distributions</b></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:	Distribution of 2.270 cents per unit for the period from 1 April 2024 to 30 June 2024 was paid on 25 September 2024.		

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<sup>1</sup> No tax-exempt income distribution was declared for the period from 1 April 2024 to 30 June 2024.

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

Any distributions declared for the previous corresponding financial period: Yes

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

Distribution Type<sup>1</sup> Taxable Income  
Capital Distribution

Distribution Rate:	Taxable Income	1.784 cents per Unit
	Capital Distribution	<u>0.556 cents per Unit</u>
	Total	<u>2.340 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 2.340 cents per unit for the period from 1 July 2023 to 30 September 2023 was paid on 22 December 2023.

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



<b>(ii) Name of distribution:</b>	<b>70<sup>th</sup> distribution, for the period from 12 June 2023 to 30 June 2023</b>	
Distribution Type <sup>1</sup>	Taxable Income Capital Distribution	
Distribution Rate:	Taxable Income	0.384 cents per Unit
	Capital Distribution	<u>0.126 cents per Unit</u>
	Total	<u>0.510 cents per Unit</u>
Par value of units:	Not applicable	
Tax Rate:	<p><b><u>Taxable Income Distributions</u></b>            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.</p> <p><b><u>Capital Distributions</u></b>            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.</p>	
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.	

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

**(iii) Name of distribution:** **69<sup>th</sup> distribution, for the period from 1 April 2023 to 11 June 2023**

Distribution Type<sup>1</sup>                      Taxable Income  
    Capital Distribution

Distribution Rate:                      Taxable Income              1.263 cents per Unit  
    Capital Distribution        0.537 cents per Unit  
    Total                            1.800 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:                                    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.

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

Not applicable.

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

**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.**

	<b>Group</b>		
	<b>1H FY2025</b>	<b>1H FY2024</b>	<b>+/(-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<u>Gross Revenue</u>			
Singapore	79,849	73,146	9.2
Australia	13,665	13,688	(0.2)
	<u>93,514</u>	<u>86,834</u>	<u>7.7</u>
 <u>Net property income</u>			
Singapore	53,973	50,639	6.6
Australia	13,614	13,651	(0.3)
	<u>67,587</u>	<u>64,290</u>	<u>5.1</u>

**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, higher recoveries and higher sale of electricity and renewable energy certificates 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**

Further to the announcements titled "Use of Proceeds from the Equity Fund Raising" dated 26 June 2023, 6 July 2023, 24 July 2023 and the Interim Financial Statements disclosure on "Use of proceeds raised from equity fund raising pursuant to Chapter 8 of the Listing Manual" dated 3 November 2023 and 7 May 2024, approximately S\$0.8 million (which is equivalent to approximately 0.8% of the gross proceeds of the Equity Fund Raising) has been disbursed as at 30 September 2024 for the identified asset enhancement initiatives ("**Identified AEs**") as disclosed 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". An additional outlay of approximately up to S\$25 million (which is equivalent to approximately up to 25% of the gross proceeds of the Equity Fund Raising) will be further disbursed for the Identified AEs in the next twelve months. Such use of proceeds arising from the Equity Fund Raising is in accordance with the stated use and is in accordance with the percentage of the gross proceeds of the Equity Fund Raising as announced.

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 AA REIT's 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  
5 November 2024