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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.

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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 any of the Issuer, the ESR-REIT Manager or the Joint Lead Managers 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 (within the meaning of Regulation S under the Securities Act).

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The information in this preliminary supplemental information memorandum is not complete and may be changed. This preliminary supplemental information memorandum is not an offer to sell these securities and nor does it seek an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED 20 FEBRUARY 2025 **STRICTLY CONFIDENTIAL**
PRELIMINARY SUPPLEMENTAL INFORMATION MEMORANDUM

Supplemental Information Memorandum dated [●] 2025

PERPETUAL (ASIA) LIMITED

(in its capacity as trustee of ESR-REIT (formerly known as ESR-LOGOS REIT))

Issue of S$[●] [●] per cent. Notes due [●] under its
S$750,000,000
Multicurrency Debt Issuance Programme
Issue Price: [100.00]%

This Supplemental Information Memorandum (the "**Supplemental Information Memorandum**") is supplemental to the Information Memorandum dated 12 September 2019 (the "**Information Memorandum**") and is prepared solely in respect of the issue of S$[●] [●] per cent. Notes due [●] (the "**Notes**") by Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT (formerly known as ESR-LOGOS REIT)) (the "**Issuer**") under its S$750,000,000 Multicurrency Debt Issuance Programme (the "**Programme**"). This Supplemental Information Memorandum is supplemental to, forms part of and should be read in conjunction with, the Information Memorandum. Unless stated otherwise, terms defined in the Information Memorandum have the same meaning when used in this Supplemental Information Memorandum. To the extent that the Information Memorandum is inconsistent with this Supplemental Information Memorandum, the terms of this Supplemental Information Memorandum shall prevail.

The Information Memorandum and this Supplemental Information Memorandum have not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**") under the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). Accordingly, the Information Memorandum, this Supplemental Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes 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 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 will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on 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. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, ESR-REIT, their respective subsidiaries and/or associated companies (if any) or the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (the "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD AND/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.

Joint Lead Managers

DBS OCBC

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NOTICE

DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (together, the "**Joint Lead Managers**") have been appointed by the Issuer as the joint lead managers for the Notes.

This Supplemental Information Memorandum should be read in conjunction with the Information Memorandum and the pricing supplement dated [●] 2025 relating to the Notes (the "**Pricing Supplement**").

This Supplemental Information Memorandum (read in conjunction with the Information Memorandum and the Pricing Supplement) contains information with regard to the Issuer, ESR-REIT, the ESR-REIT Manager, the Property Manager, the Group and the Notes. The Issuer, having made all reasonable enquiries, confirms that this Supplemental Information Memorandum (read in conjunction with the Information Memorandum and the Pricing Supplement) contains all information (including information with regard to ESR-REIT, the ESR-REIT Manager and the assets of ESR-REIT) which is material in the context of the issue and offering of the Notes, that the information in this Supplemental Information Memorandum (read in conjunction with the Information Memorandum and the Pricing Supplement) is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Supplemental Information Memorandum (read in conjunction with the Information Memorandum and the Pricing Supplement) have been carefully considered and are based on relevant considerations and facts existing at the date of this Supplemental Information Memorandum, and that there are no other facts the omission of which in the context of the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

No person has been authorised to give any information or to make any representation other than those contained in this Supplemental Information Memorandum, the Information Memorandum and the Pricing Supplement in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer or the Joint Lead Managers. Save as expressly stated in this Supplemental Information Memorandum, in the Information Memorandum or in the Pricing Supplement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of any of the Issuer, ESR-REIT or any of their respective subsidiaries and/or associated companies (if any). Neither this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Notes may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of any of the Issuer or the Joint Lead Managers to subscribe for or purchase, the Notes 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 Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or any such other document or information (or any part thereof) and the offer of the Notes in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or any such other document or information (or any part thereof) or into whose possession this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility for the contents of this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each Joint Lead Manager 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 Supplemental Information Memorandum, the Information Memorandum or any such statement.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or any other jurisdiction and may not be offered, sold and/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.

None of this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or any other document or information (or any part thereof) delivered or supplied in relation to the Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of any of the Issuer or the Joint Lead Managers to subscribe for or purchase, any Notes.

This Supplemental Information Memorandum and any other document or material in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the Joint Lead Managers of the Notes. This Supplemental 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 Notes are sold or with whom they are placed by the Joint Lead Managers or for any other purpose. Recipients of this Supplemental Information Memorandum shall not reissue, circulate or distribute this Supplemental Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Supplemental Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes 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 any of the Issuer, ESR-REIT or any of their respective subsidiaries and/or associated companies (if any) or any statement of fact or the information herein since the date hereof or the date on which this Supplemental Information Memorandum has been most recently amended or supplemented.

The Joint Lead Managers have not separately verified the information contained in this Supplemental Information Memorandum, the Information Memorandum or the Pricing Supplement. None of the Joint Lead Managers nor any of their respective officers or employees is making any representation, warranty or undertaking, express or implied, as to the merits of the Notes or the subscription for, purchase or acquisition thereof or the creditworthiness or financial condition or otherwise of any of the Issuer, ESR-REIT or their respective subsidiaries and/or associated companies (if any). Further, the Joint Lead Managers do not make any representation or warranty and no responsibility or liability is accepted by the Joint Lead Managers as to any of the Issuer, ESR-REIT, their respective subsidiaries and/or associated 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 Supplemental Information Memorandum, the Information Memorandum or the Pricing Supplement.

Neither this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement nor any other document or information (or any part thereof) delivered or supplied in relation to the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or such other document or information (or any part thereof) should subscribe for or purchase any of the Notes. 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, ESR-REIT and their respective subsidiaries and/or associated 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, ESR-REIT and their respective subsidiaries and/or associated companies (if any). Accordingly, notwithstanding anything herein, none of the Joint Lead Managers nor 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 Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement 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 Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement 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 Notes by a recipient of this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement or such other document or information (or such part thereof).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined below) and the subscription agreement to be entered into between the Issuer, the ESR-REIT Manager and the Joint Lead Managers in connection with the Notes (the "**Subscription Agreement**") and the issue of the Notes by the Issuer pursuant to the Programme Agreement and the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Supplemental Information Memorandum, the Information Memorandum and the Pricing Supplement shall (without any liability or responsibility on the part of the Issuer or the Joint Lead Managers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement and the Subscription Agreement.

In connection with the issue of the Notes, Oversea-Chinese Banking Corporation Limited (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes, or effect transactions with a view to supporting the market price of the Notes, at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Tranche of Notes, and 60 days after the date of the allotment of the Tranche of Notes. Any stabilisation action or over allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

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

The distribution of this Supplemental Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplemental Information Memorandum comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The attention of recipients of this Supplemental Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section on "Subscription, Purchase and Distribution" on pages 199 to 201 of the Information Memorandum and pages 97 to 99 of this Supplemental Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Supplemental Information Memorandum, the Information Memorandum or the Pricing Supplement is sent shall not make any offer or sale, directly or indirectly, of any Notes 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 Notes consult their own legal, financial, tax and other advisers before purchasing or acquiring the Notes.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

Website addresses or references in this Supplemental Information Memorandum are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Supplemental Information Memorandum.

Notification under Section 309B of the SFA – The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

CHANGE IN TRUSTEE OF ESR-REIT

Pursuant to a Supplemental Deed of Retirement and Appointment of Trustee dated 14 April 2022, amending and supplementing the trust deed dated 31 March 2006 constituting ESR-REIT (as amended, modified and/or supplemented from time to time), RBC Investor Services Trust Singapore Limited (formerly known as RBC Dexia Trust Services Singapore Limited) ("**RBC**") retired as trustee of ESR-REIT and Perpetual (Asia) Limited was appointed as the new trustee of ESR-REIT to replace RBC with effect from 25 November 2022. Accordingly, RBC (in its former capacity as trustee of ESR-REIT) has been substituted by the Issuer as an issuer under the Programme and the rights and obligations of RBC (in its former capacity as trustee of ESR-REIT) under the Programme has been novated to Perpetual (Asia) Limited (in its capacity as new trustee of ESR-REIT).

COMPARABILITY OF FINANCIAL INFORMATION

In April 2022, ESR-REIT completed the ALOG Merger (as defined below). Please see "ESR-REIT – History and Background" for more details. Following the merger, the consolidated financials for the enlarged group began to accrue post-April 2022. As a result, the year-to-year comparison of ESR-REIT's consolidated financial information for the year ended 31 December 2022 and the year ended 31 December 2023 may not be meaningful. Caution should be exercised in using such comparisons as a basis for any investment decision or to predict the future performance of the Group.

FORWARD-LOOKING STATEMENTS

All statements contained in this Supplemental 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, ESR-REIT and/or the Group (including statements as to the Issuer's, ESR-REIT's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Supplemental Information Memorandum regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer, ESR-REIT and/or the Group, expected growth in the Issuer, ESR-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 are based on a number of subject judgment and assumptions about the Group's operations which may or may not materialise and other important factors beyond the control of the Issuer, the ESR-REIT Manager or the Group that may cause the actual results, performance or achievements of the Issuer, ESR-REIT 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 are discussed in greater detail under, in particular, but not limited to, the section on "Risk Factors" on pages 106 to 143 of the Information Memorandum and pages 15 to 47 of this Supplemental Information Memorandum.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, ESR-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 Supplemental Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer and the Joint Lead Managers do not represent or warrant that the actual future results, performance or achievements of the Issuer, ESR-REIT or the Group will be as discussed in those statements.

Neither the delivery of this Supplemental Information Memorandum, the Information Memorandum, the Pricing Supplement (or any part thereof) nor any issue, offering, purchase or sale of the Notes 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 prospects, results of operations or general affairs of the Issuer, ESR-REIT or their respective subsidiaries and/or associated companies (if any) or any statement of fact or information contained in this Supplemental Information Memorandum since the date of this Supplemental Information Memorandum or the date on which this Supplemental Information Memorandum has been most recently amended or supplemented.

Further, each of the Issuer, the Joint Lead Managers and their respective directors, officers, employees, affiliates, agents, advisors and representatives 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 Supplemental Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions under the section headed "Definitions" from pages 8 to 16 of the Information Memorandum shall be deleted in their entirety and replaced with the following:

"**Agency Agreement**"	The agency agreement dated 2 February 2012 between (1) EMPL, as issuer, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor, (3) the Issuing and Paying Agent, as issuing and paying agent, (4) the Agent Bank, as agent bank, and (5) the Trustee, as trustee, as amended and restated by an amendment and restatement agency agreement dated 30 March 2016 between (1) EMPL and RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as issuers, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor for Notes issued by EMPL, (3) the Issuing and Paying Agent, as issuing and paying agent, (4) the Agent Bank, as agent bank, and (5) the Trustee, as trustee, and as novated and modified pursuant to the deed of novation dated 25 November 2022 between (1) EMPL, (2) RBC Investor Services Trust Singapore Limited (in its capacity as retiring trustee of ESR-REIT), (3) Perpetual (Asia) Limited (in its capacity as new trustee of ESR-REIT), (4) the Issuing and Paying Agent, (5) the Agent Bank and (6) the Trustee, and as further amended, varied or supplemented from time to time.
"**Companies Act**"	Companies Act 1967 of Singapore, as amended or modified from time to time.
"**Deposited Property**"	The gross assets of ESR-REIT, including all the authorised investments of ESR-REIT for the time being held or deemed to be held upon the trust constituted under the ESR-REIT Trust Deed.
"**ESR**" or "**Sponsor**"	ESR Group Limited.
"**Group**"	ESR-REIT and its subsidiaries.
"**Guarantor**"	Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT).
"**Issuers**"	ESR-REIT MTN Pte. Ltd. and Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT).
"**ITA**"	Income Tax Act 1947 of Singapore, as amended or modified from time to time.

"**Notes**"	The notes to be issued by the ESR-REIT Issuer under the Programme.
"**Programme Agreement**"	The programme agreement dated 2 February 2012 made between (1) EMPL, as issuer, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor, (3) Australia and New Zealand Banking Group Limited, as arranger, and (4) Australia and New Zealand Banking Group Limited, as dealer, as amended and restated by an amendment and restatement programme agreement dated 30 March 2016 made between (1) EMPL and RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as issuers, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor for Notes issued by EMPL, (3) the ESR-REIT Manager, as manager of ESR-REIT, (4) The Hongkong and Shanghai Banking Corporation Limited, as arranger, and (5) Australia and New Zealand Banking Group Limited, CIMB Bank Berhad, The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited, as dealers, and as novated and modified pursuant to the deed of novation dated 25 November 2022 between, inter alia, (1) EMPL, (2) RBC Investor Services Trust Singapore Limited (in its capacity as retiring trustee of ESR-REIT), (3) Perpetual (Asia) Limited (in its capacity as new trustee of ESR-REIT), (4) the ESR-REIT Manager, (5) The Hongkong and Shanghai Banking Corporation Limited and (6) Australia and New Zealand Banking Group Limited, CIMB Bank Berhad, The Hongkong and Shanghai Banking Corporation Limited and United Overseas Bank Limited, and as further amended, varied or supplemented from time to time.
"**Property Expenses**"	Comprises (a) the Property Manager's fees, (b) property tax, (c) payments of land rents to JTC and HDB and (d) other property expenses, including property maintenance expenses and property insurance charges, to the extent borne by ESR-REIT.
"**Property Management Agreements**"	The property management agreement entered into between the ESR-REIT Manager, the ESR-REIT Trustee and the Property Manager on 31 December 2018 for a period of three and a half years commencing from 1 January 2019 for all the properties located in Singapore which are directly owned by ESR-REIT and the property management agreement entered into between the VT Manager, the VT Trustee and the Property Manager on 31 December 2018 for a period of three and a half years commencing from 1 January 2019 in respect of all the properties which are directly owned by VT.
"**Property Manager**"	ESR Property Management (SG) Pte. Ltd., as property manager of ESR-REIT.

"**SFA**"	Securities and Futures Act 2001 of Singapore, as modified or amended from time to time.
"**Subsidiary**" or "**subsidiary**"	Any company which is, for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act) and, in relation to ESR-REIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (a) which is controlled, directly or indirectly, by ESR-REIT (acting through the ESR-REIT Trustee in its capacity as trustee of ESR-REIT); or (b) more than half the interests of which is beneficially owned, directly or indirectly, by ESR-REIT (acting through the ESR-REIT Trustee in its capacity as trustee of ESR-REIT); or (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) above 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 ESR-REIT if ESR-REIT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
"**Trust Deed**"	The trust deed dated 2 February 2012 made between (1) EMPL, as issuer, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor, and (3) the Trustee, as trustee, as supplemented by the supplemental trust deed dated 1 March 2012 made between the same parties, and as amended and restated by an amendment and restatement trust deed dated 30 March 2016 and by an amendment and restatement trust deed dated 12 September 2019 made between (1) EMPL and RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as issuers, (2) RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT), as guarantor for Notes issued by EMPL, and (3) the Trustee, as trustee, and as novated and modified pursuant to the deed of novation dated 25 November 2022 between (1) EMPL, (2) RBC Investor Services Trust Singapore Limited (in its capacity as retiring trustee of ESR-REIT), (3) Perpetual (Asia) Limited (in its capacity as new trustee of ESR-REIT) and (4) the Trustee, and as further amended, varied or supplemented from time to time.

"**Unit**"	An undivided interest in ESR-REIT as provided for in the ESR-REIT Trust Deed.
"**Unitholders**"	Holders of the Units.
"**VT Manager**"	ESR-REIT Management (S) Limited, as manager of VT.

The following definitions under the section headed "Definitions" from pages 8 to 16 of the Information Memorandum shall be deleted in their entirety:

"**ESR-REIT**"	ESR-REIT (formerly known as Cambridge Industrial Trust) established in Singapore as a collective investment scheme and constituted by the ESR-REIT Trust Deed.
"**ESR-REIT Issuer**"	ESR-REIT Trustee, in its capacity as issuer.
"**ESR-REIT Manager**"	ESR Funds Management (S) Limited (formerly known as Cambridge Industrial Trust Management Limited), as manager of ESR-REIT.
"**ESR-REIT Trust Deed**"	The trust deed dated 31 March 2006 made between (1) the ESR-REIT Manager, as manager, and (2) the ESR-REIT Trustee (as amended, supplemented and/or restated by the Supplemental Deed of Amendment dated 15 August 2007, the Second Supplemental Deed dated 28 January 2009, the Third Supplemental Deed dated 13 November 2009, the Fourth Supplemental Deed dated 27 January 2010, the Fifth Supplemental Deed dated 22 April 2010, the Sixth Supplemental Deed dated 2 February 2012, the Seventh Supplemental Deed dated 18 November 2014, the Eighth Supplemental Deed dated 27 May 2015, the Ninth Supplemental Deed dated 15 March 2016, the Tenth Supplemental Deed dated 15 March 2017, the Eleventh Supplemental Deed dated 20 June 2017 and the Twelfth Supplemental Deed dated 30 November 2018, and as further amended, supplemented and/or restated from time to time).
"**ESR-REIT Trustee**"	RBC Investor Services Trust Singapore Limited (formerly known as RBC Dexia Trust Services Singapore Limited) (in its capacity as trustee of ESR-REIT).
"**ESR-REIT Units**"	Units of ESR-REIT.

The following definitions shall be included as new definitions under the section headed "Definitions" from pages 8 to 16 of the Information Memorandum:

"**3PL**"	Third-party logistics providers.
"**ALOG**"	ARA LOGOS Logistics Trust.
"**ALOG Manager**"	ARA LOGOS Logistics Trust Management Limited.
"**ALOG Merger**"	The acquisition of all the units of ALOG held by the unitholders of ALOG by way of a trust scheme of arrangement by RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT).
"**ALOG Trustee**"	Perpetual (Asia) Limited (in its capacity as trustee of ALOG).
"**ARA**"	ARA Asset Management Limited.
"**ARA Group**"	ARA and its subsidiaries.
"**AUM**"	Assets under management.
"**CIS Code**"	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
"**DPU**"	Distribution per unit.
"**ESG**"	Environmental, social and governance.
"**ESR-REIT**"	ESR-REIT (formerly known as ESR-LOGOS REIT) established in Singapore as a collective investment scheme and constituted by the ESR-REIT Trust Deed.
"**ESR-REIT Issuer**"	ESR-REIT Trustee, in its capacity as issuer.
"**ESR-REIT Manager**"	ESR-REIT Management (S) Limited (formerly known as ESR Funds Management (S) Limited), as manager of ESR-REIT.

"**ESR-REIT Trust Deed**"	The trust deed dated 31 March 2006 made between (1) the ESR REIT Manager, as manager, and (2) the ESR-REIT Trustee (as amended, supplemented and/or restated by the Supplemental Deed of Amendment dated 15 August 2007, the Second Supplemental Deed dated 28 January 2009, the Third Supplemental Deed dated 13 November 2009, the Fourth Supplemental Deed dated 27 January 2010, the Fifth Supplemental Deed dated 22 April 2010, the Sixth Supplemental Deed dated 2 February 2012, the Seventh Supplemental Deed dated 18 November 2014, the Eighth Supplemental Deed dated 27 May 2015, the Ninth Supplemental Deed dated 15 March 2016, the Tenth Supplemental Deed dated 15 March 2017, the Eleventh Supplemental Deed dated 20 June 2017, the Twelfth Supplemental Deed dated 30 November 2018, the Thirteenth Supplemental Deed dated 19 October 2019, the Fourteenth Supplemental Deed dated 3 April 2020, the deed of retirement and appointment of trustee dated 14 April 2022, the Fifteenth Supplemental Deed dated 28 April 2022, the Sixteenth Supplemental Deed dated 4 August 2023, the Seventeenth Supplemental Deed dated 4 December 2024, and as further amended, supplemented and/or restated from time to time).
"**ESR-REIT Trustee**"	Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT).
"**ESR-REIT Units**"	Units of ESR-REIT.
"**GRESB**"	Global Real Estate Sustainability Benchmark.
"**NAV**"	Net asset value.
"**New Economy**"	Logistics, warehouses and high-specs industrial properties suitable for data centre operations, life sciences research and development, pharmaceutical production and high-value manufacturing activities.
"**NTS**"	NTS Components Singapore Pte Ltd.
"**Property Funds Appendix**"	Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts as may be modified, amended, supplemented, revised or replaced from time to time.
"**PWM**"	Progressive Wage Model.
"**sqm**"	Square metres.
"**WADE**"	Weighted average debt expiry.
"**WALE**"	Weighted average lease expiry.

CORPORATE INFORMATION

Issuer

Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT)

Registered Office	:	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
Auditors for ESR-REIT	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 04858

ESR-REIT Manager

ESR-REIT Management (S) Limited (in its capacity as manager of ESR-REIT)

Board of Directors	:	Ms. Stefanie Yuen Thio Mr. Ronald Lim Mr. Nagaraj Sivaram Dr. Julie Lo Lai Wan Mr. Loi Pok Yen Mr. George Agethen Mr. Stuart Gibson Mr. Shen Jinchu, Jeffrey Mr. Adrian Chui
Company Secretary	:	Ms. Ha Mui Ling
Registered Office	:	5 Temasek Boulevard #12-09 Suntec Tower Five Singapore 038985

Joint Lead Managers

DBS Bank Ltd.
12 Marina Boulevard, Level 42
Marina Bay Financial Centre, Tower 3
Singapore 018982

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
OCBC Centre East #03-05
Singapore 049514

Legal Adviser to the Joint Lead Managers

Allen Overy Shearman Sterling LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

Legal Adviser to the Issuer

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982

Legal Adviser to the ESR-REIT Manager

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982

Issuing and Paying Agent and Agent Bank

British and Malayan Trustees Limited
1 Coleman Street
#06-11 The Adelphi
Singapore 179803

Trustee for the Noteholders

British and Malayan Trustees Limited
1 Coleman Street
#06-11 The Adelphi
Singapore 179803

RISK FACTORS

The risk factors set out below are supplemental to, and should be read in conjunction with the risk factors set out under the section titled "Risk Factors" in the Information Memorandum.

The risk factor entitled "Application of Singapore insolvency and related laws to ESR REIT may result in a material adverse effect on the Securityholders*" on pages 111 and 112 of the Information Memorandum shall be deleted in its entirety and replaced with the following:*

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on the Noteholders

There can be no assurance that ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT and in respect of liabilities incurred in such capacity and assets held on trust for ESR-REIT) will not become bankrupt or insolvent, or 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, the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT and in respect of liabilities incurred in such capacity and assets held on trust for ESR-REIT) could be subject to these laws, and the application of these laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT and in respect of liabilities incurred in such capacity and assets held on trust for ESR-REIT) is insolvent or close to insolvent and 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 ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT and in respect of liabilities incurred in such capacity and assets held on trust for ESR-REIT). It may also be possible that if a company related to ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) proposes a creditor scheme of arrangement and obtains an order for a moratorium, ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) may also seek a moratorium even if ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) is not in itself proposing a scheme of arrangement. Further, it is not clear that an application by ESR-REIT, or, as the case may be, the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) for a moratorium will in itself constitute an event of default under the terms and conditions of the Notes and the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) may not be able to declare the Notes immediately due and payable upon the occurrence of such an event. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against ESR-REIT or the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT), the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Furthermore, Noteholders 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 75.0% 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 75.0% 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, Noteholders 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 the Parliament of Singapore on 1 October 2018 and came 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 only 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 other related contracts that are not found to be directly connected to the Notes.

The risk factor entitled "Singapore Tax Risk" in the sub-section entitled "Risks Relating to the Notes" of the section headed "Risk Factors" on page 115 of the Information Memorandum shall be deleted in its entirety and replaced with the following:

Singapore Tax Risk

The Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, as amended or modified from time to time ("**ITA**"), subject to the fulfilment of certain conditions more particularly described in the section on "Singapore Taxation" herein.

However, there is no assurance that the conditions for "qualifying debt securities" will be met or that such Notes will continue to enjoy the tax concessions for "qualifying debt securities" should the relevant tax laws be amended or revoked at any time or should the required conditions cease to be fulfilled.

The risk factors in the sub-sections entitled "Risks Relating to the Business, Financial Condition and/or Results of Operations of ESR-REIT" and "Risks Relating to the Properties of ESR-REIT" of the section headed "Risk Factors" from pages 119 to 143 of the Information Memorandum shall be deleted in their entirety and replaced with the following:

RISKS RELATING TO THE BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS OF ESR-REIT

Uncertainties and instability in global markets and other factors beyond ESR-REIT's control could adversely affect ESR-REIT's business, financial condition and results of operations as well as the value of the Notes

The global credit markets have 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.

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 ESR-REIT. There was a swift increase in the interest rate environment in 2022 in light of inflationary pressures and hawkish monetary policy. In particular, the United States Federal Reserve raised the interest rates 11 times between March 2022 and July 2023. While the United States Federal Reserve had since lowered its policy rate to the range of 4.25% to 4.50% in December 2024, it decided to maintain the policy rate at the range of 4.25% to 4.50% in January 2025, citing uncertain economic outlook and reiterating that inflation remains somewhat elevated.

Recent years have also been characterised by increased political and economic uncertainty which could result in greater volatility in foreign exchange and financial markets in general. This includes, for example, the slowdown of global economic activity, the insufficient deleveraging in private and public sectors (including potential and actual default of sovereign debt in certain emerging markets) and a halt in implementing structural and financial reforms. Further, following

the United States presidential election in November 2024, the newly-elected administration has announced and pursued policies that impact existing and proposed trade agreements, creating uncertainty in global markets. Most recently, the newly-elected administration issued executive orders to impose new tariffs on imports from key economic partners of the United States including China in February 2025, giving rise to fears of a global trade war. The United States and/or its trading partners may announce further trade restrictions, the scope and effect of which remain uncertain. Such changes in the United States political, regulatory, and economic conditions or in U.S. policies that affect territories in which ESR-REIT operates or the core sectors underlying ESR-REIT's business model could materially and adversely affect ESR-REIT's business, financial condition, and results of operations.

Heightened tensions across the geopolitical landscape could also have implications for ESR-REIT. The ongoing geopolitical and trade tensions between the United States and China, and extending to the United Kingdom, the European Union and other countries, have an impact on business sentiments, investor confidence, demand and supply of goods from the Asia Pacific region which may affect ESR-REIT, creating regulatory, reputational, business and market risks. In addition, conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel have also disrupted financial markets and adversely impacted supply chains and macro-economic conditions. Such disruptions can cause raw material, energy and input shortages or cost increases, and exacerbate prevailing levels of inflation.

Such events, which are beyond ESR-REIT's control, have had a significant impact on global capital markets associated not only with asset-backed securities but also with global credit and financial markets as a whole. Global credit markets have experienced substantial dislocations, liquidity disruptions and market corrections of which the scope, duration, severity and economic effect remain uncertain. These events could adversely affect ESR-REIT in various ways, including but not limited to the following:

(i) a negative impact on the ability of its tenants to pay their rents in a timely manner or continuing their leases, thus reducing ESR-REIT's cash flow;

(ii) an increase in counterparty risk;

(iii) an increased likelihood that one or more of

  (a) ESR-REIT's banking syndicate,

  (b) banks providing bankers' guarantees for ESR-REIT's rental deposits, or

  (c) ESR-REIT's insurers,

  may be unable to honour their commitments to ESR-REIT;

(iv) a drop in demand for leased space or rent;

(v) downward revaluation of properties; and/or

(vi) a reduction in access to debt capital markets to raise new capital and/or re-financing.

Increased funding costs or greater difficulty in diversifying funding sources would have an adverse effect on its business, financial conditions and results of operations.

The liquidity and value of the Notes are sensitive to the volatility of the credit markets and may be adversely affected by future developments. To the extent that turmoil in the credit market continues and/or intensifies, it may have the potential to materially affect the liquidity and value of the Notes.

Outbreak of infectious diseases or any other serious public health concerns in Singapore, Australia, Japan and elsewhere could adversely impact ESR-REIT's financial condition, business and results of operations

The outbreak of infectious diseases such as Influenza A (H1N1), Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome, streptococcal toxic shock syndrome, monkey pox, Zika virus, Ebola, Hand, Foot and Mouth Disease or the COVID-19 pandemic, or any other serious public health concern in Singapore, Australia, Japan and elsewhere, together with any resulting restrictions on travel, imposition of quarantines and/or measures to reduce its spread, could have a negative impact on the economy and business activities in Singapore, Australia, Japan and in other countries that ESR-REIT could potentially expand to and could thereby adversely impact the revenues and results of operations of ESR-REIT. A future outbreak of an infectious disease or any other serious public health concern in Singapore, Australia, Japan and elsewhere could seriously harm ESR-REIT's business.

In particular, the outbreak of COVID-19 in 2020 triggered a global economic downturn and global economic contraction, causing disruptions in demand and supply chains as well as the travel industry in unprecedented ways. While the global economy has started trending towards recovering from the COVID-19 pandemic, any future pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as a resurgence of COVID-19, together with any measures aimed at mitigating its spread such as travel restrictions, imposition of quarantines or other social distancing measures are likely to have a material adverse effect on the global economy and financial markets. While ESR-REIT has implemented business continuity plans to allow business operations to continue and taken steps to mitigate the impact of the COVID-19 pandemic on its businesses, there is no assurance that the COVID-19 pandemic will not re-emerge or that other variants which may be more transmissible or may cause more severe effects will not emerge in the future, which could in turn cause a deterioration of ESR-REIT's business, financial condition, prospects and results of operations. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

The properties owned by ESR-REIT may be revalued downwards

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. General property prices, including those of industrial properties, are subject to the volatilities of the property market and there can be no assurance that ESR-REIT will not be required to make a downward revaluation of the properties owned by it in the future. Any fall in gross revenue or net property income earned from the properties owned by ESR-REIT may result in a downward revaluation of such properties. Further, valuation may be adversely affected by land lease decay affecting the leasehold properties owned by ESR-REIT. In addition, the level of interest rates is an important parameter for the valuation of real estate, and change in one of the assumptions used or factors considered in making a property's valuation could considerably decrease or increase the value of the property. In this regard, a rapidly rising interest rate environment may lead to potential capitalisation rate and discount rate increases which may adversely affect asset valuations. Downward revaluations could negatively impact ESR-REIT's gearing, which could in turn trigger a default under certain loan covenants and/or impact ESR-REIT's ability to refinance its existing borrowings or secure additional borrowings.

In addition, ESR-REIT is required to measure its investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statement of total return. In FY2024, ESR-REIT's fair value loss amounted to S$219.0 million based on the independent valuations of the investment properties. Changes in fair value may have an adverse effect on ESR-REIT's financial results for the financial year if there is a significant decrease in the valuation of ESR-REIT's investment properties which results in revaluation losses that are recognised in its statement of total return.

The amount ESR-REIT may borrow is limited, which may affect the operations of ESR-REIT and ESR-REIT's borrowing limit may be exceeded if there is a downward revaluation of the properties owned by ESR-REIT

Under the prevailing Property Funds Appendix, the aggregate leverage of ESR-REIT should not exceed 50.0% of ESR-REIT's Deposited Property 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 ESR-REIT should have a minimum interest coverage ratio[1] of 1.5 times (together, the "**Aggregate Leverage and Interest Coverage Requirements**").

As at 31 December 2024, the Group's aggregate leverage (as defined in the Property Funds Appendix) is approximately 42.8% of the Deposited Property and its interest coverage ratio (as defined in the Property Funds Appendix) is approximately 2.5 times. ESR-REIT may, from time to time, require further debt financing to achieve its investment strategy. In the event that ESR-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 Aggregate Leverage and Interest Coverage Requirements. In addition, should there be a substantial decline in the value of the Deposited Property which causes ESR-REIT to exceed the limits prescribed under the Aggregate Leverage and Interest Coverage Requirements, ESR-REIT will not be able to make further borrowings.

Adverse business consequences of this limit on borrowings may include:

(i) an inability to fund acquisitions by ESR-REIT of further properties or to fund capital expenditure requirements, refurbishments, renovation and improvements, AEI and development works in relation to the properties owned by ESR-REIT;

(ii) an inability to fund working capital requirements which may further constrain ESR-REIT's operational flexibility; and

(iii) cash flow shortage which may have an adverse impact on ESR-REIT's ability to satisfy its existing debt obligations and/or obligations in respect of the Notes.

There is no assurance that credit ratings given to ESR-REIT (if any) by any rating agency will be maintained or that such ratings will not be reviewed, downgraded, suspended or withdrawn in the future

Where credit ratings are assigned to ESR-REIT by a rating agency, such ratings are based solely on the views of that rating agency. Future events could have a negative impact on the ratings of ESR-REIT and prospective investors should be aware that there can be no assurance that the ratings given will continue or that the ratings would not be reviewed, downgraded, suspended or withdrawn as a result of future events or based on the judgment of the relevant rating agency. For example, following the ESR-REIT Manager's request for Moody's Investor Service ("**Moody's**") to withdraw its issuer credit rating on ESR-REIT (formerly known as ESR-LOGOS REIT and Cambridge Industrial Trust) in July 2017 due to amendments to Appendix 6 of the Code on Collective Investment Schemes for REITs to adopt a single-tier aggregate leverage limit of 45.0% without the requirement for a credit rating, Moody's (on ESR-REIT Manager's request) withdrew ESR-REIT (formerly known as ESR-LOGOS REIT and Cambridge Industrial Trust)'s Baa3 issuer rating, (P)Baa3 senior unsecured rating on its S$750 million Multicurrency Debt Issuance Programme and the Baa3 ratings on the senior unsecured notes drawn down from the Programme and its stable outlook on 17 June 2020. This credit ratings withdrawal was made after the

1 "**interest coverage ratio**" means a ratio that 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.

redemptions of the S$30.0 million 4.10% Series 002 Notes on 29 April 2020 and the S$130.0 million 3.95% Series 004 Notes on 21 May 2020, respectively. A downgrade or withdrawal of the credit ratings assigned by a rating agency may have a negative impact on the market value of the Notes and lead to ESR-REIT being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates.

ESR-REIT may experience limited availability of funds

ESR-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 ESR-REIT. Factors that could affect ESR-REIT's ability to procure financing include the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. As such, ESR-REIT may experience increased difficulties in obtaining funding amidst uncertainties in the global economy, whether from financial institutions or the capital markets. ESR-REIT's plans for expansion will require significant additional investments and capital, and if ESR-REIT is unable to procure sufficient funds, its growth strategy may be materially and adversely affected.

ESR-REIT may have a higher level of gearing than certain other types of unit trusts

ESR-REIT may, from time to time, require additional debt financing to achieve its investment strategies and to fund working capital requirements and/or to refinance existing debt obligations.

ESR-REIT's level of borrowings may represent 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, and this could affect ESR-REIT's ability to make timely interest payments or otherwise comply with applicable debt covenants. Investment risk is known to increase with an increase in gearing or leverage. An increase in gearing or leverage will increase ESR-REIT's exposure to the risk of changing economic conditions. For example, in a climate of rising interest rates, the costs of financing ESR-REIT's investments (including servicing its indebtedness) will increase and this will adversely affect the Issuer's ability to fulfil its payment obligations under the Notes. ESR-REIT has taken steps to actively manage this risk through its interest rate risk management policies. Please also see the risk factor titled "*ESR-REIT is subject to interest rate fluctuations*".

ESR-REIT faces risks associated with its existing debt financing arrangements

ESR-REIT is subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to make the required principal and interest payments under such financing. ESR-REIT's distribution policy is to distribute at least 90.0% of its annual distributable income, comprising substantially its income from the letting of the properties owned by it after deduction of allowable expenses. The actual level of distribution will be determined at the ESR-REIT Manager's discretion taking into account the needs of ESR-REIT for capital expenditure, working capital requirements and the liquidity position of ESR-REIT. As a result of this distribution policy, ESR-REIT may not be able to meet all of its obligations to repay any future principal repayment through its cash flow from operations. As such, ESR-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 ESR-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.

As at 31 December 2024, 72.4% of ESR-REIT's properties are unencumbered. ESR-REIT may, in the future, mortgage more of its properties to secure payment of ESR-REIT's bank borrowings. If

ESR-REIT is unable to meet interest or principal payments in respect of such borrowings, such properties may be foreclosed by the lender or the lender may require a forced sale of such properties. This may result in a loss of income and asset value to ESR-REIT. In an enforcement event on the Notes or default under any other indebtedness or upon ESR-REIT's bankruptcy, liquidation or reorganisation, any secured indebtedness of third-party creditors to ESR-REIT's portfolio would effectively be senior to the Notes to the extent of the value of ESR-REIT's portfolio securing their indebtedness.

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

ESR-REIT's borrowings are also subject to covenants, representations and warranties in favour of the lenders, relating to, among other things, ESR-REIT, the ESR-REIT Manager, the ESR-REIT Trustee and its properties. This may include clauses relating to change of control events, which, if triggered, may result in debt becoming immediately due for repayment. Certain of these borrowings also require ESR-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 ESR-REIT may be used to satisfy such a claim and this could have a material adverse effect on ESR-REIT.

ESR-REIT may seek to repay maturing debt with funds from additional debt or equity financings or both. There can be no assurance that such financing will be available on acceptable terms, or at all. ESR-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 ESR-REIT is able to refinance part or all of such existing debt, it remains subject to the risk that the terms of such refinancing will not be as favourable as the terms of its existing debt.

In addition, ESR-REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations. Such covenants may also restrict ESR-REIT's ability to acquire future properties or to undertake other capital expenditures, or may require it to set aside funds for maintenance or repayment of security deposits.

In addition to the risks set out above, if prevailing interest rates or any other factors at the time of refinancing its debt (such as the possible reluctance of lenders to make loans in relation to industrial properties) result in ESR-REIT having to bear higher interest rates upon refinancing its debt, the interest expense relating to such refinanced borrowings would increase, and this may adversely affect ESR-REIT's cash flow. Further, an elevated interest rate environment may adversely impact ESR-REIT's ability to refinance its outstanding perpetual securities on their relevant reset dates. If ESR-REIT is unable to refinance its perpetual securities on their relevant reset dates, the perpetual securities will have to be reset potentially at higher distribution rates, which in turn will have an adverse impact on its cash flow. The occurrence of such events may adversely affect the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Additionally, a proportion of ESR-REIT's expected cash flow may be required to be dedicated to the payment of interest on its borrowings, thereby reducing the funds available to ESR-REIT for use in its general business operations. Such indebtedness may also restrict ESR-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.

ESR-REIT is subject to interest rate fluctuations

ESR-REIT maintains part of its debts on a floating rate basis. Consequently, the interest cost to ESR-REIT for the floating interest rate debt will be subject to fluctuations in interest rates. In addition, ESR-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 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 such funds to the borrower, notwithstanding the margins agreed.

ESR-REIT has entered, and may continue to enter, into some hedging transactions to partially mitigate the risk of interest rate fluctuations. However, there is no certainty that ESR-REIT will be able to hedge its debts on commercially acceptable terms or at all, or that ESR-REIT's hedging policy will adequately cover its exposure to adverse interest rate fluctuations. Interest rate hedging could fail to protect ESR-REIT or could adversely affect ESR-REIT because, among other things:

(i) the available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;

(ii) the party owing money in the hedging transaction may default on its obligation to pay;

(iii) the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs ESR-REIT's ability to sell or assign its side of the hedging transaction; and

(iv) 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. Any downward adjustments would reduce the NAV of ESR-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. As a result, ESR-REIT's financial condition and results of operations could potentially be adversely affected by interest rate fluctuations, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-REIT is exposed to risks associated with foreign exchange rate fluctuations

ESR-REIT's overseas investments are denominated in their respective foreign currencies. However, ESR-REIT maintains its financial statements in Singapore dollars and makes distributions in Singapore dollars. Therefore, ESR-REIT is exposed to risks associated with exchange rate fluctuations between the Singapore dollar and the local currency of any foreign countries in which ESR-REIT invests.

As ESR-REIT ventures further overseas, its exposure to foreign currency risk will increase. The ESR-REIT Manager intends to borrow in foreign currency to naturally hedge the foreign currency risk of ESR-REIT's overseas investments where it is practical and financially feasible to do so. As at 31 December 2024, ESR-REIT's AUD and JPY denominated borrowings provide a natural hedge for its Australian and Japanese investments respectively. The ESR-REIT Manager may enter into hedging transactions where feasible and appropriate to partially mitigate and manage the foreign currency risks associated with the cash flows generated by ESR-REIT's overseas investments, but there can be no assurance as to the extent or efficacy of any such hedging arrangements. Hedging activities may not achieve the desired beneficial impact on ESR-REIT's NAV, financial condition, results of operations and prospects. 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.

The ESR-REIT Manager's objectives are to manage the exposure to fluctuations in foreign exchange rates through appropriate hedging strategies and/or borrow in the foreign currency where the overseas asset is located.

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

ESR-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. ESR-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 ESR-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 ESR-REIT's information systems could interrupt its operations, damage its reputation, subject ESR-REIT to liability claims or regulatory penalties and could materially and adversely affect it.

Payment of management fees in cash by ESR-REIT to the ESR-REIT Manager may have an adverse effect on the cash flow of ESR-REIT and the Issuer's ability to fulfil its payment obligations under the Notes

The ESR-REIT Manager is entitled to management fees as set out in the ESR-REIT Trust Deed, which shall be paid to the ESR-REIT Manager in the form of cash and/or Units (as the ESR-REIT Manager may elect prior to each such payment) out of the Deposited Property and in such proportion as may be determined by the ESR-REIT Manager.

If ESR-REIT is required to pay a large amount of management fees in cash to the ESR-REIT Manager, ESR-REIT's cash flow, financial condition and/or results of operations as well as the Issuer's ability to fulfil its payment obligations under the Notes may be adversely affected. The price of the Notes may be materially and adversely affected as a result.

ESR-REIT may be adversely affected by the illiquidity of real estate investments

Real estate investments are relatively illiquid. Such illiquidity may affect ESR-REIT's ability to vary its investment portfolio or dispose of part of its assets in response to changes in economic, real estate market or other conditions. For example, ESR-REIT may be unable to dispose of its assets on 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. Moreover, ESR-REIT may 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 could have an adverse effect on ESR-REIT's financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-REIT's strategy of investing in industrial properties may entail a higher level of risk as compared to other types of trusts that have a more diverse range of permitted investments

ESR-REIT's principal strategy of investing, directly or indirectly, in industrial real estate entails a higher level of risk than a portfolio which has a diverse range of investments. This concentration of investments in a portfolio of industrial real estate assets may cause ESR-REIT to be susceptible to a downturn in the industrial real estate market. A downturn in the industrial real estate market may lead to a decline in the rental income of ESR-REIT's properties and/or a decline in the capital value of such properties, either of which may have a material and adverse impact on the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The ESR-REIT Manager may not be able to implement its investment or growth strategies and may encounter difficulties in completing or integrating acquisitions

The ESR-REIT Manager's investment strategy includes expanding ESR-REIT's portfolio of industrial properties in Singapore, Australia and Japan, and expanding its portfolio to include industrial properties in other overseas markets. There can be no assurance that the ESR-REIT Manager will be able to expand ESR-REIT's portfolio further, or at any specified rate or to any specified size. The ESR-REIT Manager may not be able to make investments or acquisitions on favourable terms in a desired time frame or at all.

ESR-REIT relies on external sources of funding to expand its portfolio, and there is no assurance that such funding will be available on favourable terms, or at all. Even if ESR-REIT were able to complete additional property investments successfully, there is no assurance that ESR-REIT will achieve its intended return on such investments. As the amount of debt ESR-REIT can incur to finance acquisitions is limited (for example, by the Property Funds Appendix and various financial and restrictive covenants in ESR-REIT's debt instruments and/or loan facilities), such acquisitions may be dependent on ESR-REIT's ability to raise equity capital. Potential vendors may also view the necessity of raising equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there has been significant competition from other real estate investors for attractive investment opportunities, particularly for industrial properties in Singapore, Australia, Japan and regionally. These real estate investors include other industrial REITs, commercial property development companies and private investment funds, both foreign and domestic, which may be larger in terms of assets and revenue and/or have greater financial resources, better quality of assets and stronger relationships with potential vendors and tenants compared to ESR-REIT. There is no assurance that ESR-REIT will be able to compete effectively against such entities or that ESR-REIT's acquisition growth strategy can be successfully implemented as increased competition may adversely affect its ability to acquire properties in Singapore, Australia, Japan or regionally.

Even if ESR-REIT were able to successfully acquire property or investments, there is no assurance that ESR-REIT will achieve its intended return on such acquisitions or investments as potential challenges such as (i) facing difficulty in integrating acquired businesses and operations into ESR-REIT's structure; (ii) facing difficulty in maintaining favourable business relationships of acquired operations; (iii) restructuring and/or terminating unfavourable relationships; (iv) encountering unforeseen liabilities stemming from the acquisition of businesses; (v) failing to realise the benefits from goodwill and intangible assets resulting from the acquisitions which may result in write-downs; (vi) failing to achieve anticipated business volumes; and (vii) failing to retain key personnel, may be faced. Any of these factors could prevent the ESR-REIT Manager from realising the anticipated benefits of its acquisitions, including additional revenue, operational synergies and economies of scale.

For example, on 15 November 2024 and 29 November 2024, the ESR-REIT Manager announced the completion of the Japan Acquisition (as defined below) and Singapore Acquisition (as defined below) respectively. There can be no assurance that the evaluation and due diligence undertaken by ESR-REIT in connection with and prior to the completion of the Acquisitions (as defined below) revealed all facts and circumstances that may be relevant for purposes of evaluating the acquisition, including the opportunities and risks, costs, benefits and prospects, acquired assets and operations including production and reserves, operator and other counterparties, regulatory framework and numerous other relevant considerations. The information provided during due diligence may have been incomplete or inadequate. As part of the due diligence process, ESR-REIT had also made subjective judgments regarding the results of operations, financial condition and prospects of the relevant assets and operations. If the due diligence investigation failed to correctly identify material issues and liabilities that may be present or the prospects of the relevant assets and operations, or if ESR-REIT incorrectly considered any identified material risks to be commercially acceptable relative to the opportunity, ESR-REIT may incur substantial impairment charges or other losses following the closing of the Acquisitions. ESR-REIT may also incur unforeseen liabilities, such as unknown or contingent liabilities and issues relating to compliance with applicable laws, which could increase its costs and expenses due to exposure to such liabilities. Any of the foregoing could materially and adversely affect ESR-REIT's business, prospects, financial condition and results of operations.

Owing to the recent completion of the Acquisitions, ESR-REIT still faces numerous other risks in connection thereto, including the possibility that the expected benefits from the acquisition will not be realised or will not be realised within the expected time period; disruption to the ESR-REIT's business and distraction of management's time and attention as a result of integration efforts expended post-completion; negative effects of the announcement or consummation of the acquisition, including on the market price of ESR-REIT's Units and/or operating results; significant transaction costs; unknown or unexpected liabilities; the risk of regulatory challenges or scrutiny in connection with the acquisition; other business effects and uncertainties, including the effects of industry, market, business, economic, political or regulatory conditions; future exchange and interest rates; changes in tax and other laws, regulations and policies; uncertainties regarding the commercial success of the assets and operations which were acquired; uncertainties inherent in exploration and development, including the ability to meet anticipated objectives, in respect of the acquired assets and operations; as well as numerous other risks that could materially and adversely affect ESR-REIT's business, prospects, financial condition and results of operations.

For further details on the Acquisitions, please see "*ESR-REIT – Recent Developments*".

In the event that the ESR-REIT Manager (i) is not able to successfully implement its investment or growth strategy for ESR-REIT; (ii) encounters difficulties in completing or integrating its acquisitions; or (iii) is unable to effectively compete against its competitors, ESR-REIT's business, financial condition and results of operations may be adversely affected, which may in turn adversely affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Please also see the risk factor titled "*The properties owned by ESR-REIT may be subject to risks associated with the acquisition of properties*".

Published unaudited interim and year-end financial statements in respect of ESR-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 ESR-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 ESR-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.

The financial statements of FY2022 may not be directly comparable with the financial statements of FY2023

In April 2022, ESR-REIT completed the ALOG Merger. Please see "*ESR-REIT – History and Background*" for more details. Following the merger, the consolidated financials for the enlarged group began to accrue post-April 2022. As a result, the year-to-year comparison of ESR-REIT's consolidated financial information for the year ended 31 December 2022 and the year ended 31 December 2023 may not be meaningful. Caution should be exercised in using such comparisons as a basis for any investment decision or to predict the future performance of the Group.

The ESR-REIT Manager may invest overseas and may be subject to associated risks

The ESR-REIT Manager may venture to invest in yield-accretive properties overseas to enhance ESR-REIT's value. For example, on 14 May 2021, ESR-REIT completed the acquisition of 10.0% of the total issued units in ESR Australia Logistics Partnership ("**EALP**") for a purchase consideration of A$60.5 million, marking ESR-REIT's first overseas expansion. In 2022, ESR-REIT also entered the Japanese market with its acquisition of 100.0% of the trust beneficiary interest in ESR Sakura Distribution Centre ("**ESR Sakura DC**"), a 5-storey modern logistics asset located in Tokyo. On 1 February 2024, the ESR-REIT Manager announced a strategic investment of US$70.0 million into ESR Japan Income Fund. On 15 November 2024, ESR-REIT completed the Japan Acquisition for a purchase consideration of JPY 38,000 million.

There may be operational and currency risks involved in expanding the business overseas. Investment in properties in foreign countries will expose ESR-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 owned by ESR-REIT are located could adversely affect ESR-REIT's business, financial condition, performance or prospects. Other local real estate market conditions which may adversely affect ESR-REIT's performance include the attractiveness of competing industrial properties, the supply of industrial properties and demand from tenants.

Furthermore, ESR-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 ESR-REIT's business in these countries may not always enjoy the same level of legal rights or protection that it is afforded in Singapore. More stringent or onerous real estate laws may be adopted in the future in the countries where ESR-REIT may operate its business, and that may restrict ESR-REIT's ability to operate its business. The risk profile of ESR-REIT may therefore encompass the risks involved in each of the countries or businesses that ESR-REIT operates, and such risks may adversely affect the business, financial condition, performance or prospects of ESR-REIT. There might also be a negative impact on ESR-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 ESR-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.

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 ESR-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 the ability of the Issuer to fulfil its payment obligations under the Notes.

The ESR-REIT Manager's strategy to initiate asset enhancement and/or development works on the properties owned by ESR-REIT from time to time may not materialise

The ESR-REIT Manager may from time to time initiate asset enhancement and/or development works on some of the properties owned by ESR-REIT 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, or in the event that they do materialise and are completed, that they will be able to achieve their desired results. The proposed AEI are also subject to ESR-REIT obtaining the approvals of the relevant authorities. Furthermore, the ESR-REIT Manager may not be able to carry out the proposed AEI within a desired timeframe, and any benefit or return which may arise from such AEI may be reduced or lost. Despite the significant costs that may have been incurred by ESR-REIT in the course of such asset enhancement and/or development works, such properties may still be unable to attract new tenants or retain existing tenants, and pre-committed tenants may default on their pre-commitment obligations. This may adversely affect the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-REIT may not be able to control or exercise any influence over entities in which it has minority interests or over the management of strata sub-divided properties in which it owns strata lots

ESR-REIT may, in the course of future acquisitions, acquire minority interests in real estate-related investment entities ("**Other Investment Entities**"). For example, on 14 May 2021, ESR-REIT completed the acquisition of 10.0% of the total issued units in EALP for a purchase consideration of A$60.5 million. As at 31 December 2024, EALP owns 31 income-producing properties and 2 development sites which are currently under development. EALP is a private fund managed by ESR Asset Management (Australia) Pty Ltd ("**ESR AM**"), an indirect subsidiary of ESR. On 22 April 2022, ESR-REIT acquired a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund following the ALOG Merger. As at 31 December 2024, New LAIVS Trust owns 4 income-producing logistics properties located in New South Wales and Victoria, while Oxford Property Fund owns 1 income-producing logistics property in Victoria. New LAIVS Trust and Oxford Property Fund are private funds managed by LOGOS Investment Management Pty Ltd ("**LOGOS AM**"), an indirect subsidiary of ESR. ESR-REIT may also acquire strata lots in strata sub-divided properties ("**Strata Sub-divided Properties**") in the future.

There can be no assurance that ESR-REIT will be able to (i) control such Other Investment Entities or exercise any influence over the assets of such entities or their distributions to ESR-REIT or (ii) control or exercise any influence over the management of the Strata Sub-divided Properties, depending on the share value of the strata lots owned by ESR-REIT. Furthermore, the Other Investment Entities may also develop objectives which are different from those of ESR-REIT and may not be able to make distributions. The management of such Other Investment Entities and Strata Sub-divided Properties may make decisions regarding such entities or properties they control which adversely affect the operations of ESR-REIT, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The ESR-REIT Manager and the Property Manager are indirectly owned by ESR. There are potential conflicts of interest among ESR, ESR-REIT, the ESR-REIT Manager and the Property Manager

As at 31 December 2024, ESR (through its subsidiaries) owns 99.0% of the ESR-REIT Manager and 100% of the Property Manager. ESR is engaged in, and/or may engage in, among other things, the development, operation, portfolio management and investment of real estate specifically within Asia-Pacific ("**APAC**"), with a focus on New Economy properties which includes logistics and hi-specs properties.

As a result, the strategy and activities of ESR-REIT may be influenced by the overall interests of ESR. There can be no assurance that conflicts of interest will not arise between ESR and ESR-REIT in the future. Furthermore, there can be no assurance that ESR will not favour properties retained in its own property portfolio, or which it manages or operates, over those owned by ESR-REIT. ESR may in the future, sponsor, manage or invest in other REITs or other vehicles which may also compete directly with ESR-REIT. This could lead to lower occupancy rates and/or lower revenue for the properties owned by ESR-REIT, which may in turn result in a material adverse effect on ESR-REIT's gross revenue and this may indirectly affect the Issuer's ability to fulfil its payment obligations under the Notes.

There is no assurance that ESR-REIT will be able to continue to leverage and tap on ESR's capabilities and expertise in the operation of the properties owned by ESR-REIT or the management of ESR-REIT

As at 31 December 2024, ESR (through its subsidiaries) owns 100%, 99.0% and 20.8% in the Property Manager, the ESR-REIT Manager and ESR-REIT, respectively.

However, if and when ESR decides to transfer or dispose of its interests in ESR-REIT or its shares in the ESR-REIT Manager or the Property Manager, ESR-REIT may no longer be able to leverage:

(i) ESR's on-the-ground real estate expertise in the APAC region;

(ii) ESR's financial strength, market reach and network of contacts to further ESR-REIT's growth; and/or

(iii) ESR's pipeline of properties and development work-in-progress pipeline.

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

ESR-REIT may be adversely affected by the proposed privatisation of ESR

On 13 May 2024, ESR announced that it had received a non-binding and conditional proposal from a consortium of investors comprising Starwood Capital Operations, L.L.C. (for and on behalf of entities controlled by Starwood Capital Group), Sixth Street Partners, LLC (on behalf of certain of its affiliated investment funds and vehicles), and SSW Partners LP (on behalf of itself and its affiliated funds and entities) in relation to a possible privatisation of ESR which, if proceeded with, could result in a delisting of ESR from the Hong Kong Stock Exchange. Subsequently, on 4 December 2024, ESR announced that it had signed an implementation agreement where it undertook to put forward a proposal to its shareholders a scheme of arrangement designed to effect, amongst other things, the privatisation and delisting of ESR from The Stock Exchange of Hong Kong Limited. As at the date of this Supplemental Information Memorandum, ESR has not announced any further material updates on the proposed privatisation scheme and ESR remains listed on The Stock Exchange of Hong Kong.

ESR currently provides ESR-REIT with strategic guidance, financial and operational support, and access to a pipeline of properties. This includes capital support and financial commitment via backstop in preferential offerings, as well as access to ESR's portfolio of assets in an increasingly scarce environment for quality logistics assets. The potential privatisation of ESR may limit ESR-REIT's ability to leverage and tap onto the ESR's network, footprint and expertise. Further, changes in management and leadership within ESR following a potential privatisation may lead to changes in ESR's strategic focus, which may affect ESR's level of support and alignment with ESR-REIT's objectives, including, but not limited to, the provision of capital support. This may in turn result in decreased availability of potential acquisitions that fit ESR-REIT's investment criteria, which may hinder ESR-REIT's growth trajectory.

Accordingly, it is unclear how the privatisation of ESR, should it be successful, will impact ESR-REIT and there can be no assurance that such privatisation will not have a material adverse effect on ESR-REIT's business, financial condition, results of operations and/or prospects.

ESR-REIT may be involved in legal and other proceedings arising from its operations from time to time

ESR-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 the properties owned by ESR-REIT. These disputes may lead to legal and/or other proceedings, and may cause ESR-REIT to suffer additional costs and delays. In the event that such proceedings are resolved in favour of other parties against ESR-REIT, there may be an adverse impact on ESR-REIT's financial condition and results of operations. Additionally, ESR-REIT may have disputes with governmental or regulatory bodies in the course of its operations and may be subject to administrative proceedings and unfavourable orders, directives or decrees. This may in turn result in financial losses and delays in the completion of works and/or the construction of properties. Should any of the above circumstances develop into actual events, the business, results of operations and financial condition of ESR-REIT may be materially and adversely affected, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

ESR-REIT's success depends, in part, upon the continued service and performance of members of the ESR-REIT Manager's senior management team and certain key senior personnel. These key personnel may leave the ESR-REIT Manager or compete with it and ESR-REIT. The loss of any of these individuals, or of one or more of the ESR-REIT Manager's other key employees, without suitable and/or timely replacement, could have a material adverse effect on ESR-REIT's results of operations and financial condition, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Properties of ESR-REIT and ESR-REIT's operations may be affected or damaged by acts of terrorism and other acts of violence or war and adverse political developments

The presence of terrorist activities, acts of violence or war and adverse political developments could materially and adversely affect international financial markets and the Singapore economy. Acts of terrorism and other acts of violence and war could also cause physical damage to the properties owned by ESR-REIT. Such developments may lead to a significant disruption to the business or operation of the relevant properties and result in an adverse impact on the financial condition and results of operations of ESR-REIT.

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

ESR-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 ESR-REIT specifically, including but not limited to changes to legislation or rules relating to the tax regimes in jurisdictions where properties of ESR-REIT are located.

Specifically, REITs in Singapore enjoy certain tax exemption or concessions and some of these are granted for a specified period of time. These tax exemption or concessions, whether or not for a specified period of time, are or may be subject to review by the Singapore Government. For example, REITs listed on the SGX-ST (including a REIT's wholly-owned Singapore incorporated and tax resident subsidiaries) are currently exempt from taxation on certain foreign-sourced income derived in respect of foreign properties acquired on or before 31 December 2025. The foreign income exemption regime may not be extended, and if so, foreign income derived by ESR-REIT and/or its wholly-owned Singapore incorporated and tax resident subsidiaries in respect of foreign properties acquired after 31 December 2025 may be subject to Singapore income tax.

There is no assurance that the Singapore Government will continue to grant the tax exemptions or concessions currently available to REITs indefinitely or renew them upon their expiry. A removal or modification of any or all of these tax exemptions or concessions may result in increased tax costs to ESR-REIT and accordingly have an adverse impact on its financial condition and results of operations. It was announced in the 2022 Singapore Budget that the standard rate of the goods and services tax (GST) will increase to 9% with effect from 1 January 2024. Further, GST on business-to-business imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism. These changes may result in additional tax costs to ESR-REIT if it is not entitled to full input tax credit.

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.

If the Capital Markets Services Licence of the ESR-REIT Manager is cancelled, not renewed or revoked by MAS, the operations of ESR-REIT may be adversely affected

The Capital Markets Services Licence issued to the ESR-REIT Manager is subject to certain conditions. If the ESR-REIT Manager fails to satisfy or comply with these conditions, the Capital Markets Services Licence of the ESR-REIT Manager may be cancelled, not renewed or revoked by MAS. The operations of ESR-REIT will be adversely affected as the ESR-REIT Manager would no longer be able to act as the manager of ESR-REIT. ESR-REIT would need to expend time and resources searching for a replacement manager and the operations of ESR-REIT may accordingly be adversely affected, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes. Further, if the ESR-REIT Manager's Capital Markets Services Licence is cancelled, not renewed or revoked by MAS and/or the ESR-REIT Manager has to be replaced, that may result in a breach of terms of, or potentially trigger change of control clauses under, its borrowings.

The accounting standards applicable to ESR-REIT are subject to change in the future

The financial statements of ESR-REIT may be affected by the introduction of new or revised accounting standards applicable to ESR-REIT. 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 Investment Funds from time to time. The financial statements of ESR-REIT may be affected by the introduction of changes in accounting standards. The extent and timing of such changes are currently unknown and subject to confirmation by the relevant authorities.

There can be no assurance that any changes in the accounting standards will not have a material adverse effect on ESR-REIT's business, financial condition, results of operations and prospects.

A substantial number of the properties owned by ESR-REIT as at 31 December 2024 have leases for terms of three years, which may expose such properties to a significant number of lease expiries each year

The properties owned by ESR-REIT as at 31 December 2024 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. If a large number of tenants do not renew their leases in a year in which a substantial number of leases expire, this could adversely affect the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

RISKS RELATING TO THE PROPERTIES OF ESR-REIT

ESR-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 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 ESR-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 ESR-REIT's control.

The activities of ESR-REIT may also be impacted by changes in laws and governmental regulations or other regulatory bodies (e.g., JTC in Singapore) 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 or restrictions in leasing activities. 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 Issuer's ability to fulfil its payment obligations under the Notes.

The properties owned by ESR-REIT are predominantly industrial in nature and are located in Singapore, Australia and Japan, and are therefore exposed to the economic and real estate conditions in Singapore, Australia and Japan

As at the date of this Supplemental Information Memorandum, all of ESR-REIT's properties are used predominantly for industrial purposes and are located in Singapore, Australia and Japan. Concentration of investments in a portfolio of industrial real estate assets in Singapore, Australia and Japan may entail a higher level of risk, as compared to other REITs which have properties spread over more countries. ESR-REIT is heavily exposed to the risk of a prolonged downturn in

economic and real estate conditions in Singapore, Australia and Japan, all of which may lead to a decline in the rental income in the properties and/or a decline in the capital value of such properties, thus adversely affecting ESR-REIT's results of operations, financial condition and future growth.

In addition, the performance of ESR-REIT may also be adversely affected by local real estate market conditions, such as the competitiveness of competing industrial properties, an oversupply of industrial properties or reduced demand for industrial properties or limited uses of industrial properties.

ESR-REIT's business, results of operations and/or future growth may also 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 and rental and property rates may be substantially lower than those in Singapore, Australia and Japan. There can be no assurance that prospective or current tenants will not seek properties in locations outside of Singapore, Australia and Japan, which could have an adverse effect on ESR-REIT's results of operations and/or future growth, with a consequential adverse effect on the Issuer's ability to fulfil its payment obligations under the Notes.

The cash flow of ESR-REIT may be adversely affected by declining rental rates

The amount of cash flow available to ESR-REIT will depend in part on its ability to continue to lease the properties owned by ESR-REIT on economically favourable terms. As most of the income generated from the properties owned by ESR-REIT is derived from rentals, ESR-REIT's cash flow may be adversely affected by any significant decline in the rental rates at which ESR-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 Notes until their redemption and that such decline will not have an adverse effect on the cash flow of ESR-REIT, which may in turn affect ESR-REIT's business, financial condition and/or results of operations.

The properties owned by ESR-REIT may face competition from other properties

There are many existing and new industrial properties in Singapore, Australia and Japan that compete with the properties owned by ESR-REIT in attracting and retaining tenants. Whenever competing properties in the vicinity of properties owned by ESR-REIT are developed or substantially upgraded and refurbished, the attractiveness of such properties may be affected. The properties owned by ESR-REIT will also compete with properties that may be developed in the future. The development of such properties may adversely affect the demand and rental rates for properties owned by ESR-REIT and consequently the financial condition and results of operations of ESR-REIT. This may in turn affect the availability of cash flows and the Issuer's ability to fulfil its payment obligations under the Notes.

Factors that affect the ability of industrial properties to attract or retain tenants include connectivity through proximity to strategic infrastructure amenities and major highways, the attractiveness and relevance of the specifications of the building and the surrounding area to prospective tenants and their customers, the quality of the building's existing tenants as well as the performance of the relevant building's property manager. The income from, and market value of, the properties owned by ESR-REIT will be largely dependent on the ability of these properties to compete with other industrial properties in the relevant localities in attracting and retaining tenants. Historical operating results and the market values of the properties owned by ESR-REIT may not be indicative of future operating results and market values of such properties.

The revenue stream and the value of the properties owned by ESR-REIT may be adversely affected by a number of factors

The revenue stream and the value of the properties owned by ESR-REIT may be adversely affected by a number of factors which include:

(i) vacancies following expiry or termination of leases or licences that lead to lower occupancy;

(ii) rates which in turn reduce ESR-REIT's revenue and its ability to recover certain operating costs such as government rates (including property and other taxes), government rents, utility charges and other charges payable by the tenants and licensees;

(iii) the ESR-REIT Manager's ability to collect rent or licence fees from tenants and licensees on a timely basis or at all;

(iv) the amount and extent to which ESR-REIT grants waivers of interest on late payment of rent;

(v) tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income 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;

(vi) 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;

(vii) 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 the jurisdictions in which the Group operates, general downturns in market rental rates and increases in operating expenses for the properties owned by ESR-REIT);

(viii) the ESR-REIT Manager's ability to provide adequate management and maintenance services and insurance;

(ix) tenants or sub-tenants failing to comply with the terms of their leases or sub-leases;

(x) bankruptcy, insolvency or downturn in the business of tenants or sub-tenants which may result in the non-renewal of their leases or sub-leases or the termination of their leases or sub-leases before they expire;

(xi) competition for tenants from other similar properties which may affect rental or occupancy rates of the properties owned by ESR-REIT;

(xii) changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and governmental charges. Such revisions may lead to an increase in management 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 the building standards laws or the town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment;

(xiii) power outages, shortages or interruptions;

(xiv) acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters and other events beyond the control of the ESR-REIT Manager; and

(xv) defects affecting any of the properties owned by ESR-REIT which could affect the operations of tenants resulting in the inability of such tenants to make payments of rent in a timely manner, if at all.

The properties owned by ESR-REIT may be subject to increases in operating and other expenses

ESR-REIT's net income could be adversely affected, if operating and other expenses of the properties owned by ESR-REIT increase without a corresponding increase in revenues or tenant reimbursement of operating and other costs.

Factors which could increase operating and other expenses include, among others:

(i) increases in property taxes and other statutory charges;

(ii) changes in direct or indirect tax policies;

(iii) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

(iv) increases in sub-contracted service costs;

(v) increases in agent commission expenses for procuring new tenants;

(vi) increases in the rate of inflation;

(vii) costs arising from litigation claims;

(viii) increases in insurance premiums;

(ix) increases in the amount of maintenance and sinking fund contributions payable to the management corporations of the properties owned by ESR-REIT;

(x) increases in repair and maintenance costs;

(xi) increases in payroll expenses and labour costs;

(xii) increases in annual rents and/or service charges payable to the lessors under the land leases for the properties owned by ESR-REIT;

(xiii) damage or defects affecting any of the properties owned by ESR-REIT which need to be rectified, leading to unforeseen capital expenditure; and

(xiv) increases in costs of energy and utilities.

The properties owned by ESR-REIT may be subject to risks associated with the acquisition of properties

While the ESR-REIT Manager believes that reasonable due diligence investigations have been and will be conducted with respect to the properties owned by ESR-REIT prior to their acquisition, there can be no assurance that such properties will not have certain defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the properties owned by ESR-REIT which may require additional capital expenditure, special repair or maintenance expenses) other than those which have been previously disclosed to the ESR-REIT Manager. 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 ESR-REIT's earnings and cash flows. This may affect the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Any expert report that the ESR-REIT Manager relies on as part of its due diligence investigations of the properties owned by or to be acquired by ESR-REIT 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.

Notwithstanding the due diligence investigations which have been and will be carried out on the properties owned by ESR-REIT, some of the properties owned by ESR-REIT may still not be in compliance with certain laws and regulations. ESR-REIT may incur financial or other obligations in relation to such breaches or non-compliance. This may affect the financial condition and results of operations of ESR-REIT which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The representations, warranties and indemnities granted or to be granted in favour of ESR-REIT by the vendors of the properties owned by ESR-REIT may be subject to limitations as to their scope and as to the amount and timing of claims which can be made. Additionally, the time frame for such claims to be made may have expired. There is no assurance that ESR-REIT will 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. This may affect the financial condition and results of operations of ESR-REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The properties owned by ESR-REIT in Singapore are mainly industrial properties and have limited uses

The properties owned by ESR-REIT in Singapore are mainly located on sites zoned for industrial purposes in the Master Plan Zoning (2014 edition) (with reference to the Draft Master Plan 2019). As a result, the properties located in Singapore on such designated lands may only be used for a specific purpose. If ESR-REIT or any of the tenants terminates any of the lease agreements, or if a tenant loses its licence to operate, ESR-REIT may not be able to find a replacement tenant to lease those industrial facilities in a timely manner or on terms acceptable to ESR-REIT or at all. In the event that ESR-REIT is unable to find a tenant to lease the affected property in Singapore for industrial purposes, ESR-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 ESR-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, ESR-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, ESR-REIT's financial condition and results of operations may be materially and adversely affected, and this may indirectly affect the Issuer's ability to fulfil its payment obligations under the Notes.

The loss of anchor tenants, sub-tenants and licensees of the properties owned by ESR-REIT could directly or indirectly reduce the cash flow of ESR-REIT

ESR-REIT is directly dependent on the anchor tenants, sub-tenants and licensees of the properties owned by it for the revenue from such properties. ESR-REIT is therefore subject to the risk of default on rental payments and negotiation of reduced rent by the anchor tenants, sub-tenants and licensees. It is also subject to the risk of non-renewal, non-replacement or early termination of the underlying tenancies in the event that these anchor tenants, sub-tenants and

licensees become bankrupt or insolvent, suffer a downturn in business, prematurely terminate their leases, do not renew their leases at expiry, or reduce their leased space in the properties owned by it. For example, the ESR-REIT Manager announced on 12 March 2020 that the ESR-REIT Trustee had on 11 March 2020 filed proofs of claim against Hyflux Membrane Manufacturing (S) Pte Ltd, which is a tenant of the property at 8 Tuas South Lane and used to be one of ESR-REIT's top 10 tenants. Factors that affect the ability of such anchor tenants, sub-tenants and licensees to meet their obligations include, but are not limited to, ability of such anchor tenants, sub-tenants and licensees to compete with its competitors; adverse changes in the local economies in which they have business operations; and external factors such as acts of God, terrorist attacks, riots, civil commotions, widespread communicable diseases or other events beyond the control of the ESR-REIT Manager in Singapore, Australia, Japan, or in other countries where the anchor tenants, sub-tenants and licensees may have business dealings. In the event that the tenancies are terminated, there is no guarantee that replacement anchor tenants, sub-tenants and licensees may be found in a timely manner and on satisfactory terms, if at all.

The loss of one or more of the anchor tenants, sub-tenants and licensees of the properties owned by ESR-REIT could result in periods of vacancy which could adversely affect ESR-REIT's income. In addition, the amount of rent and the terms of new leases entered into with replacement anchor tenants, sub-tenants and licensees or renewal leases entered into with current tenants and licensees may be less favourable than the existing leases. This would adversely affect ESR-REIT's results of operations and financial condition, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Any breach by the major tenants of their obligations under the lease agreements may have a material and adverse impact on ESR-REIT

In the event that any major tenants of ESR-REIT are unable to pay their rent or breach their obligations under their respective lease agreements, and the relevant security deposits are insufficient to cover the losses incurred by ESR-REIT, ESR-REIT's results of operations and financial condition may be materially and adversely affected, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

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

– their financial condition;

– the local economies in which they have business operations;

– the ability of such major tenants to compete with its competitors;

– in the instance where such major tenants have sub-leased the properties, the failure of the sub-tenants to pay rent; and

– material losses in excess of insurance proceeds.

Certain of ESR-REIT's properties are held pursuant to land leases from JTC Corporation ("JTC"), CapitaLand Singapore BP&C Pte Ltd ("CapitaLand") and/or the President of the Republic of Singapore and these land leases contain certain provisions which are subject to variation and which may have an adverse effect on ESR-REIT's financial condition and results of operations

The ESR-REIT Trustee, on behalf of ESR-REIT, the VT Trustee, on behalf of VT, the ALOG Trustee, on behalf of ALOG Trust, and 7000 AMK LLP owns properties pursuant to land leases from JTC, CapitaLand and/or the President of the Republic of Singapore.

Properties which are held on land leases from JTC (a "**JTC Lease**"), as well as the lease with CapitaLand, each contain a clause that requires ESR-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 or CapitaLand, as the case may be, have been required to surrender portions of their land to the Singapore Government for the construction of roads, without compensation, pursuant to similar provisions in the relevant land leases. If ESR-REIT is required to surrender a portion of one of its properties to the Singapore Government, it may have an adverse impact on the gross revenue and the value of such property.

Furthermore, properties held under a JTC Lease contain certain standard terms and conditions requiring the lessee:

(i) to pay a yearly land rent to JTC provided the property is on a land rent scheme and land premium has not been paid upfront for the said term;

(ii) not to demise, sell, assign, charge, create a trust or agency, mortgage, let, sublet or permit underletting, grant a licence or part with or share the possession or occupation of the whole or part of the relevant property and/or not to effect any form of reconstruction howsoever brought about 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;

(iii) not to use or permit the relevant property to be used other than for such purposes as approved by JTC;

(iv) for certain properties, not to sell, assign, transfer, create a trust or part with the possession or occupation of the relevant property without first making a written offer ("**Offer**") to JTC at the prevailing market rate and JTC shall thus have a right of first refusal to the property. In the event that JTC declines the Offer, the lessee may, subject to JTC's prior written consent, sell, assign, transfer, create a trust or part with the possession or occupation of the property; and

(v) to grant JTC the right of re-entry if the relevant lessee fails to perform or observe any of the terms and conditions of the relevant JTC Lease. Upon re-entry, the term of the relevant JTC Lease will cease without prejudice to any right of action or other remedy that JTC may have.

Properties held under a land lease from CapitaLand contain certain standard terms and conditions requiring the lessee:

(i) to pay yearly land rent to CapitaLand;

(ii) not to demise, sell, assign, charge, create a trust or agency, mortgage, let, sublet or permit underletting, grant a licence or part with or share the possession or occupation of the whole or part of the relevant property and/or not to effect any form of reconstruction howsoever brought about including any form of amalgamation or merger with or take-over by another company, firm, body or party without first obtaining CapitaLand's prior written consent;

(iii) not to use or permit the relevant property to be used other than for such purposes as approved by CapitaLand;

(iv) not to sell, assign, transfer, create a trust or part with the possession or occupation of the property without first making an Offer to CapitaLand at the prevailing market rate and CapitaLand shall thus have a right of first refusal to the property. In the event that CapitaLand declines the Offer, the lessee may, subject to CapitaLand's prior written consent, sell, assign, transfer, create a trust or part with the possession or occupation of the property; and

(v) to grant CapitaLand the right of re-entry if the relevant lessee fails to perform or observe any of the terms and conditions of the relevant lease with CapitaLand. Upon re-entry, the term of the relevant lease from CapitaLand will cease without prejudice to any right of action or other remedy that CapitaLand may have.

Each of the properties held under a land lease from the President of the Republic of Singapore contains certain terms and conditions which include:

(i) preventing the lessee, without the written approval of the lessor, from using or permitting the relevant property to be used otherwise than as permitted by the terms of the lease from the President of the Republic of Singapore or in accordance with the written approval obtained from the lessor and the competent planning authority;

(ii) granting the lessor the right of re-entry if the relevant lessee fails to perform or observe any of the terms and conditions of the relevant lease from the President of the Republic of Singapore. Upon re-entry, the term of the relevant lease from the President of the Republic of Singapore will cease without prejudice to any right of action or other remedy that the lessor may have; and

(iii) requiring the lessee to surrender to the Government of the Republic of Singapore, without compensation, such portions of the relevant property which may be required from time to time for roads, drainage, or any other public purpose as may be declared or notified to the lessee.

Compliance with the terms of such leases may restrict ESR-REIT's ability to respond to changing real estate market conditions, re-let a property to different tenants 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 ESR-REIT's financial condition and results of operations, which may in turn affect the ability of the Issuer to fulfil its payment obligations under the Notes. In addition, the terms of the leases with JTC, CapitaLand and/or the President of the Republic of Singapore are subject to variation from time to time and there can be no assurance that such variation will not materially and adversely impact ESR-REIT's financial condition and results of operations and thus affect the ability of the Issuer to fulfil its payment obligations under the Notes.

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 owner 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 ESR-REIT's ability to acquire properties under JTC Leases or to dispose of the properties that it owns in Singapore which are held under JTC Leases.

ESR-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 leases of certain of the properties that ESR-REIT owns 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 certain fixed investment criteria in respect of these properties being fulfilled.

While ESR-REIT had, where applicable, required the vendors, at the time of the acquisition of such properties, to provide written confirmation of the relevant head lessor that the pertinent fixed investment criteria had been fulfilled, there can be no assurance that such conditions for extension have been or will be satisfied or that ESR-REIT's tenants, while in occupation of the premises, have not been or will not be in breach of the terms and conditions of the underlying leases or that any such breach has been or will be rectified in time, or at all.

If ESR-REIT, whether due to an inability to agree on terms, competition from other prospective lessee, or any other reason, is not able to extend the lease term of the underlying leases of any of the properties that contain options to renew, ESR-REIT may have to surrender such property to its lessor upon expiry of the original lease term. The value of the remaining properties that it owns may be substantially reduced upon such surrender. Any potential income expected after the expiry of the original lease term will not be realised. In addition, ESR-REIT may be required to incur substantial amounts of money to reinstate a property to a state and condition acceptable to the relevant lessor, including the demolition of any existing building and/or reinstatements thereof on such property.

The real property registration system in Japan may not accurately reflect the ownership of the real property-related title or right

Japan has a system of registering the ownership of real property (which includes land and buildings) as well as certain other real property-related rights, such as security rights over real property and easements, pursuant to which an unregistered owner of real property or an unregistered holder of certain other rights cannot assert its title or such rights against a third-party in principle. However, the real property register does not necessarily reflect the true owner of the real property-related title or right. In practice, parties who plan to enter into a real property transaction usually rely upon the register, as it is generally the best indication of the true owner of the real property-related title or right. However, a party has no recourse to anyone but the seller if, relying on the register, it purchases the property or a related right from a seller and the information contained in the register turns out to be incorrect. The purchaser may claim for damages against the seller pursuant to statutory warranties or contractual warranties, but, in general, cannot acquire the ownership of, or title to, the real property from the real owner. Imperfect title to one or more of ESR-REIT's properties in Japan could have a material adverse effect on ESR-REIT's business, financial condition, results of operations, performance and prospects.

ESR-REIT may be exposed to risks associated with dividend deduction requirements for TMKs in Japan

In Japan, ESR-REIT invests in logistics properties in Japan through Tokutei Mokuteki Kaisha ("**TMKs**"). For a TMK to avail itself of the dividend distribution deduction tax treatment, the TMK must meet certain initial requirements when it is established and must continue to meet certain annual requirements in accordance with the Special Taxation Measures Law of Japan. One of these annual requirements is that a TMK should distribute more than 90.0 per cent. of its distributable profits for each fiscal year (the "**TMK Distribution Requirement**"). The TMK Distribution Requirement is based on the amount of audited pre-tax profits of the TMK in Japan. While ESR-REIT will work closely with the professional advisers to the TMKs ESR-REIT invests in order to minimise any tax costs due to the differences between tax and accounting treatments, there can be no assurance that such tax costs can be entirely eliminated. Accordingly, the TMKs that ESR-REIT invests in may bear excessive tax costs, in which case the TMKs that ESR-REIT invests in may not have sufficient cash to distribute dividends and hence may fail to satisfy the TMK Distribution Requirement.

In the event that the TMKs that ESR-REIT invests in are unable to meet the TMK Distribution Requirement, ESR-REIT will not be able to deduct the dividend distributions of the TMKs that ESR-REIT invests in from the taxable income of the TMKs that ESR-REIT invests in as deductible expenses. Instead, the TMK would have to make dividend distributions after its taxable income has been subject to Japanese corporate income tax at the regular rate. This will reduce the amount of distributions to ESR-REIT, and could have an adverse effect on ESR-REIT's business, financial condition, results of operations, performance and prospects.

The properties owned by ESR-REIT or parts thereof may be acquired compulsorily

Under the laws of the jurisdictions in which the Group operates, there are various circumstances under which various governments are empowered to compulsorily acquire the Group's properties.

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

(i) for any public purpose;

(ii) where the acquisition is of public benefit or of public utility or in the public interest; or

(iii) for any residential, commercial or industrial purposes.

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

(i) the market value of a 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); or

(ii) the market value of a property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

Further, the laws of the countries in which the Group operates 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.

In the event that the compensation paid in respect of a property of the Group is less than its market value or no compensation is paid at all, such compulsory acquisitions would have an adverse effect on the revenue of ESR-REIT and the value of the properties owned by ESR-REIT.

The sub-tenancies in respect of the properties owned by ESR-REIT in Singapore with existing sub-tenants may not have been properly approved by or notified to JTC

Some of the properties owned by ESR-REIT in Singapore are and may be sub-tenanted by ESR-REIT's original anchor tenants under the Third-Party Build & Lease and Sale & Leaseback programme. These anchor tenants may sub-let parts of the properties to third parties. Some of such sub-tenancies in respect of these properties may not have been approved by or notified to JTC under the relevant JTC Lease, or any other head lessor. Where approval is necessary and has been obtained, the terms of the approval may not reflect the actual terms of the relevant sub-tenancy (for example, in relation to the duration and term of the sub-tenancy or the permitted use under such sub-tenancy). This may constitute a breach of the relevant JTC Lease or lease with any head lessor which may give rise, *inter alia*, to a right of re-entry by the head lessor.

Under the JTC subletting policy to third-party providers, JTC requires at least 70.0% of the GFA to be occupied by approved anchor tenant(s) with a minimum requirement of 1,000 sqm 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 20.0% in GFA take-up, and/or (2) a change in use. Notwithstanding the above, there may still be a potential risk of the sub-tenancies in respect of the properties with original anchor tenant(s) and/or sub-tenants not being in compliance.

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 or any other head lease or non-compliance with JTC sub-letting policies could result in significant financial loss and adversely affect ESR-REIT's financial condition and results of operations. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Amenities and transportation infrastructure near the properties owned by ESR-REIT may be closed, relocated or terminated, or the commencement of their operations may be delayed

The proximity of amenities and transportation infrastructure such as train stations and bus interchanges to the properties owned by ESR-REIT influences the demand for and hence the occupancy of such properties.

There is no assurance that the amenities, transportation infrastructure and shuttle services near the properties owned by ESR-REIT will not be closed, relocated or terminated in the future, or that the commencement of their operations will not be delayed. If such an event were to occur, it would adversely impact the accessibility of the affected properties and their attractiveness and marketability to tenants. This may have a negative impact on their occupancy rates and may consequently affect ESR-REIT's financial condition and results of operations.

ESR-REIT may be involved in boundary disputes and there may be encroachment by, or affecting, the properties owned by it

ESR-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 land area or liability for damages arising in relation to such properties. Some of the properties are encroaching on, or being encroached upon by, the adjoining properties. Such encroachment by, or affecting, the properties may restrict the use of the land or lead to claims from neighbours. This may adversely affect ESR-REIT's rental income and cause additional expense to be incurred by ESR-REIT in the removal of the encroachment or reinstatement of the affected land. These risks may have an adverse effect on ESR-REIT's financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-REIT is exposed to general risks associated with the development and asset enhancement works on the properties owned by it

From time to time, ESR-REIT carries out development and asset enhancement works on some of its properties, including building and property fitting-out works, alterations and additions, interior decoration, installation of air-conditioning units and lifts, and gardening and landscaping works. ESR-REIT will face risks commonly associated with such development and asset enhancement activities. Such risks may include, among others, force majeure events, changes to governmental policies and untimely or unsatisfactory quality of services rendered by independent third-party

contractors. These projects may also be subject to delays in completion or cost overruns beyond project estimates due to several factors, including disputes with the contractors and suppliers, industrial accidents, work stoppages arising from accidents at the worksite, and shortage of labour, equipment and construction materials. Such delays and cost overruns could have an adverse effect on ESR-REIT's financial condition and results of operations.

ESR-REIT has previously entered into, and may in the future enter into, arrangements to develop BTS facilities. The construction of new developments entails significant risks, including shortage of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction or opening of new developments. All of these factors may affect ESR-REIT's business, financial condition and results of operations.

There is also no assurance that such projects 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 ESR-REIT in the course of such projects. These risks may have a material adverse effect on ESR-REIT's financial condition and results of operations, which may in turn affect the ability of the Issuer to fulfil its payment obligations under the Notes.

ESR-REIT relies on third parties to provide various services

ESR-REIT engages and relies on third-party contractors to carry out its development and asset enhancement works, in addition to providing various services in connection with the day-to-day operation of the properties owned by it. ESR-REIT is exposed to the risk that a third-party contractor may cause a delay in project completion or incur costs in excess of project estimates. This may in turn result in excess costs which may have to be borne by ESR-REIT in order to complete the project in a timely manner or at all.

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 development projects, or the inability to continue with the project. This may result in additional costs to ESR-REIT, as ESR-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, be adequately covered by insurances or match ESR-REIT's targeted quality levels. All of these factors could adversely affect ESR-REIT's business, financial condition and results of operations.

Renovation or redevelopment works or physical damage to the properties owned by ESR-REIT may disrupt the operations of such properties and the collection of rental income or otherwise have an adverse effect on the financial condition of ESR-REIT

The quality and design of the properties owned by ESR-REIT have a direct influence on the demand for space in, and the rental rates of, such properties. The properties owned by ESR-REIT 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 as a result 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 building ages. In addition, some of the older properties owned by ESR-REIT may be required to undergo regularisation exercises to comply with updated building codes. The business and operations of

the properties owned by ESR-REIT may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation, rectification, redevelopment works, maintenance or repairs. This may adversely affect the financial condition of ESR-REIT, and in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

In addition, physical damage to any of the properties owned by ESR-REIT 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 financial condition and results of operations of ESR-REIT. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

Potential liability for environmental problems could result in unanticipated costs

The properties owned by ESR-REIT may contain, or their operations may utilise certain material, processes or installations that are regulated pursuant to various environmental laws, including those relating to air pollution control, 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 hazardous substances. The costs of removal or remediation of such substances could be substantial. 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 the properties owned by ESR-REIT could adversely affect ESR-REIT's ability to lease or sell such properties or to borrow using these properties as collateral, and ESR-REIT may be required to incur unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on ESR-REIT's business, financial condition, results of operations, and prospects. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

ESR-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 owned by it and its potential liabilities to third parties

ESR-REIT maintains insurance policies covering its real properties in line with general business practices in the real estate industry, with policy specifications and insured limits which ESR-REIT believes are adequate. Risks insured against include industrial special risk which covers buildings from physical loss, damage and destruction and consequential loss arising from business interruption, terrorism and public liability. The properties owned by ESR-REIT may suffer physical damage caused by fire, natural disaster or other causes, and ESR-REIT may suffer public liability claims and loss of rent from the inability to use such properties, resulting in losses which may not be fully compensated by insurance proceeds.

In addition, certain types of risk (such as the risk of war and losses caused by contamination or other environmental breaches) 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, ESR-REIT could be required to pay compensation and/or may lose capital invested in the affected property as well as anticipated future revenue from that property. ESR-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. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

In the event that an uninsured loss or a loss in excess of insured limits occurs, ESR-REIT may not be able to rent out such affected property for a period of time until the property is fit for occupation and this would have an adverse effect on the revenue of ESR-REIT and the value of the properties.

In addition, should ESR-REIT fail to put in place or maintain adequate insurance in relation to its properties and its potential liabilities to third parties, ESR-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 the properties owned by ESR-REIT

Severe weather conditions and natural disasters such as earthquakes, tsunamis, typhoons and floods may affect the operations of the properties owned by ESR-REIT. These events may cause substantial structural and physical damage to the properties owned by ESR-REIT, 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 ESR-REIT's business, financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The properties owned by ESR-REIT are subject to environmental regulations and may be affected by contamination and other environmental issues

The properties owned by ESR-REIT may from time to time be affected by contamination or other environmental issues which may not previously have been identified and/or rectified. This gives rise to a number of risks including:

(i) the risk of prosecution by relevant authorities;

(ii) the requirement for unbudgeted additional expenditure to remedy such issues; and

(iii) 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.

The costs of removal or remediation of such substances could be substantial. 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 the properties owned by ESR-REIT could adversely affect ESR-REIT's ability to lease or sell such properties or to borrow using these properties as collateral, and ESR-REIT may be required to incur unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on ESR-REIT's business, financial condition, results of operations, and prospects. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The properties owned by ESR-REIT might be adversely affected if the ESR-REIT Manager or the Property Manager does not provide adequate management and maintenance services

Should the ESR-REIT Manager or the Property Manager fail to provide adequate management and maintenance services, the value of the properties owned by ESR-REIT might be adversely affected and this may result in a loss of end-users. This may in turn affect the tenants' ability to pay their rent, and hence have an adverse effect on the financial condition, business, results of operations and cash flow of ESR-REIT and the Issuer's ability to fulfil its payment obligations under the Notes.

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

The properties owned by ESR-REIT may require periodic capital expenditure beyond the ESR-REIT Manager's current estimates for refurbishment, renovation and improvements in order to remain competitive. ESR-REIT may not be able to fund capital improvements solely from cash

provided from its operating activities and ESR-REIT may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms. If ESR-REIT is not able to obtain such financing, the marketability of properties owned by ESR-REIT or the attractiveness of properties owned by ESR-REIT to new or existing tenants may be affected.

Redevelopment of the properties owned by ESR-REIT may be delayed or remain uncompleted and the ESR-REIT Manager may not be able to secure tenants for redeveloped properties

The ESR-REIT Manager undertakes redevelopment works of certain properties owned by ESR-REIT from time to time and there can be no assurance that any redevelopment works will be completed on time as planned and within budget. The counterparty may also fail to deliver and/or perform its obligations in connection with any redevelopment works, thus resulting in delay or failed completion. Although the ESR-REIT Manager has sought to mitigate some of the financial risks associated with the redevelopment works, such as obtaining performance bonds and providing for liquidated damages for delay in the relevant contract, there is no assurance that the counterparty will be able to perform its obligations.

There is no guarantee that the ESR-REIT Manager will be able to secure tenants or obtain a favourable rental rate for the properties owned by ESR-REIT upon completion of any redevelopment.

In the event that the redevelopment works do not complete on time and within budget as planned and/or the ESR-REIT Manager fails to secure tenants or obtain a favourable rental rate, the financial condition and results of operations of ESR-REIT may be adversely affected.

Please also see the risk factors titled "*ESR-REIT is exposed to general risks associated with the development and asset enhancement works on the properties owned by it" and "Renovation or redevelopment works or physical damage to the properties owned by ESR-REIT may disrupt the operations of such properties and the collection of rental income or otherwise have an adverse effect on the financial condition of ESR-REIT*".

Portions of 2, 4, 6 & 8 Changi Business Park Avenue 1 (ESR BizPark @ Changi), 750-750E Chai Chee Road (ESR BizPark @ Chai Chee), 16 Tai Seng Street and 86 & 88 International Road are 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 parts of 2, 4, 6 & 8 Changi Business Park Avenue 1 (ESR BizPark @ Changi), 750-750E Chai Chee Road (ESR BizPark @ Chai Chee), 16 Tai Seng Street and 86 & 88 International Road are within the railway protection zone and railway safety zone such that ESR-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, ESR-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 2, 4, 6 & 8 Changi Business Park Avenue 1 (ESR BizPark @ Changi), 750-750E Chai Chee Road (ESR BizPark @ Chai Chee), 16 Tai Seng

Street and 86 & 88 International Road 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 ESR-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 ESR-REIT to carry out asset enhancement or other development or rectification works in respect of 2, 4, 6 & 8 Changi Business Park Avenue 1 (ESR BizPark @ Changi), 750-750E Chai Chee Road (ESR BizPark @ Chai Chee), 16 Tai Seng Street and 86 & 88 International Road.

RISKS RELATING TO THE INVESTMENT IN REAL ESTATE FUNDS BY ESR-REIT

Any failure in the management of the private real estate funds that ESR-REIT invests in may adversely affect ESR-REIT's business, financial condition, results of operations and prospects

On 14 May 2021, ESR-REIT completed the acquisition of 10.0% of the total issued units in EALP for a purchase consideration of A$60.5 million. EALP, which comprises 37[2] prime logistics properties all located in Australia, is a private fund managed by ESR AM, an indirect subsidiary of ESR.

On 22 April 2022, ESR-REIT acquired a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund through the merger with ALOG. As at 31 December 2024, New LAIVS Trust owns 4 income-producing logistics properties located in New South Wales and Victoria, while Oxford Property Fund owns 1 income-producing logistics property in Victoria, both of which are private funds managed by LOGOS AM. Notwithstanding that EALP, New LAIVS Trust and Oxford Property Fund are managed by indirect subsidiaries of ESR with relevant real estate and fund management expertise, through its investment in such private real estate funds, ESR-REIT is exposed directly to the risks of the funds' investments.

On 1 February 2024, the ESR-REIT Manager announced that a subscription agreement was entered into between ESR-REIT INV3 Pte. Ltd. (formerly known as ESR-LOGOS REIT INV3 Pte. Ltd.), a wholly-owned subsidiary of ESR-REIT (the "**INV3**") with ESR Japan Income Fund, SCSp ("**JIF SCSp**"), acting through its managing general partner (*associé gérant commandité*) in relation to ESR-REIT's investment of US$70.0 million in ESR Japan Income Fund ("**JIF**").

In addition to the customary risks associated with real estate assets, if the private real estate funds ESR-REIT invests in acquire direct or indirect interests in undeveloped land or under-developed real estate which may be non-income producing, it will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning, environmental and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of such funds, such as weather or labour conditions or shortages of materials) and the availability of favourable terms on both construction and financing arrangements. Further, if economic conditions are unfavourable, the private real estate funds ESR-REIT invests in may not perform well and the funds may not be able to raise additional capital. If the private real estate funds that ESR-REIT invests in do not perform as expected, the total return that ESR-REIT derives from the funds will be adversely affected, since it is or will be tied to the value and performance of the funds. ESR-REIT may also lose some or all of its investment in such funds if the investments made by the funds fail or perform poorly.

2 At the time of acquisition. As at 31 December 2024, EALP owns 31 income-producing properties and 2 development sites which are currently under development.

ESR-REIT is subject to risks inherent in funds

Disagreements may occur between ESR-REIT and the other fund investors in EALP, New LAIVS Trust, or Oxford Property Fund, as the case may be, regarding the business and operations of the fund, which may not be resolved amicably. In addition, the other fund investors may have economic or business interests or goals that are not aligned with ESR-REIT's. Although private fund agreements generally contain terms that govern the treatment of such disputes, and ESR-REIT would generally seek to enforce its rights as enumerated within these legal agreements, the occurrence of any of these events may materially and adversely affect the performance of the fund, which in turn may materially and adversely affect ESR-REIT's business, financial condition, performance and prospects.

ESR-REIT's private real estate fund invests in relatively high-risk, illiquid assets, and it may fail to realise any profits from these activities for a considerable period of time or lose some or all of the principal amount of ESR-REIT's investments in these funds

ESR-REIT's private real estate fund invests in real estate assets that are relatively illiquid. The ability of such funds to dispose of investments is heavily dependent on the market conditions prevailing from time to time. Furthermore, such dispositions typically take time and therefore will be subject to risks of downward movement in market prices during the disposition period. If the fund that ESR-REIT invests in is unable to liquidate its assets at the opportune time, ESR-REIT may fail to realise any profits for a considerable period of time or lose some or all of the principal amount of its investments, which could in turn adversely affect ESR-REIT's business, financial condition, results of operations and prospects.

ESR-REIT

The section headed "ESR-REIT (formerly known as Cambridge Industrial Trust)" of the Information Memorandum shall be deleted in its entirety and replaced with the following:

1. HISTORY AND BACKGROUND

ESR-REIT is a leading New Economy and future-ready APAC Singapore real estate investment trust ("**S-REIT**"). Listed on the SGX-ST since 25 July 2006, ESR-REIT invests in quality income-producing industrial properties in key gateway markets.

ESR-REIT was constituted on 31 March 2006 by way of a trust deed (as amended) entered into between the ESR-REIT Manager and the ESR-REIT Trustee. ESR-REIT was officially listed on the Main Board of the SGX-ST on 25 July 2006 and has a market capitalisation of approximately S$2.0 billion as at 18 February 2025.

On 21 June 2017, the ESR-REIT Manager announced that the name of the REIT was changed from "Cambridge Industrial Trust" to "ESR-REIT" with effect from 23 June 2017.

On 15 October 2018, the ESR-REIT Manager announced that the merger of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**Stapled Securityholders**") and the Units in ESR-REIT held by the Unitholders, has become effective and binding in accordance with its terms (the "**VIT Merger**"). The VIT Merger was effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of arrangement (the "**Scheme**") in accordance with the Singapore Code on Take-overs and Mergers. Following the completion of the VIT Merger, VIT (comprising VI-REIT and Viva Industrial Business Trust ("**VI-BT**")) was delisted from the SGX-ST on 22 October 2018. VI-REIT ceased to be an authorised collective investment scheme and became a wholly-owned sub-trust of ESR-REIT and was, on 22 October 2018, renamed as Viva Trust ("**VT**"). VI-BT, which was dormant, was wound up in December 2018.

This was a landmark transaction that marked the first merger of two S-REITs into an enlarged trust upon completion.

On 15 October 2021, the ESR-REIT Manager announced the acquisition of ALOG which would be effected by way of a trust scheme of arrangement in accordance with the Singapore Code on Take-overs and Mergers. The ALOG Merger was approved on 21 March 2022 by the unitholders of ESR-REIT and ALOG. ALOG was a REIT that was listed on the SGX-ST, which invested in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in APAC.

The ALOG Merger was effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT) of all the issued and paid-up units in ALOG held by the unitholders of ALOG in exchange for a combination of cash and units in ESR-REIT. On 22 April 2022, the merger between ESR-REIT and ALOG became effective and binding in accordance with its terms. Following the completion of the merger on 28 April 2022, ALOG became a wholly-owned sub-trust of ESR-REIT and ALOG was delisted from the SGX-ST on 5 May 2022 and renamed as "ALOG Trust".

On 5 May 2022, the ESR-REIT Manager announced that the name of the REIT was changed from "ESR-REIT" to "ESR-LOGOS REIT" with effect from 5 May 2022. The ESR-REIT Manager subsequently announced on 2 December 2024 that the name of the REIT will be changed from "ESR-LOGOS REIT" back to "ESR-REIT" with effect from 4 December 2024.

Portfolio

As at 31 December 2024, ESR-REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$6.0 billion.. Its portfolio comprises 72 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.5 million sqm, as well as investments in three property funds in Australia. ESR-REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

With regard to the investments in three property funds, ESR-REIT holds a 10.0% interest in EALP, a private fund comprising predominantly freehold logistics properties all located in Australia. As at 31 December 2024, EALP owns 31 income-producing properties and 2 development sites which are currently under development. Collectively, the 33 prime logistics assets are located in core industrial markets of New South Wales, Victoria, Queensland and South Australia.

ESR-REIT also holds a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund following the ALOG Merger. As at 31 December 2024, New LAIVS Trust owns 4 income-producing logistics properties located in New South Wales and Victoria, while Oxford Property Fund owns 1 income-producing logistics property in Victoria.

The aggregated net asset value of the property funds as at 31 December 2024 is A$1,334.9 million, comprising A$844.2 million, A$293.2 million and A$197.5 million for EALP, New LAIVS Trust and Oxford Property Fund respectively.

Manager and Sponsor

ESR-REIT is managed by ESR-REIT Manager and sponsored by ESR. As at 31 December 2024, ESR and Shanghai Summit Pte. Ltd own 99.0% and 1.0% in the ESR-REIT Manager, respectively. As at 31 December 2024, ESR also owns a 100% stake in the Property Manager and is the largest Unitholder with a 20.8% stake.

ESR-REIT will benefit from being well supported by ESR, Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. ESR's fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Its focus on New Economy real assets offer customers modern solutions for logistics, data centres and infrastructure and renewables. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities in which it operates and for the spaces it develops to thrive for generations to come. ESR is listed on The Stock Exchange of Hong Kong. On 13 May 2024, ESR announced that it had received a non-binding and conditional proposal from a consortium of investors comprising Starwood Capital Operations, L.L.C. (for and on behalf of entities controlled by Starwood Capital Group), Sixth Street Partners, LLC (on behalf of certain of its affiliated investment funds and vehicles), and SSW Partners LP (on behalf of itself and its affiliated funds and entities) in relation to a possible privatisation of ESR which, if proceeded with, could result in a delisting of ESR from The Stock Exchange of Hong Kong. Subsequently, on 4 December 2024, ESR announced that it had signed an implementation agreement where it undertook to put forward a proposal to its shareholders a scheme of arrangement designed to effect, amongst other things, the privatisation and delisting of ESR from The Stock Exchange of Hong Kong. As at the date of this Supplemental Information Memorandum, ESR has not announced any further material updates on the proposed privatisation scheme and ESR remains listed on The Stock Exchange of Hong Kong.

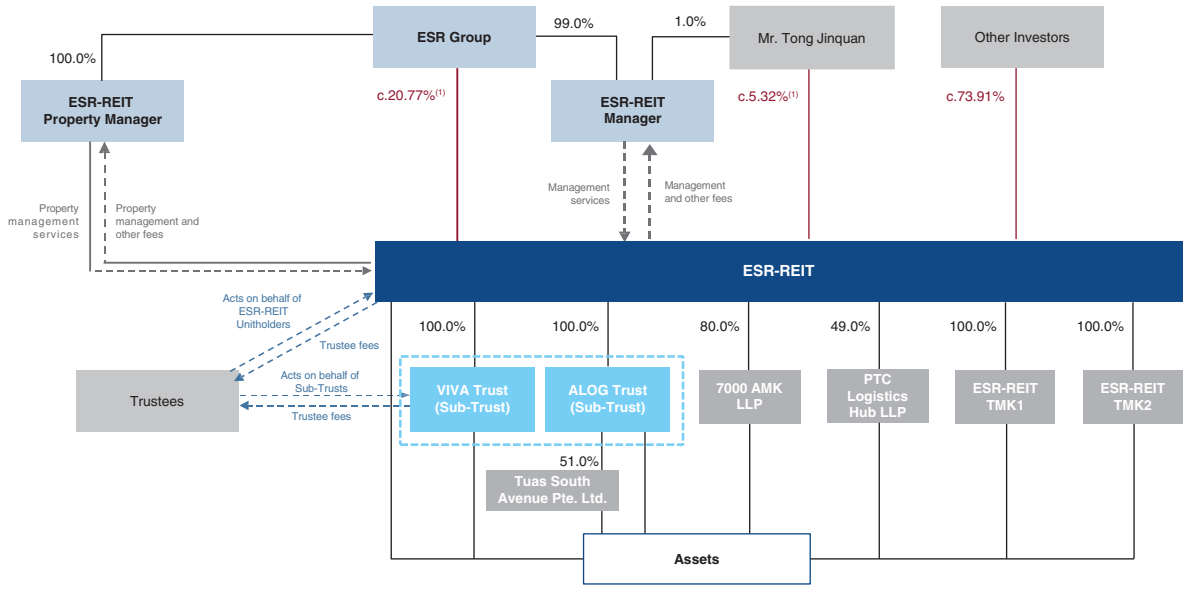
With ESR as the majority shareholder of the ESR-REIT Manager, the ESR-REIT Manager believes that it will be able to assist ESR-REIT to grow into a leading New Economy and future-ready APAC S-REIT. The ESR-REIT Manager is committed to optimising returns to Unitholders through the delivery of stable and secure returns and the creation of long-term capital growth. To achieve this objective, the ESR-REIT Manager has adopted a "4R Strategy": (i) portfolio Rejuvenation; (ii) capital Recycling; (iii) Recapitalising balance sheet; and (iv) Reinforcing sponsor support. Please refer to the section titled "*ESR-REIT Manager's Strategies*" for more information.

2. STRUCTURE OF ESR-REIT

The ESR-REIT Manager has general powers of management over the real estate and real estate related assets of ESR-REIT. The ESR-REIT Manager's main responsibility is to manage ESR-REIT's assets and liabilities for the benefit of the Unitholders. The ESR-REIT Manager sets the strategic direction of ESR-REIT and gives recommendations to the ESR-REIT Trustee on the acquisition, property development, divestment and/or enhancement of assets of ESR-REIT in accordance with its stated investment strategy.

The Property Manager is responsible for providing property management, project management, marketing and lease management, as well as the administration of property tax services for the properties held by ESR-REIT.

The following diagram illustrates the relationships between ESR-REIT, the ESR-REIT Manager, the Property Manager, the ESR-REIT Trustee and the Unitholders as at 31 December 2024:



Note:

(1) Includes direct interests and/or deemed interests through holding entities in ESR-REIT. Figures as at 31 December 2024.

Management of the ESR-REIT Manager

The key management of the ESR-REIT Manager as at the date of this Supplemental Information Memorandum comprises the following:

Name	Designation
Mr Adrian Chui	Chief Executive Officer and Executive Director
Ms Karen Lee	Deputy Chief Executive Officer
Mr Don Kok	Chief Financial Officer
Ms Charlene-Jayne Chang	Head of Capital Markets and Investor Relations
Mr Carlvin Chia	Head of Asset Management
Ms Nancy Tan	Head of Investment
Ms Irene Phua	Head of Human Resources and Corporate Services

Experience and Expertise of the ESR-REIT Manager's Management

The ESR-REIT Manager's management team has extensive experience and a proven track record in fund management and compliance, as well as investment, asset and property management in Singapore and the region. A number of the management members are real estate specialists and industry professionals with strong credentials and investment experience. Information on the working experience of the key management team as at the date of this Supplemental Information Memorandum is set out below:

Mr Adrian Chui
CEO and Executive Director

Please see section titled "*The ESR-REIT Manager – Experience and Expertise of the Board of Directors*" for details.

Ms Karen Lee
Deputy CEO

Ms Lee joined the ESR-REIT Manager in May 2022 as Deputy CEO, following the completion of the merger between ESR-REIT and ALOG. She is responsible for executing ESR-REIT's growth strategy.

Prior to joining the ESR-REIT Manager, Ms Lee was CEO of the ALOG Manager since August 2020. Before her CEO appointment, she was the Head of Asset and Investment Management for LOGOS SE Asia Pte Ltd, where she was instrumental in the investment and asset management strategic planning for LOGOS' Southeast Asia business, and growing the Singapore portfolio.

Ms Lee has more than 20 years of experience in the real estate industry covering industrial real estate development, asset and investment management, business development, leasing, marketing and property management. Prior to joining LOGOS, Ms Lee was Head of Singapore Portfolio and Asset Management of Ascendas Funds Management (S) Limited, the manager of Ascendas REIT ("**A-REIT**"). During her stint with Ascendas Funds Management (S) Limited, Ms Lee was responsible for formulating and executing strategic asset management strategies as well as overseeing the performance of A-REIT's S$9 billion AUM Singapore portfolio.

Ms Lee is currently a Board Member and Audit Committee Member of BBR Holdings (S) Ltd.

Ms Lee holds a Bachelor of Science (Economics) (Hons) degree and a Master of Science (Real Estate) from the National University of Singapore.

Mr Don Kok
Chief Financial Officer

Mr Kok was appointed CFO on 15 August 2022. Reporting to the CEO, he oversees all finance and tax-related functions, including the implementation of capital management strategies. He has close to 20 years of experience in accounting and finance, more than 12 years of which were with listed entities in the real estate and fund management industries. Mr Kok joined the ESR-REIT Manager as Financial Controller in August 2019.

Prior to joining the ESR-REIT Manager, Mr Kok was Vice President of Finance at Ascendas Funds Management (S) Limited (the manager of Ascendas REIT) from 2015 to 2019, where he was responsible for the financial reporting and tax matters of the Group. Prior to this, Mr Kok served as Finance Manager at ARA Asset Management Limited for almost six years. He started his finance career at PSA Corporation Limited.

Mr Kok holds a Bachelor of Accountancy (Second Class Honours) degree from the Nanyang Technological University, Singapore.

Ms Charlene-Jayne Chang
Head of Capital Markets and Investor Relations

Ms Chang joined the ESR-REIT Manager in April 2017 as Head of Capital Markets and Investor Relations. She reports to the CEO and manages the capital markets, fundraising, treasury, investor relations and corporate communications functions of the ESR-REIT Manager to execute the REIT's strategic initiatives. In her role, Ms Chang is responsible for originating and executing strategic opportunities, mergers and acquisitions and drives fundraising for ESR-REIT across equity and debt capital markets, loan markets and alternative capital sources as well as treasury strategies. In addition, Ms Chang is also responsible for investor, media and stakeholder engagement, corporate marketing and communications.

Prior to joining the ESR-REIT Manager, Ms Chang was a Director of the Commercial Real Estate division at Standard Chartered Bank and has originated and executed major transactions across Singapore and Southeast Asia for real estate companies, REITs and Business Trusts. In her role, she was responsible for the structuring, valuation, fundamental analysis, financing and execution advice for mergers and acquisitions, initial public offerings, and follow-on offerings of equity, equity-linked and debt securities.

Before joining Standard Chartered Bank, Ms Chang was based in the Hong Kong and Singapore Corporate Finance offices of the Royal Bank of Scotland, providing corporate finance advisory and executing cross-border transactions across Hong Kong, China and Southeast Asia.

Ms Chang is currently a non-executive independent director and member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee of GP Industries Limited.

Ms Chang holds a Bachelor of Business Administration degree with double majors in Finance and Management from the National University of Singapore.

Mr Carlvin Chia
Head of Asset Management

Mr Chia joined the ESR-REIT Manager in May 2022. Mr Chia is responsible for developing and executing asset management strategies to drive income performance and returns of ESR-REIT's portfolio. He has more than 20 years of experience in the real estate industry, covering portfolio and asset management, development, marketing, leasing, and property management.

Prior to joining the ESR-REIT Manager, Mr Chia was Head of Asset Management for ALOG since May 2021. Prior to joining ALOG, Mr Chia was Vice President, Portfolio Management, at Ascendas Funds Management (S) Limited, the manager of A-REIT, where he was responsible for driving portfolio strategies and performance of A-REIT's Business & Science Park portfolio of 27 business park assets in Singapore. Prior to this, he was Co-Head of A-REIT's Logistics portfolio in Singapore, overseeing the performance of 21 logistics assets. He also previously held roles at Mapletree and JTC Corporation.

Mr Chia graduated on the Dean's Merit List with a Bachelor of Business (Property) degree from the University of South Australia.

Ms Nancy Tan
Head of Investment

Ms Tan joined the ESR-REIT Manager in February 2009 as Asset Manager and was appointed as the Head of Real Estate in February 2011 and is currently Head of Investment. She reports to the CEO and Deputy CEO and is responsible for developing and executing ESR-REIT's investment strategy in Singapore and overseas, as well as the sourcing and execution of new investment opportunities with a view to enhancing ESR-REIT's portfolio returns. She has over 23 years of experience in the real estate and asset management industry in Singapore.

Prior to joining the ESR-REIT Manager, Ms Tan was the Fund Manager of MacarthurCook Industrial REIT. She also held management positions in a number of established real estate firms, including Far East Organisation and City Developments Limited.

Ms Tan holds a Bachelor of Science (Estate Management) degree from the National University of Singapore and a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

Ms Irene Phua
Head of Human Resources and Corporate Services

Ms Phua joined the ESR-REIT Manager in July 2017 as Head of Human Resources and Corporate Services. She reports to the CEO and oversees the human resources and office administration functions of ESR-REIT and the ESR-REIT Manager.

Ms Phua has more than 22 years of experience providing human capital insight to management, developing talent to enhance skills and productivity as well as cultivating leaders for business continuity. Prior to joining the ESR-REIT Manager, Ms Phua was the Associate Director of a real estate consultancy firm and was responsible for formulating human resource strategies for the company.

Ms Phua graduated from University of Bradford with a Bachelor of Science (Honours) in Business and Management Studies.

Roles and Responsibilities of the ESR-REIT Manager

The ESR-REIT Manager has general powers of management over the real estate and real estate related assets of ESR-REIT. The ESR-REIT Manager's main responsibility is to manage ESR-REIT's assets and liabilities for the benefit of Unitholders.

The main functions and responsibilities of the ESR-REIT Manager are as follows:

- Principal investment strategy: Formulate and execute ESR-REIT's principal investment strategy, including determining the location, sub-sector type and other characteristics of ESR-REIT's property portfolio, and setting the strategic direction of ESR-REIT;

- Investment and asset management: Make recommendations to the ESR-REIT Trustee on the acquisition, development, divestment or asset enhancement of the assets of ESR-REIT in accordance with its stated investment strategy;

- Planning and reporting: Make periodic property business plans, including budgets, forecasts and reports, relating to the performance of ESR-REIT's properties;

- Financing: Provide advisory services and raise funds for ESR-REIT's property acquisitions, distribution payments, expense payments, capital expenditure payments, property maintenance payments, and establish effective capital management to ensure continuous liquidity and financial flexibility for operations;

- Administrative and advisory services: Perform day-to-day administrative services as ESR-REIT's representative, including providing administrative services relating to meetings of Unitholders when such meetings are convened;

- Investor relations: Communicate and liaise with Unitholders and potential investors;

- Compliance management: Make requisite regulatory filings on behalf of ESR-REIT and ensure that ESR-REIT is in compliance with the applicable provisions of the SFA and all other relevant legislations, including the Listing Manual, the CIS Code (including the Property Funds Appendix), the ESR-REIT Trust Deed and the Capital Markets Services Licence, and ensure adequate and effective risk management, internal controls and compliance with the applicable laws and regulations, including the SFA and all other relevant legislations, the Listing Manual, the CIS Code (including the Property Funds Appendix), the ESR-REIT Trust Deed, written directions, notices and other guidelines that MAS may issue from time to time;

- Accounting: Maintain financial records and prepare or cause to be prepared financial accounts and annual reports; and

- Lease and property management supervision: Supervise the execution of works by the Property Manager, which performs the day-to-day lease and property management functions for ESR-REIT's properties, to ensure that it meets its objectives pursuant to the Property Management Agreement.

The ESR-REIT Manager has covenanted in the ESR-REIT Trust Deed to use its best endeavours to carry on and conduct its own business and the business of ESR-REIT in a proper and efficient manner and to conduct all transactions with or for ESR-REIT on an arm's length basis and on normal commercial terms.

The ESR-REIT Manager may require the ESR-REIT Trustee to borrow on behalf of ESR-REIT (upon such terms and conditions as the ESR-REIT Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Properties) whenever the ESR-REIT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable ESR-REIT to meet any liabilities or to finance the acquisition of any property. However, the ESR-REIT Manager must not direct the ESR-REIT Trustee to incur a borrowing if to do so would cause ESR-REIT's total borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or in Units) to exceed any limit prescribed by the Property Funds Appendix or any other limit as may be specifically permitted by MAS.

In the absence of fraud, gross negligence, wilful default or breach of the ESR-REIT Trust Deed by the ESR-REIT Manager, the ESR-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 ESR-REIT Trust Deed. In addition, the ESR-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 ESR-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 ESR-REIT Trust Deed by the ESR-REIT Manager.

The ESR-REIT Manager manages ESR-REIT and performs its duties and obligations under the ESR-REIT Trust Deed.

Retirement and Removal of the ESR-REIT Manager

The ESR-REIT Manager shall have the power to retire in favour of a corporation approved by the ESR-REIT Trustee to act as the manager of ESR-REIT.

The ESR-REIT Manager may also be removed by notice given in writing by the ESR-REIT Trustee if:

- the ESR-REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the ESR-REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the ESR-REIT Manager;

- the ESR-REIT Manager ceases to carry on business;

- the ESR-REIT Manager fails or neglects after reasonable notice from the ESR-REIT Trustee to carry out or satisfy any material obligation imposed on the ESR-REIT Manager by the ESR-REIT Trust Deed;

- the Unitholders, by a resolution duly passed by 50.0% or more of the total number of votes represented by all the Units in issue entitled to vote on the matter present and voting at a Unitholders' meeting duly convened and held in accordance with the provisions of the ESR-REIT Trust Deed, shall so decide;

- for good and sufficient reason, the ESR-REIT Trustee is of the opinion, and states so in writing, that a change of the ESR-REIT Manager is desirable in the interests of the Unitholders;

- MAS directs the ESR-REIT Trustee to remove the ESR-REIT Manager; or

- MAS revokes its authorisation of ESR-REIT as an authorised scheme under Section 286 of the SFA or revokes its authorisation of the ESR-REIT Manager under the Property Funds Appendix.

Where the ESR-REIT Manager is removed on the basis that a change of the ESR-REIT Manager is desirable in the interests of the Unitholders, the ESR-REIT Manager has a right under the ESR-REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the ESR-REIT Manager, the ESR-REIT Trustee and all Unitholders.

Management of the Property Manager

The key management of the Property Manager as at the date of this Supplemental Information Memorandum comprises the following:

Name	Designation
Mr Chan Wei Chie	General Manager

Experience and Expertise of the Property Manager's Management

Information on the working experience of the key management team as at the date of this Supplemental Information Memorandum is set out below:

Mr Chan Wei Chie
General Manager

Mr Chan joined the Property Manager in May 2022 as General Manager following the completion of the merger between ESR-REIT and ALOG. He reports to the Deputy CEO and oversees the lease and property management functions where he is responsible for optimising the performance of the ESR-REIT's properties under his charge. Mr Chan has more than 20 years of experience in delivering property management services to various diverse institutional, commercial, healthcare, and industrial buildings.

Prior to joining the Property Manager, Mr Chan was the Head of Property Management with ARA LOGOS Property Management Pte. Ltd., the property manager of ALOG, and was responsible for procurement, property and project management functions relating to ALOG's property portfolio. He had also assumed the role of Senior Manager with Ascendas Services Pte Ltd, the property manager of A-REIT, and was also previously Deputy General Manager with CPG FM Pte Ltd.

Mr Chan holds a Bachelor of Applied Science (Construction Management) (Hons) degree from RMIT University and a Master of Science (Real Estate) from the National University of Singapore.

Services provided by the Property Manager

The ESR-REIT Manager, the ESR-REIT Trustee and the Property Manager, the VT Manager, the VT Trustee and the Property Manager, as well as the ALOG Manager, the ALOG Trustee and the Property Manager, have entered into three separate Property Management Agreements, respectively, under which the Property Manager will provide the following services for the properties of ESR-REIT, subject to the overall management and supervision of the ESR-REIT Manager, the VT Manager and the ALOG Manager:

The Property Manager is committed to providing optimal solutions and services to meet the needs of ESR-REIT's customers as well as enhancing the property value of ESR-REIT's portfolio.

- Property management services. Together with ESR-REIT's asset management team, the Property Manager ensures that the property specifications and service levels are commensurate with the intended market positioning of each property. These include recommending third-party contracts for provision of property maintenance services, recommending third-party contracts for the provision of property management services (including parking facilities management), maintenance services, supervising the performance of service providers and contractors and ensuring compliance with building and safety regulations;

- Leasing and lease management services. The Property Manager is responsible for proactively marketing and leasing out vacant space, initiating lease renewals and negotiating terms of lease to enhance portfolio occupancy and revenue. In addition, the Property Manager is responsible for coordinating tenants' fitting-out requirements, administering rental collection, managing rental arrears, administering all property tax matters, and achieving the desired level of customer service;

- Expense management. The Property Manager adopts a prudent operational strategy in line with ESR-REIT Manager's objective of maximising returns without compromising its desired level of service. These include continuous improvement of operating processes to improve productivity and to enhance operational effectiveness so as to manage operational costs effectively. The Property Manager also conducts bulk procurement so as to enjoy economies of scale to optimise value and manage costs effectively; and

- Project management services. These relate to development or redevelopment (unless otherwise prohibited by the Property Funds Appendix or any other laws or regulations), the refurbishment, retrofitting and renovation of the properties of ESR-REIT, including the recommendation of project budget and project consultants, and the supervision and implementation of the project to ensure each project is carried out in a timely and efficient manner.

Removal of the Property Manager

The ESR-REIT Trustee or the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Trustee or the VT Manager, or in respect of properties under ALOG only, the ALOG Trustee or the ALOG Manager) may terminate the appointment of the Property Manager in relation to all the properties of ESR-REIT under the management of the Property Manager on the occurrence of certain specified events, which include the liquidation or cessation of business of the Property Manager.

The ESR-REIT Trustee or the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Trustee or the VT Manager, or in respect of properties under ALOG only, the ALOG Trustee or the ALOG Manager) may also terminate the appointment of the Property Manager specifically in relation to a property under its management in the event of the sale of such property, but the relevant Property Management Agreements will continue to apply with respect to the remaining properties managed by the Property Manager under the terms of the relevant Property Management Agreements.

In addition, if the Property Manager, within 90 days of receipt of written notice, fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the ESR-REIT Trustee or the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Trustee or the VT Manager, or in respect of properties under ALOG only, the ALOG Trustee or the ALOG Manager) may terminate the appointment of the Property Manager in relation only to such property in respect of which the breach relates, upon giving 30 days' written notice to the Property Manager.

If the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Trustee or the VT Manager, or in respect of properties under ALOG only, the ALOG Trustee or the ALOG Manager) is of the view that the Property Manager has not been achieving certain key performance indicators set out in the relevant Property Management Agreements despite receiving notices in writing from the ESR-REIT Manager (or as the case may be in respect of properties under VT only, the VT Manager, or in respect of properties under ALOG only, the ALOG Manager) specifying the key performance indicators which the Property Manager has failed to achieve, then the ESR-REIT Trustee or the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Trustee or the VT Manager, or in respect of properties under ALOG only, the ALOG Trustee or the ALOG Manager) shall have the right to terminate the relevant Property Management Agreements in relation only to the property in respect of which the Property Manager's failure to achieve the key performance indicator relates, subject to and in accordance with the relevant Property Management Agreements.

On the termination of the appointment of the Property Manager, the ESR-REIT Manager (or, as the case may be in respect of properties under VT only, the VT Manager, or in respect of properties under ALOG only, the ALOG Manager) shall, as soon as practicable, procure the appointment of a replacement property manager for the affected property.

3. ESR-REIT MANAGER'S STRATEGIES

The principal investment strategy of the ESR-REIT Manager is to invest, directly or indirectly, in income-producing real estate and real estate-related assets which are used mainly for industrial purposes. The ESR-REIT Manager's key objectives are to optimise total returns through the delivery of stable returns to Unitholders and the creation of long-term capital growth.

The ESR-REIT Manager's "4R Strategy" aims to enhance the quality of ESR-REIT's portfolio and increase its exposure to the New Economy sector which is supported by secular growth trends. The strategy consists of the following:

- portfolio Rejuvenation through divestments, redevelopments and AEIs;
- Recapitalising balance sheet for future growth opportunities;
- Recycling capital towards quality modern new economy assets with longer land leases; and
- Reinforcing sponsor support for quality growth and expansion.

The ESR-REIT Manager is committed to implement a disciplined investment strategy in accordance with the following guidelines:

- Undertake AEI, developments and portfolio rejuvenation while balancing portfolio risk and returns;
- Investment portfolio will primarily comprise real estate used mainly for industrial purposes (including investments in real estate related assets and/or other related value-enhancing assets or instruments); and
- Sourcing of investment opportunities beyond Singapore for the long term, with the current focus on countries where ESR has an established footprint, depending on investment opportunities and market conditions.

(i) Portfolio Rejuvenation

ESR-REIT's rejuvenation strategy centres around: (1) divestments of non-core assets; (2) redevelopment of older specification assets into modern and future-ready properties; and (3) AEIs to repurpose and rejuvenate dated assets to suit the demands of the New Economy.

In this regard, ESR-REIT rejuvenated its portfolio towards modern, in-demand and scalable New Economy assets, ensuring their relevance to the needs of businesses in New Economy sectors. As at 31 December 2024, New Economy assets of Logistics and High-Specs Industrial spaces accounted for more than two-thirds or 70.2% of ESR-REIT's total portfolio, aligning with the evolving needs of modern industrialists.

In addition, the ESR-REIT Manager, together with the Property Manager, works closely with the tenants of ESR-REIT's properties to establish strong relationships necessary for maintaining high tenant retention levels and optimising vacancy levels. The ESR-REIT Manager, together with the Property Manager, proactively seeks to maximise returns on ESR-REIT's properties through the following strategies.

Divestments of Non-Core Assets

The quality of the portfolio is further enhanced with the divestment of non-core assets that have reached their optimal stage with limited asset enhancement or redevelopment potential, which include the following:

- On 14 January 2022, ESR-REIT divested 28 Senoko Drive for a sale consideration of S$12.0 million (excluding divestment costs and applicable goods and services tax).

- On 14 March 2022, ESR-REIT divested 45 Changi South Avenue 2 for a sale consideration of S$11.1 million (excluding divestment costs and applicable goods and services tax).

- On 25 May 2022, the ESR-REIT Manager announced that Berkeley Trust (an indirect wholly-owned entity of ESR-REIT) has entered into an agreement to divest 3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia, for a sale consideration of S$53.4 million (A$55.0 million) (excluding divestment costs and applicable goods and services tax). The divestment was completed on 22 July 2022.

- On 29 July 2022, the ESR-REIT Manager announced that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG Trust) a sub-trust of ESR-REIT, has entered into a contract of sale to divest 49 Pandan Road, Singapore, to ST Logistics Pte. Ltd for a sale consideration of S$43.5 million (excluding divestment costs and applicable goods and services tax). The divestment was completed on 21 February 2023.

- On 29 September 2022, the ESR-REIT Manager announced that RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT) has entered into a contract of sale to divest 2 Jalan Kilang Barat, Singapore, for S$35.3 million (excluding divestment costs and applicable goods and services tax). The divestment was completed on 24 November 2022.

- On 19 December 2022, the ESR-REIT Manager announced that Perpetual (Asia) Limited, in its capacity as trustee of ESR-REIT, entered into a contract of sale to divest 70 Seletar Aerospace View, Singapore, for approximately S$7.1 million (excluding divestment costs and applicable goods and services tax). The divestment was completed on 1 November 2023.

- On 23 June 2023, the ESR-REIT Manager announced the divestment of seven non-core assets in Singapore and Australia, comprising a portfolio of six non-core assets in Singapore and 51 Musgrave Road, Australia, for approximately S$337.0 million (excluding divestment costs and applicable goods and services tax). The key considerations for these divestments include the accelerating rate of decline in value of properties, as well as the potential impact of continued rising interest rates on the capitalisation and discount rates used for valuation of the properties. These divestments were completed on 26 July 2023 (51 Musgrave Road in Australia), 23 August 2023 (3 Pioneer Sector 3, 21 Changi North Way, and 30 Toh Guan Road in Singapore), 15 September 2023 (22 Chin Bee Drive in Singapore) and 16 October 2023 (4 & 6 Clementi Loop and 6 Chin Bee Avenue in Singapore).

- On 2 October 2023, the ESR-REIT Manager announced the divestment of 2 Tuas South Avenue 2 in Singapore at 35.2% premium to valuation for S$53.0 million (excluding divestment costs and applicable goods and services tax). The divestment was completed on 1 November 2023.

- On 11 April 2024, the ESR-REIT Manager announced that The Trust Company Limited, as trustee for Altona (VIC) Trust (an indirectly wholly-owned entity of ESR-REIT) has entered into a contract of sale to divest 182-198 Maidstone Street, Altona VIC, Australia, for a sale consideration of A$65.5 million (excluding divestment costs and applicable goods and services tax). The sale consideration represents a 7.4% premium to the valuation of the property of A$61.0 million. The divestment was completed on 30 April 2024.

- On 29 August 2024, the ESR-REIT Manager announced that Perpetual (Asia) Limited, in its capacity as trustee of ESR-REIT, has entered into a contract of sale to divest 81 Tuas Bay Drive, Singapore, for a sale consideration of S$35.0 million (excluding divestment costs and applicable goods and services tax) subject to the terms and conditions of the contract. The sale consideration represents a 16.7% premium above an independent valuation of S$30.0 million. The divestment was completed on 30 October 2024.

- On 15 January 2025, the ESR-REIT Manager announced that Perpetual (Asia) Limited, in its capacity as trustee of ESR-REIT, has entered into a contract of sale to divest 79 Tuas South Street 5, Singapore 637604 for S$9.85 million (excluding divestment costs and applicable goods and services tax) subject to the terms and conditions of the contract. The sale consideration represents a 1.5% premium above an independent valuation of S$9.7 million. The divestment is expected to be completed in 1Q2025.

- On 27 January 2025, the ESR-REIT Manager announced that Perpetual (Asia) Limited, in its capacity as trustee of ESR-REIT, has entered into a contract of sale to divest 1 Third Lok Yang Road, Singapore 627996 and 4 Fourth Lok Yang Road, Singapore 629701 for approximately S$6.8 million (excluding divestment costs and applicable goods and services tax) subject to the terms and conditions of the contract. The sale consideration represents a 3.5% premium above an independent valuation of S$6.6 million. The divestment is expected to be completed in 1Q2025.

Asset Enhancement Initiatives and Redevelopments

To ensure that the properties owned by ESR-REIT remain relevant to existing and potential tenants and to enable ESR-REIT to optimise its occupancy and rental rates, the ESR-REIT Manager adopts a proactive asset management strategy where it actively evaluates the properties that ESR-REIT owns, together with the Property Manager.

The ESR-REIT Manager, together with the Property Manager, actively manages ESR-REIT's properties to maximise returns through prudent control of property outgoings, and asset enhancement projects to maintain competitive positioning of the assets.

In line with this strategy, the following AEI works were carried out:

- A new multi-tenanted standalone high-specifications building with a gross floor area of approximately 25,000 sqm suitable for advanced manufacturing, info-comm and data centre tenants, was developed at 7000 Ang Mo Kio Avenue 5. Named 7002 Ang Mo Kio Avenue 5, the AEI attained TOP status on 8 September 2023, and its occupancy increased to approximately 62% within two months of obtaining TOP. As at 31 December 2024, 7002 Ang Mo Kio Avenue 5 has achieved 86.6% occupancy.

- 16 Tai Seng Street is currently undergoing enhancement to maximise its plot ratio. At a cost of approximately S$32.0 million, the works will increase GFA by approximately 2,793 sqm, bringing the total GFA to approximately 22,800 sqm. In 2Q2023, ESR-REIT secured the lease renewal of an incumbent tenant in the pharmaceutical industry, achieving a positive rental reversion of approximately 40%. As at 31 December 2024, the AEI is 80% completed and due for completion in 1H FY2025.

- On 12 April 2022, the ESR-REIT Manager announced that it will be redeveloping a Built-to-Suit high-specifications facility ("**Redevelopment**") at 21B Senoko Loop for NTS Components Singapore Pte Ltd. ("**NTS**"). The estimated cost of the Redevelopment is approximately S$38.5 million. The Redevelopment will be executed in two phases to convert the aforesaid property from a general industrial building to a high-specifications asset with phase one expected to be completed in the first half of 2023 and phase two to follow about ten months after. The phased redevelopment allows NTS to better plan and start its business expansion and operations with minimal delay. On 22 January 2024, the ESR-REIT Manager announced the attainment of Temporary Occupation Permit status for the Redevelopment. Under the Redevelopment agreement, 21B Senoko Loop will be leased to NTS on a triple net basis for 15 years and will have built-in annual rental escalations. NTS will take full responsibility for the payment of utilities, maintenance expenses, property tax and land rent. On 23 September 2024, the ESR-REIT Manager announced the grand opening of the Redevelopment that was held on 20 September 2024 to celebrate its completion.

- On 31 October 2022, the ESR-REIT Manager announced that 53 Peregrine Drive, Port of Brisbane, a logistics property located in Queensland, Australia, has obtained its Practical Completion following the completion of its AEI on 24 October 2022. The AEI increased its gross floor area by 26,335 sqm with an additional warehouse of 10,115 sqm and hardstand of 16,220 sqm. Through this development, ESR-REIT secured the tenant at the asset for a long 13.7-year lease term.

Property Development

ESR-REIT will selectively evaluate development opportunities (including ESR's potential pipeline of assets) in which it may participate either individually or as part of a joint venture with ESR or other potential third parties. These development projects (which may also come from ESR-REIT's existing portfolio as part of ESR-REIT's asset rejuvenation strategies) will rejuvenate and improve portfolio quality to attract and retain tenants. The ESR-REIT Manager will focus on developments with building specifications that can cater to prospective tenants' current and future operational requirements. The intention is to improve the quality and marketability of the portfolio so that high-quality tenants and higher rents can be secured, which will help to improve the income quality, stability and lease expiry profile of the properties held by ESR-REIT. In carrying out any development activities, the ESR-REIT Manager will consider, among other things, development risks, construction risks, leasing risks and other financial and general risk criteria.

ESR-REIT will also leverage on ESR's proven track record as a developer of warehousing and distribution facilities for leading global third-party logistics providers and e-commerce companies.

Leverage on Real Estate Supply and Demand Trends

COVID-19 has hastened the adoption of new technologies across a range of industry sectors and disciplines where advances in manufacturing would translate to a stronger demand for new economy space. Similarly, the pandemic has brought forth a paradigm shift in the way goods are produced, delivered and consumed with global corporations adopting and replacing "Just-in-Time" manufacturing with "Just-in-Case" manufacturing. The ongoing US-China trade tensions, as well as conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel, have severely disrupted global supply chains, resulting in industries re-calibrating their global manufacturing locations and supply chains in order to increase their supply chain agility. In addition, e-commerce continues to grow strongly with growing demand from last mile, cold chain, logistics and parcel delivery. ESR-REIT is well-positioned to capture the growing demand in the New Economy Logistics and High-Specs Industrial asset classes given such secular trends. As at 31 December 2024, the New Economy Logistics and High-Specs Industrial asset classes comprise approximately 70.2% by rental income of ESR-REIT's portfolio. This positions ESR-REIT to ride on the potential demand and rental upside and at the same time, provides additional flexibility for AEIs to be conducted on ESR-REIT's existing assets identified to rejuvenate its portfolio to be future-ready. Having a combination of multi-tenanted assets and single-tenanted assets within the portfolio also provides additional flexibility for ESR-REIT to capture rental upside during a rising market.

Operational Synergies and Economies of Scale

The ESR-REIT Manager has organised the Singapore assets in geographical regions with the objective of streamlining on-site operational management resulting in the delivery of faster response time and higher service quality to tenants. To mitigate cost escalation, outcome-based specifications are introduced for manpower-centric contracts (e.g. Cleaning and Security services) to mitigate the rising manpower cost as a result of the Progressive Wage Model. ESR-REIT Manager has also pivoted towards amalgamating similar trades and services into bulk contracts for greater economies of scale. With ESR-REIT's sizeable portfolio, this creates a multiplier effect and stronger bargaining power with service providers, thus leading to more efficient operational and maintenance costs.

Leverage on Existing Relationships with Tenants

The ESR-REIT Manager continues to leverage on existing relationships with tenants to manage lease renewals and/or expansion opportunities and create partnership prospects for asset acquisitions and/or new leasing opportunities as these tenants expand in Singapore and in the APAC region. Regular interaction and feedback with key tenants are also obtained from tenants to foster close landlord-tenant relationships.

Employ Proactive Leasing and Marketing Initiatives

The ESR-REIT Manager aims to maintain a high occupancy rate by actively working with the Property Manager in pursuing new leads and managing lease renewals at least six months in advance of lease expiries through proactive negotiations with tenants or pursuing new leasing opportunities to attract value-added tenants well in advance of the expiry of their respective leases and sub-leases. Proactive lease management has ensured that ESR-REIT's portfolio occupancy levels have been consistently above industrial average, at 92.3% as at 31 December 2024.

The ESR-REIT Manager's leasing strategy will target new and existing anchor tenants, sub-tenants and licensees that can enhance the quality of the tenant base and overall yield of the properties held by ESR-REIT. For example, the ESR-REIT Manager announced on 25 January 2024 that it had entered into a new 20-year master lease with PharmaGend Global Medical Services Pte. Ltd. at 3 Tuas South Avenue 4. The newly signed master lease represents a contribution of approximately 1.0% of ESR-REIT's portfolio rental income as at 30 September 2023, extends ESR-REIT's weighted average lease expiry from 3.4 years to 3.5 years and represents a positive rental growth of over 35% over the previous lease. In addition, the site has unutilised plot ratio which could yield additional approximately 19,000 sqm of space for potential future expansion. Other major renewals and new leases secured in FY2024 include a lease renewal with expansion of space by Yamato Transport Singapore at 24 Penjuru Road, and a new lease with Slattery Auctions Victoria Pty Ltd at 41-45 Hydrive Close in Australia, a lease renewal by United Test and Assembly Center Ltd at 12 Ang Mo Kio Street 65, a new lease by KWE-Kintetsu World Express (S) Pte Ltd at ESR BizPark @ Changi Singapore, an expansion of space by Karitsu Co. Ltd at ESR Yatomi Kisosaki Distribution Centre in Japan, and a new lease by Focuslight Singapore Pte. Ltd. at 7000 Ang Mo Kio Avenue 5.

Improve Operational Efficiency to Reduce Operating Cost

The ESR-REIT Manager will seek to manage expenses at each of ESR-REIT's properties without compromising the service quality to tenants. The ESR-REIT Manager intends to leverage on the portfolio size of ESR-REIT's properties to achieve economies of scale and cost savings in procuring and providing services to tenants.

(ii) Capital Recycling

Under the second strategy, funds raised through the sale of non-core assets will be channelled to pare down debt levels or be redeployed towards higher quality assets which cater primarily to the New Economy sector. The focus will be recycling the sale proceeds towards New Economy assets with freehold or longer land lease tenures with green features.

Within the limits of the Property Funds Appendix, the ESR-REIT Manager will use a total returns approach and look to acquire assets that are yield-accretive and value-enhancing with scalable long-term DPU and/or NAV growth prospects. ESR-REIT seeks to create value for Unitholders via potential local and overseas acquisitions through sizeable single asset and/or portfolio acquisitions to drive portfolio total returns. This includes overseas acquisitions and investments in private funds (for tax efficiency and investment opportunities) to address structural short land leases in Singapore's industrial property sector.

Acquisitions

Disciplined approach with a total returns perspective in evaluating acquisition and development opportunities, the ESR-REIT Manager will focus primarily on the following investment criteria:

- Pursuing strategic growth opportunities that complement ESR-REIT's portfolio and enhance ESR-REIT's capacity for long-term sustainable growth.

- Enhancement of returns – properties with income yields that will deliver accretion to ESR-REIT's distribution.

- Choice of location – properties which are near, and have convenient access to, major infrastructure and transportation hubs and within established industrial precincts/zones.

- Building and facilities specifications – properties with building and facilities specifications that can be used by a wide range of tenants to enhance the tenant mix and occupancy levels. Some of these specifications may include, but are not limited to, floor load capacity, good floor-to-ceiling heights, regular floor plates and power provision.

- Tenant credit quality and diversification – properties which have (a) tenants with good credit quality, (b) a diversified tenant mix for multi-tenanted properties, and (c) established and reputable tenants. The ESR-REIT Manager will evaluate the credit quality of tenants and, when considered prudent, carry out relevant enquiries. The ESR-REIT Manager will aim to have a diversified tenant base to diminish tenant concentration risk.

- Land lease tenure expiry profile – properties with freehold and/or longer underlying land lease tenure.

- Lease expiry profile – properties that improve the weighted average lease-to-expiry profile of the properties held by ESR-REIT and/or provide added diversification to the lease expiry profile to minimise ESR-REIT's exposure to lease expiry in any one year.

- Asset enhancement and repositioning potential – properties with potential for adding value through capital expenditure especially through unused available plot ratio and/or repositioning potential.

Acquisition with Regional Diversification

The ESR-REIT Manager's medium- and longer-term strategy is to evaluate and pursue yield-accretive, value-enhancing and risk diversification acquisition opportunities in Singapore and overseas with a total returns approach in order to enhance the geographical spread and improve the profile of land lease expiries and tenant base of properties held by ESR-REIT, as well as to mitigate the valuation decay within ESR-REIT's portfolio due to a declining land lease balance associated with assets of shorter land leases, which are typical of Singapore industrial properties. Any expansion outside of Singapore, Australia and Japan will likely focus on overseas markets where ESR has a presence, which allows ESR-REIT to leverage on ESR's established operating platform and local property knowledge in these countries. There is efficient management of these overseas assets through ESR's on-ground teams. ESR's pipeline includes a mix of scalable income-producing and/or development assets.

In assessing overseas acquisitions, the ESR-REIT Manager will consider several additional factors in its acquisition criteria, including but not limited to:

- Ownership risks (e.g. form of land title, requirement for local partner);

- Country risks (e.g. political stability, business environment, law and order);

- Currency and tax risks (e.g. currency volatility and difference in tax regime);

- Market risks (e.g. property price and rental yield volatility, industry regulation and infrastructure); and

- Asset-specific risks (e.g. land tenure, tenant and building specifications).

(iii) Recapitalising Balance Sheet

The ESR-REIT Manager aims to optimise ESR-REIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix and intends to continue to use a combination of debt and/or equity instruments, including perpetual securities, to fund acquisitions, developments and asset enhancement of its property portfolio. ESR-REIT maintains a well-staggered debt maturity profile, with no near-term refinancing requirements in 2025. As at 31 December 2024, the WADE of ESR-REIT is 2.8 years. ESR-REIT enjoys strong banking support across 11 lending banks, reflected by the fact that as at 31 December 2024, 70.9% of ESR-REIT's debt is on an unsecured basis with competitive margins. The weighted average all-in cost of debt is 3.84% as at 31 December 2024.

The ESR-REIT Manager will continue to proactively reduce uncertainties in ESR-REIT's capital structure by extending the debt maturity profile to manage refinancing risks and explore alternative sources of funding in debt and equity markets, where available. To maintain strong banking support, ESR-REIT aims to further broaden and strengthen its banking relationships.

Capital Management

The objectives of the ESR-REIT Manager in relation to ESR-REIT's capital management strategy are to:

- maintain a strong balance sheet and optimise the capital structure;
- employ an appropriate mix of debt and equity instruments in financing acquisitions, developments and AEI;
- diversify funding sources from both financial institutions and capital markets;
- maintain a well-staggered debt maturity profile and a long-term debt-to-total assets target range of 35.0% to 45.0% to mitigate financial and liquidity risk;
- achieve a balanced overall cost of debt financing commensurate with the overall debt tenor;
- manage the exposure arising from adverse market movements in interest rates and foreign exchange (both income and capital) risks through appropriate use of hedging instruments and an appropriate level of hedging and use of local currency debt for overseas assets; and
- prudent capital and risk management initiatives.

ESR-REIT executed several capital raising initiatives to further optimise its capital structure and provide support for its growth strategy:

- On 18 April 2022, in connection with the ALOG Merger, ESR-REIT also entered into new S$835.0 million and A$365.0 million unsecured loan facilities.
- In June 2022, ESR-REIT successfully issued S$150.0 million 5.50% subordinated perpetual securities, which were issued pursuant to the S$750.0 million Multicurrency Debt Issuance Programme of ESR-REIT (the "**Series 008 Securities**").

- On 30 September 2022, the ESR-REIT Manager announced the reset of the distribution rate for the S$150.0 million 4.60% subordinated perpetual securities which were issued pursuant to the S$750.0 million Multicurrency Debt Issuance Programme of ESR-REIT in November 2022.

- In October 2022, RBC Investor Services Trust Singapore Limited (in its former capacity as trustee of ESR-REIT) entered into a JPY7.1 billion unsecured loan facility agreement and a JPY12.2 billion secured loan facility agreement for the partial financing of its maiden acquisition in Japan.

- In December 2022, the ESR-REIT Manager announced the redemption of the S$100.0 million 5.50% subordinated perpetual securities (which were issued pursuant to the S$1 billion Multicurrency Debt Issuance Programme of ALOG). ESR-REIT successfully redeemed all outstanding subordinated perpetual securities on 1 February 2023.

- In February 2023, ESR-REIT launched a S$300.0 million equity fund raising exercise comprising: (a) S$150 million private placement to institutional investors which was approximately three times subscribed; and (b) S$150.0 million preferential offering to existing holders of new units in ESR-REIT, which was 100% subscribed and backstopped by ESR. The proceeds from the equity fund raising have been earmarked for the potential redevelopment of an existing logistics asset.

- On 28 March 2024, the ESR-REIT Manager announced that the ESR-REIT Trustee, entered into a S$200,000,000 sustainability-linked unsecured revolving credit facility agreement with (i) CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as mandated lead arrangers and bookrunners, (ii) CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as original lenders, (iii) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as facility agent, and (iv) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as sustainability coordinator. The S$200,000,000 sustainability-linked unsecured revolving credit facility (the "**Facility**"), will be ESR-REIT's inaugural sustainability-linked facility. The proceeds of the Facility will be applied towards general corporate funding purposes, including but not limited to: (a) refinancing of existing indebtedness; (b) funding asset acquisitions, enhancements and improvement of assets owned by any member of the group (comprising ESR-REIT and its subsidiaries); (c) general working capital purposes; and (d) payment of fees in relation to the Facility and other transaction related costs. On 4 September 2024, the ESR-REIT Manager further announced that Sustainable Fitch had provided a second-party opinion affirming, *inter alia*, that the Facility and the Term Loan Facility (as defined below) aligns with the Sustainable-Linked Loan Principles set forth by the Loan Market Association, the Loan Syndicates and Trading Association, and the Asia Pacific Loan Market Association.

- On 20 August 2024, the ESR-REIT Manager announced the issuance of S$174,750,000 6.00% subordinated perpetual securities comprised in Series 009 under the S$750.0 million Multicurrency Debt Issuance Programme of ESR-REIT (the "**Series 009 Securities**"). S$74,750,000 in aggregate principal amount (out of the total aggregate principal amount of S$174,750,000) of the Series 009 Securities were issued in exchange for a like principal amount of existing subordinated perpetual securities comprised in Series 006 under the S$750.0 million Multicurrency Debt Issuance

Programme of ESR-REIT. Pursuant to such exchange, S$74,750,000 in aggregate principal amount of the subordinated perpetual securities comprised in Series 006 were cancelled in accordance with their terms and conditions, and S$75,250,000 in aggregate principal amount of the subordinated perpetual securities comprised in Series 006 remain outstanding and will continue to be held by its existing securityholders subject to their terms and conditions.

- On 17 October 2024, the ESR-REIT Manager announced that the ESR-REIT Trustee entered into a S$225,000,000 unsecured sustainability-linked term loan facility agreement with (i) CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as mandated lead arrangers and bookrunners, (ii) CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as original lenders, (iii) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as facility agent, and (iv) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as sustainability coordinator. The proceeds of the S$225,000,000 unsecured sustainability-linked term loan facility (the "**Term Loan Facility**") will be applied towards general corporate funding purposes, including but not limited to: (a) refinancing of existing indebtedness; (b) funding asset acquisitions, enhancements and improvement of assets owned by any member of the group (comprising ESR-REIT and its subsidiaries); (c) general working capital purposes; and (d) payment of fees in relation to the Term Loan Facility and other transaction related costs.

- On 17 October 2024, the ESR-REIT Manager announced that the ESR-REIT Trustee entered into a JPY15.5 billion unsecured term loan facility agreement with (i) Malayan Banking Berhad, Singapore Branch and Mizuho Bank, Ltd. as mandated lead arrangers and bookrunners, (ii) Malayan Banking Berhad, Singapore Branch and Mizuho Bank, Ltd., Singapore Branch, as original lenders, and (iii) Mizuho Bank, Ltd., as facility agent. The proceeds of the JPY15.5 billion unsecured term loan facility (the "**JPY Facility**") will be applied towards general corporate funding purposes, including but not limited to: (a) partially financing the Japan Acquisition (as defined below); (b) financing other acquisition and/or transaction related costs; (c) general working capital purposes; and (d) payment of fees in relation to the JPY Facility.

- On 11 November 2024, the ESR-REIT Manager announced the issuance of 289,180,327 new units in ESR-REIT at a price of S$0.305 per unit pursuant to a preferential offering exercise launched on 10 October 2024 (the "**2024 Preferential Offering**"), raising gross proceeds of approximately S$88.2 million. The proceeds of the 2024 Preferential Offering are intended to be applied towards the funding of the Acquisitions (as defined below) and to pay for the fees and expenses, including professional fees and expenses, incurred in connection with the preferential offering exercise, but subject to the ESR-REIT Manager's absolute discretion to apply such net proceeds for other purposes (including, without limitation, to repay existing indebtedness).

Interest rate hedging strategy

ESR-REIT's exposure to changes in interest rates relate primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the ESR-REIT Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The ESR-REIT Manager adopts a policy of ensuring that the majority of ESR-REIT's exposure to changes in interest rates on borrowings

is on a fixed rate basis. This is mainly achieved by entering into fixed rate borrowings and/or interest rate swaps. As at 31 December 2024, 74.8% of ESR-REIT's debt is on a fixed rate basis.

Foreign exchange hedging strategy

As ESR-REIT ventures overseas, its exposure to foreign exchange risk will increase. The ESR-REIT Manager adopts various hedging strategies (such as borrowing in foreign currency to naturally hedge the foreign currency risk and/or entering into hedging transactions) where feasible and appropriate to partially mitigate and manage the currency risks associated with the cash flows generated by ESR-REIT's investments in overseas properties. The ESR-REIT Manager's objectives are to manage the exposure to fluctuations in foreign exchange through appropriate hedging strategies.

(iv) Reinforcing Sponsor Support

ESR-REIT remains well-supported by, and can benefit from, ESR's operating platform, footprint, pipeline and network to create a leading New Economy and future-ready APAC REIT. Since its entry as the sponsor of ESR-REIT in 2017, ESR has transformed ESR-REIT into a large developer backed S-REIT, doubling ESR-REIT's portfolio GFA, and rejuvenating the portfolio to be focused on the higher value add and New Economy segments of the industrial value chain, including High-Specs and Logistics assets. As the sponsor, ESR has provided strong capital support and financial commitment to ESR-REIT via backstop in preferential offerings; the acquisition of VITM to facilitate the merger of ESR-REIT with VIT; and the acquisition of the ARA Group which resulted in ESR owning 86.4% of the ALOG Manager to facilitate the merger of ESR-REIT and ALOG. ESR-REIT also has access to ESR's portfolio of assets in an increasingly scarce environment for quality logistics assets.

In 2022, ESR-REIT made its maiden foray into the Japanese market, tapping into ESR's quality portfolio. This transaction was the first direct asset acquisition post the ALOG Merger from ESR's pipeline of quality logistics assets, demonstrating ESR-REIT's ability to access and execute ESR's visible acquisition pipeline. On 29 August 2022, the ESR-REIT Manager announced the proposed acquisition of 100.0% of the trust beneficiary interest in ESR Sakura Distribution Centre ("**ESR Sakura DC**"), a five-storey modern logistics asset located in Sakura City, Chiba Prefecture, Tokyo for a purchase consideration of approximately S$183.5 million (JPY17,800 million), inclusive of 12 months of rental support for the vacant space amounting to approximately S$2.4 million (JPY236.5 million). To secure this transaction, ESR provided the following support: (a) backstopping ESR-REIT's risks of having the deposit of JPY872.5 million (approximately S$9.0 million) forfeited in the event Unitholders do not approve proceeding with the acquisition of ESR Sakura DC, and (b) providing 12 months of rental support from the completion date in respect of the vacant space to mitigate leasing risks. Unitholders approved the transaction with 99.67% "For" vote. The acquisition was completed on 31 October 2022. On 27 October 2023, the ESR-REIT Manager announced that ESR Sakura DC had achieved 100.0% occupancy.

On 1 February 2024, the ESR-REIT Manager announced that a subscription agreement was entered into between ESR-REIT INV3 Pte. Ltd. (formerly known as ESR-LOGOS REIT INV3 Pte. Ltd.), a wholly-owned subsidiary of ESR-REIT (the "**INV3**") with ESR Japan Income Fund, SCSp ("**JIF SCSp**"), acting through its managing general partner (*associé gérant commandité*) in relation to ESR-REIT's investment of US$70.0 million in ESR Japan Income Fund ("**JIF**"). This strategic investment is expected to be +1.8% DPU accretive, and was made possible due to ESR-REIT's access to ESR's pipeline of assets, which would not be available to other third-party listed REITs.

On 15 November 2024 and 29 November 2024, the ESR-REIT Manager announced the completion of the Japan Acquisition and the Singapore Acquisition respectively. The Acquisitions are expected to be +3.0% DPU accretive. Please refer to the section titled "*Recent Developments*" for more information on the Acquisitions.

4. COMPETITIVE STRENGTHS OF ESR-REIT

The ESR-REIT Manager believes that ESR-REIT and the properties that it owns as at 31 December 2024 enjoy the following competitive strengths:

- Strategically Located Properties

  Most of the properties that ESR-REIT owns as at 31 December 2024 are strategically located in close proximity to amenities, major highways, major transportation hubs and key industrial zones across Singapore.

  The map below depicts the locations of the properties in Singapore as at 31 December 2024:

- Resilient and Balanced Portfolio

  As at 31 December 2024, ESR-REIT has a balanced portfolio with 72 quality income-producing industrial properties valued at S$5.3 billion across four sub-asset classes in key industrial zones across Singapore, Australia and Japan, together with three investment funds. This reduces concentration risks to ESR-REIT's portfolio by sub-sector type, tenants and geography. These properties serve the spatial requirements of various segments of the economy and enable ESR-REIT to capture a larger tenant base. ESR-REIT manages a well-diversified portfolio of industrial properties, comprising Business Parks, High-Specs Industrial, Logistics and General Industrial properties. Collectively, New Economy assets of Logistics and High-Specs Industrial account for 70.2% of the portfolio by rental income as at 31 December 2024.

A brief description of the property types is set out below:

– Business Park: Business Parks are properties that cater to industries/businesses relating to high technology, research and development, value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.

– High-Specs Industrial: High-Specs Industrial facilities are mixed-use industrial buildings typically used for higher value industrial activities like testing and certification, research and development, clean room and data centre activities. These buildings typically have facilities such as air-conditioned units and raised floors, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.

– Logistics and Warehousing: Buildings classified as Logistics or Warehouse properties are typically equipped with high floor loading and high floor-to-ceiling height, suitable for tiered storage of cargo. Such properties come with vehicular ramp access and/or heavy-duty cargo lift access.

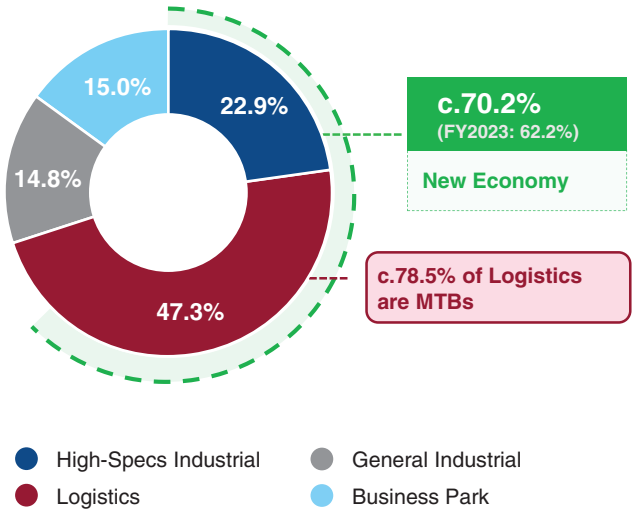
– General Industrial: General Industrial buildings can be single or multi-storey facilities dedicated to general and heavy manufacturing or factory and storage activities.

The pie chart below provides a breakdown of the property types as at 31 December 2024:

ESR-REIT Asset Class Breakdown

(by Rental Income)

70.2% of portfolio in New Economy sectors, with majority being multi-tenanted buildings

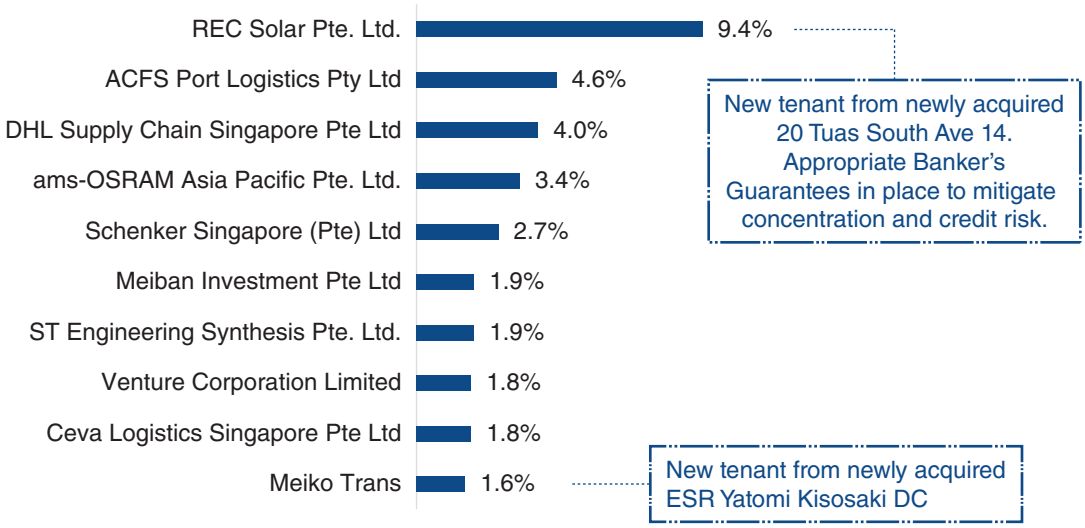


- Diversified Tenant Network

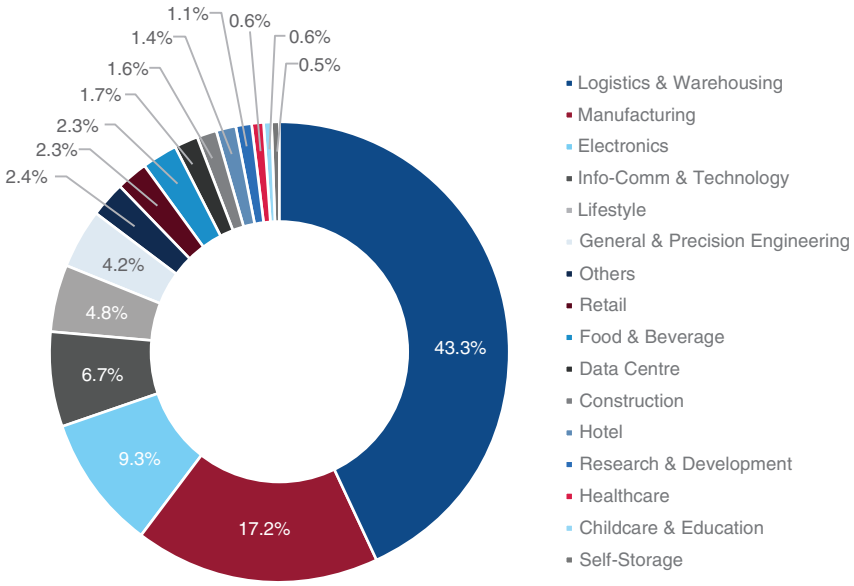
As at 31 December 2024, ESR-REIT's extensive tenant base of 379 clients creates a network that reduces overall exposure to any one particular sector. Among others the trade sectors that the tenants of ESR-REIT's properties are engaged in include, on a broad basis, logistics and warehousing, manufacturing, electronics, info-comm and technology, and lifestyle.

As at 31 December 2024, the logistics and warehousing trade sector remained the largest contributor to rental income at 43.3% of the total portfolio. Manufacturing remained the second largest contributor at 17.2%, while electronics makes up about 9.3% of portfolio rental income. Collectively, the top three largest trade sectors made up roughly 69.8% of the portfolio. The tenant trade sector mix and the top ten tenants by rental income as at 31 December 2024 are illustrated in the charts below:

Top 10 ESR-REIT's Tenants



Trade Sector Analysis of ESR-REIT's Tenants



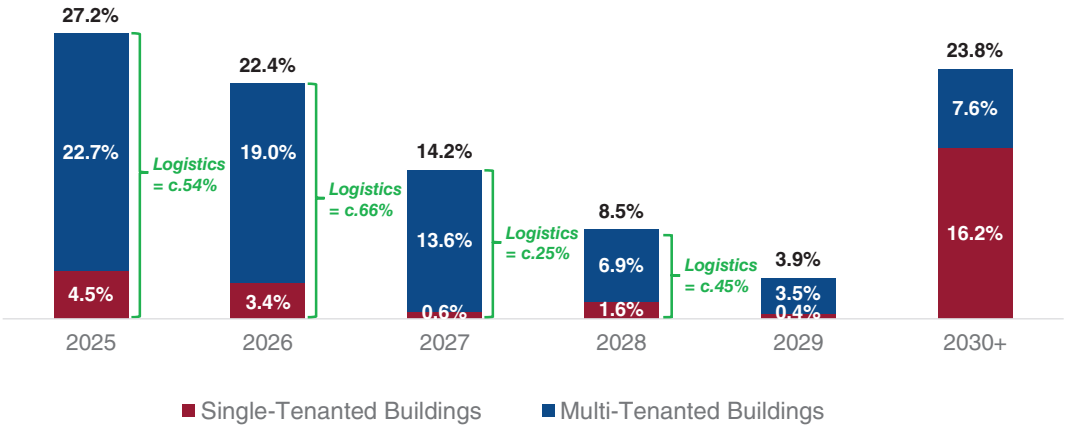
As at 31 December 2024, the top 10 tenants together accounted for approximately 33.2% of rental income, and save for REC Solar Pte. Ltd.[3], no single tenant contributed more than 5.0% of the portfolio's rental income.

- Well-Balanced Lease Expiry Profile

  As at 31 December 2024, the lease expiry profile for ESR-REIT remained well-balanced with a portfolio weighted average lease expiry (by rental income) of 4.2 years, as compared to 3.4 years in the year prior.

  With a well-distributed lease expiry profile, ESR-REIT's portfolio enjoys stability of income, reducing ESR-REIT's exposure to near-term lease expiries. The weighted average lease term reflects a good mix of medium- and long-term leases. The long-term leases provide certainty and allow for built-in rental escalations, thus providing a stable growth of income stream for the properties owned by ESR-REIT as at 31 December 2024. The leases expiring in the short to medium term allow the opportunity for ESR-REIT to reposition its portfolio in response to market conditions and potentially offer positive rental reversions and growth potential. The chart below shows the lease expiry profile of the portfolio as at 31 December 2024:

  Lease Expiry Profile (expiring leases as a percentage of rental income)



- Generic Assets with High Building Specifications

  The majority of the properties owned by ESR-REIT as at 31 December 2024 have building technical specifications that feature high floor loading, good ceiling height and wide column spans. These specifications translate to more flexibility in space planning, better storage capacity and a wide range of usage, thus making ESR-REIT's properties potentially attractive to a wide range of tenants.

3 REC Solar Pte. Ltd. is a new tenant acquired pursuant to the Singapore Acquisition, for which appropriate banker's guarantees have been procured to mitigate concentration and credit risk.

- Robust Occupancy

  The ESR-REIT Manager has a proven track record of maintaining near full occupancy. The following table shows the occupancy rate of the properties owned by ESR-REIT over the last five years.

As at year end	Portfolio Occupancy
2024	92.3%
2023	92.8%
2022	92.7%
2021	92.0%
2020	91.0%

  The near full occupancy rates are indicators of the consistent demand for industrial space in each of the properties owned by ESR-REIT over the last five years, attributable to their strategic locations as well as proactive lease management policies with respect to the renewal and replacement of tenants.

- Proactive Asset Management Resulting in Optimisation of Unitholder's Return and Capital Growth

  Maximising the growth potential of the portfolio is achieved through proactive asset management focusing on marketing and leasing, delivering high standards of property and customer service, improving operational efficacy and costs, and engaging in asset enhancement initiatives. A total area of 310,834 sqm was leased in FY2024 by renewing about 233,214 sqm of space and securing 77,620 sqm of new leases. ESR-REIT achieved a stable tenant retention rate of 76.0% as at 31 December 2024. Major renewals and new leases secured in FY2024 include a lease renewal with expansion of space by Yamato Transport Singapore at 24 Penjuru Road, and a new lease with Slattery Auctions Victoria Pty Ltd at 41-45 Hydrive Close in Australia, a lease renewal by United Test and Assembly Center Ltd at 12 Ang Mo Kio Street 65, a new lease by KWE-Kintetsu World Express (S) Pte Ltd at ESR BizPark @ Changi Singapore, an expansion of space by Karitsu Co. Ltd at ESR Yatomi Kisosaki Distribution Centre in Japan, and a new lease by Focuslight Singapore Pte. Ltd. at 7000 Ang Mo Kio Avenue 5.

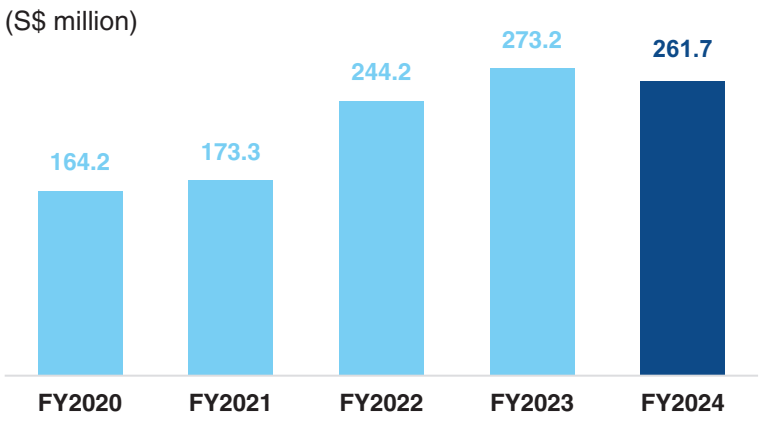
- Managed by an Experienced and Professional Management Team

  The properties held by ESR-REIT are managed by a management team comprising real estate and finance professionals with a proven track record and a wealth of experience across local and regional real estate companies and financial institutions, setting the tone for a collaborative team culture focused on results. The team has extensive experience in fund management and compliance, as well as asset and property management in Singapore and the region. The management of ESR-REIT has collective experience of more than 100 years in the real estate and financial services industry.

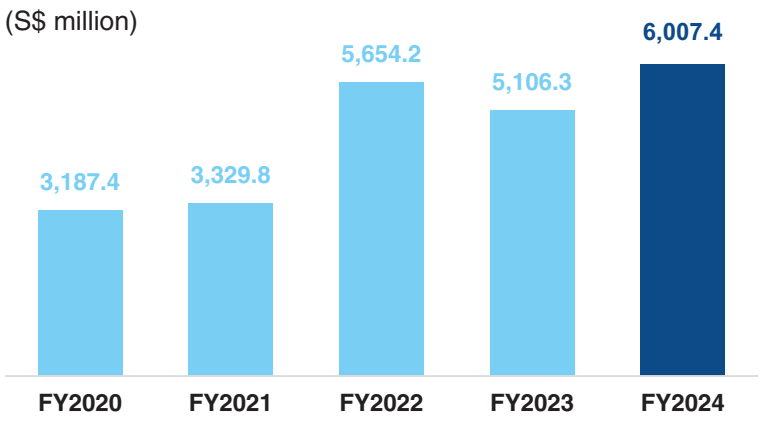
  Please see the section titled "*Structure of ESR-REIT – Experience and Expertise of the ESR-REIT Manager's Management*" for details.

Over the last five years, ESR-REIT's net property income and total assets have generally increased as illustrated in the charts below.

Net Property Income of ESR-REIT



Total Assets of ESR-REIT



- Prudent Capital and Risk Management

  ESR-REIT has a stable income stream supported by prudent capital and risk management strategies. The ESR-REIT Manager monitors its financial market risk and capital structure actively, as prudent capital management is key to sustainable business. The ESR-REIT Manager ensures that there is diversity in terms of source of funds, a well-staggered debt maturity profile, and a gearing ratio within its target range, to appropriately manage its financial risk. Diversified sources of funding ensure that ESR-REIT can tap into alternative pools of capital in order to optimise Unitholder returns.

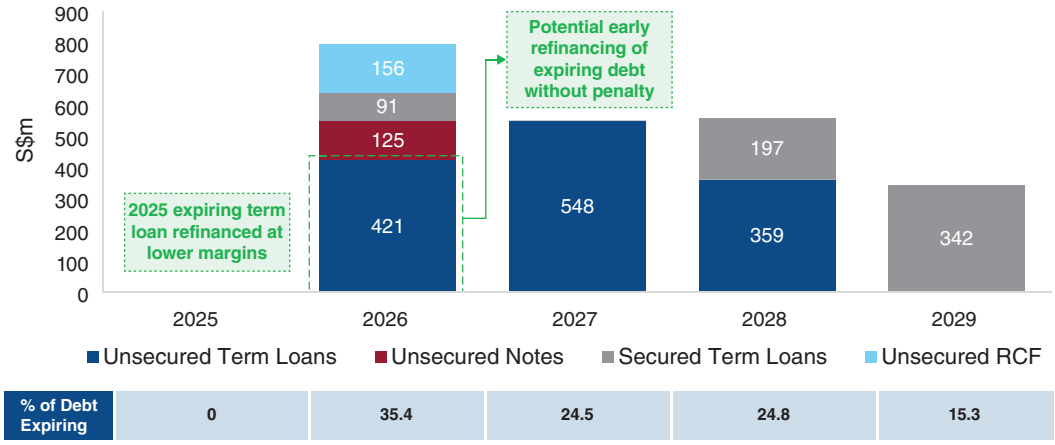
  ESR-REIT is well supported by 11 lending banks with 70.9% of its debt on an unsecured basis and has access to S$235.8 million of committed undrawn revolving credit facilities as at 31 December 2024. ESR-REIT also refinanced all expiring debt in FY2024 with its first sustainability linked loan. As such, ESR-REIT has no refinancing risk until FY2026. ESR-REIT's WADE as at 31 December 2024 is 2.8 years, as compared to 2.4 years in the year prior.

ESR-REIT's financial position and capital structure are stable and well-balanced with a mix of debt, perpetual securities and equity. The following table sets out the key capital management indicators of ESR-REIT as at 31 December 2024:

	As at 31 December 2024
Total Gross Debt (S$ million)	2,269.7
Debt to Total Assets (%)[4]	42.8
Weighted Average All-in Cost of Debt (%) p.a.	3.84
WADE (years)	2.8
Weighted Average Fixed Debt Expiry (years)	2.0
Interest Rate Exposure Fixed (%)	74.8
MAS Interest Coverage Ratio (times)	2.5
Proportion of Unencumbered Investment Properties (%)	72.4
Debt Headroom (S$ million)[5]	790.2
Undrawn Available Committed Facilities (S$ million)	235.8

Well-Staggered Debt Maturity Profile

The following chart illustrates the debt maturity profile of ESR-REIT as at 31 December 2024[6].



In line with ESR-REIT's hedging policy of having >50% of its portfolio loans hedged, the ESR-REIT Manager has ensured that 74.8% of its interest rate exposure is fixed as at 31 December 2024. This allows ESR-REIT to be sufficiently hedged with flexibility to enjoy lower debt costs when interest rates subside.

4 Includes ESR-REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*.

5 Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalize leverage requirements for the REIT sector and a minimum MAS interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.

6 Presented in SGD with exchange rate of AUD/SGD: 0.89908 and JPY/SGD: 0.00931.

- Supported by Strong and Committed Sponsor with Visible Pipeline of Assets with an Established APAC Footprint

  ESR-REIT will benefit from being well-supported by ESR, Asia Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Its fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Its focus on New Economy real assets offers customers modern solutions for logistics, data centres and infrastructure and renewables. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities in which it operates and for the spaces it develops to thrive for generations to come. As at the date of this Supplemental Information Memorandum, ESR has not announced any further material updates on the proposed privatisation scheme and ESR remains listed on The Stock Exchange of Hong Kong.

- Continued Commitment Towards Sustainability

  ESR-REIT's sustainability approach reinforces the integration of ESG risks and opportunities into its business strategy, asset and property management activities, creating value for its key stakeholders.

  ESR-REIT is committed to integrating sustainable practices into every facet of its operations, and has deepened the foundation of its sustainability ambitions across the past years, through baselining its environmental targets and assessing its climate risks and opportunities against the TCFD framework. ESR-REIT is committed to growing in a responsible manner and plans to collaborate with its partners and stakeholders within its ecosystem to meet its sustainability goals. Material environmental, social and governance factors affecting the REIT have been identified and encapsulated in ESR-REIT's sustainability roadmap.

  In FY2021, ESR-REIT completed its first submission in the 2021 real estate assessment by GRESB, a leading ESG performance benchmark for real estate and infrastructure companies globally, and continues to make the GRESB submission annually.

  ESR-REIT's sustainability efforts are led by the Sustainability Working Committee, which was formed in 2016 and is responsible for integrating sustainability into its business strategy, monitoring of ESG policies and implementation of initiatives. The Sustainability Working Committee ensures direct involvement of ESR-REIT's top leadership in the driving of sustainability initiatives. The Board has established a new Board Sustainability Committee to demonstrate the Board's focus and commitment towards the REIT's sustainability efforts, to provide oversight on the strategy, policies, practices and initiatives relating to sustainability.

  In FY2022, ESR-REIT refreshed its material topics post the merger with ARA-LOGOS Logistics Trust. In FY2023, ESR-REIT conducted a strategic review of its Singapore portfolio and developed a comprehensive Decarbonisation roadmap with Savills (Singapore) Pte Ltd that encompasses concrete implementation steps and focused yearly targets for the various business units, and has also further categorised them into short (perpetual/annual or by 2025), medium- (by 2030) and long-term (by 2050) targets. ESR-REIT will be leveraging on implementing infrastructure for electric vehicles, sustainable supply chain management, green leases and green fit-out plans, solar panel installations, and more streamlined ESG data management to achieve operational efficiencies and cost reductions.

As at 31 December 2024, ESR-REIT has 13 properties that have obtained BCA Green Mark Certifications, 2 properties that have obtained Leadership in Energy and Environmental Design ("**LEED**") Certifications, 1 property that has obtained a 5-star Green Star rating, and 2 properties that have obtained Comprehensive Assessment System for Built Environment Efficiency ("**CASBEE**") Rank S and Rank A Certifications respectively.

5. PROPERTY STATISTICS AND DETAILS OF ESR-REIT AS AT 31 DECEMBER 2024

- Properties and Property Types

The table below sets out certain information on the properties owned by ESR-REIT:

	Address	Tenants	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry	Acquisition Date	Occupancy (%) as at 31 Dec 2024	Fair Value (LCY S$'000) as at 31 Dec 2024
SINGAPORE – BUSINESS PARKS								
1	16 International Business Park	Master lease	6,434	30 + 30	31 July 2056	19 December 2014	100.0	27,700
2	750 to 750E Chai Chee Road	Multi-tenanted	105,247	60	31 March 2031	15 October 2018	72.5	162,500
				43	28 February 2031			
3	2 & 4 Changi Business Park Ave 1 (Business Park) 6 & 8 Changi Business Park Ave 1 (Hotel)	Multi-tenanted	60,766	30 + 30	31 January 2068	15 October 2018	77.5	332,000
SINGAPORE – HIGH-SPECS INDUSTRIAL								
1	21 & 23 Ubi Road 1	Multi-tenanted	13,778	30 + 30	31 January 2057	25 July 2006	92.9	40,000
2	11 Chang Charn Road	Multi-tenanted	6,851	99	31 December 2056	31 March 2014	62.7	33,800
3	16 Tai Seng Street	Multi-tenanted	9,476	30 + 30	03 July 2067	29 May 2012	81.8	94,800
4	19 Tai Seng Avenue	Multi-tenanted	9,521	30 + 30	10 September 2067	15 October 2018	94.6	51,800
5	12 Ang Mo Kio Street 65	Multi-tenanted	15,508	30 + 30	15 October 2050	13 September 2014	91.8	32,600
6	7000 & 7002 Ang Mo Kio Avenue 5[7]	Multi-tenanted	98,773	32 + 30	29 January 2057	13 December 2017	81.8	371,600
7	30 Marsiling Industrial Estate Road 8	Multi-tenanted	17,378	30 + 30	30 November 2049	24 October 2012	77.6	49,200
8	21B Senoko Loop	Master lease	18,623	30 + 30	31 January 2053	28 January 2008	100.0	58,000
9	20 Tuas South Avenue 14[8]	Master lease	150,250	30 + 30	21 June 2068	29 November 2024	100.0	868,600
	20A Tuas South Avenue 14[9]	Multi-tenanted	96,813				99.3	
SINGAPORE – LOGISTICS								
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	Master lease	10,601	30	15 December 2031	25 July 2006	100.0	6,600
2	25 Changi South Avenue 2	Master lease	6,782	30 + 30	15 October 2054	25 July 2006	100.0	13,000
3	160 Kallang Way	Master lease	27,072	30 + 30	15 February 2033	25 July 2006	15.2	21,200
4	30 Pioneer Road	Master lease	26,115	30	15 February 2037	15 October 2018	100.0	34,000

7 Information has been presented on a 100% basis which includes 20.0% interest not owned by ESR-REIT.

8 Information has been presented on a 100% basis which includes 49.0% interest not owned by ESR-REIT.

9 Information has been presented on a 100% basis which includes 49.0% interest not owned by ESR-REIT.

Address		Tenants	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry	Acquisition Date	Occupancy (%) as at 31 Dec 2024	Fair Value (LCY S$'000) as at 31 Dec 2024
5	24 Jurong Port Road	Multi-tenanted	67,647	30 + 12	28 February 2037	25 July 2006	95.5	70,300
6	15 Greenwich Drive	Multi-tenanted	42,085	30	15 December 2041	25 October 2018	100.0	89,000
7	46A Tanjong Penjuru	Multi-tenanted	48,136	30 + 14	30 April 2050	29 June 2021	79.8	109,000
8	24 Penjuru Road	Multi-tenanted	204,446	29	18 August 2035	22 April 2022	91.4	227,700
9	2 Fishery Port Road	Multi-tenanted	26,802	30 + 30	19 December 2065	22 April 2022	N.A.	40,000
10	51 Alps Avenue	Multi-tenanted	40,873	30 + 30	31 May 2065	22 April 2022	100.0	100,000
11	5 Changi South Lane	Multi-tenanted	32,255	30 + 30	15 August 2065	22 April 2022	91.7	96,000
12	15 Gul Way	Multi-tenanted	25,420	30	30 September 2033	22 April 2022	100.0	24,200
13	22 Loyang Lane	Master lease	6,277	30 + 16	31 January 2053	22 April 2022	100.0	12,500
14	1 Greenwich Drive	Multi-tenanted	86,223	30	15 June 2044	22 April 2022	100.0	163,000
SINGAPORE – GENERAL INDUSTRIAL								
1	11 Ubi Road 1	Master lease	23,510	30 + 30 21 + 30	31 August 2055	15 October 2018	100.0	82,100
2	29 Tai Seng Street	Master lease	7,903	30 + 30	30 April 2067	15 October 2018	100.0	28,100
3	79 Tuas South Street 5	Master lease	6,312	30 + 30	31 January 2060	30 April 2008	100.0	8,722
4	31 Tuas Avenue 11	Master lease	7,021	30 + 30	31 March 2054	25 July 2006	100.0	11,300
5	1 Changi North Street 2	Master lease	11,694	30 + 30	28 February 2061	19 October 2010	100.0	23,300
	2 Changi North Street 2			30 + 30	22 November 2065			
6	9 Tuas View Crescent	Master lease	6,650	30 + 30	15 July 2058	25 July 2006	100.0	11,300
7	31 Changi South Avenue 2	Master lease	5,546	30 + 30	28 February 2055	27 July 2007	100.0	12,800
8	60 Tuas South Street 1	Master lease	4,150	30	15 March 2035	29 June 2011	100.0	3,600
9	28 Woodlands Loop	Master lease	12,250	30 + 30	15 October 2055	25 July 2006	100.0	20,000
10	25 Pioneer Crescent	Master lease	7,061	30 + 28	31 January 2067	29 March 2012	100.0	17,800
11	11 Woodlands Walk	Master lease	8,977	30 + 30	15 October 2055	29 October 2012	0.0	17,600
12	43 Tuas View Circuit	Master lease	11,412	30	31 January 2038	21 September 2012	100.0	15,600
13	3 Tuas South Avenue 4	Master lease	29,449	30 + 30	30 April 2059	19 March 2013	100.0	47,200
14	128 Joo Seng Road	Multi-tenanted	6,841	30 + 30	30 April 2052	25 June 2007	96.4	14,000
15	130 Joo Seng Road	Multi-tenanted	8,542	30 + 30	30 November 2051	25 July 2006	93.5	17,800
16	136 Joo Seng Road	Multi-tenanted	7,264	30 + 30	30 September 2050	25 July 2006	100.0	13,700
17	54 Serangoon North Avenue 4	Multi-tenanted	10,880	30 + 30	15 June 2056	1 March 2013	73.5	18,500
18	11 Lorong 3 Toa Payoh	Multi-tenanted	32,496	60	15 May 2029	15 October 2018	69.2	28,600

Address		Tenants	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry	Acquisition Date	Occupancy (%) as at 31 Dec 2024	Fair Value (LCY S$'000) as at 31 Dec 2024
19	120 Pioneer Road	Multi-tenanted	20,064	30 + 28	15 February 2055	24 October 2007	96.5	34,100
20	5 & 7 Gul Street 1	Multi-tenanted	8,101	29.5	30 September 2037	15 July 2011	62.7	9,300
21	160A Gul Circle	Multi-tenanted	7,451	27	29 September 2040	13 May 2015	100.0	13,000
22	30 Teban Gardens Crescent	Multi-tenanted	11,109	10 + 22	31 May 2039	17 March 2014	71.1	23,800
23	8 Tuas South Lane	Multi-tenanted	68,330	30 + 16	31 March 2054	13 December 2017	93.4	98,800
24	513 Yishun Industrial Park A	Multi-tenanted	18,601	30 + 30	30 November 2053	30 November 2010	100.0	24,400
	511 Yishun Industrial Park A			29 + 30	31 May 2054			
25	86 & 88 International Road	Multi-tenanted	22,039	30 + 30	15 December 2054	25 July 2006	100.0	42,800
26	13 Jalan Terusan	Multi-tenanted	21,366	28	24 March 2035	30 January 2013	100.0	17,700
AUSTRALIA – LOGISTICS								
1	16-28 Transport Drive, Somerton, VIC	Master lease	21,279	Freehold	–	22 April 2022	100.0	37,300
2	76-90 Link Drive, Campbellfield, VIC	Master lease	10,441	Freehold	–	22 April 2022	100.0	19,300
3	67-93 National Boulevard, Campbellfield, VIC	Multi-tenanted	22,608	Freehold	–	22 April 2022	100.0	43,800
4	41-51 Mills Road, Braeside, VIC	Multi-tenanted	32,318	Freehold	–	22 April 2022	100.0	45,500
5	151-155 Woodlands Drive, Braeside, VIC	Master lease	11,074	Freehold	–	22 April 2022	100.0	26,600
6	41-45 Hydrive Close, Dandenong South, VIC	Master lease	8,781	Freehold	–	22 April 2022	100.0	18,800
7	16-24 William Angliss Drive, Laverton North, VIC	Multi-tenanted	16,324	Freehold	–	22 April 2022	100.0	30,700
8	217-225 Boundary Road, Laverton North, VIC	Master lease	20,124	Freehold	–	22 April 2022	100.0	38,900
9	127 Orchard Road, Chester Hill, NSW	Master lease	24,270	Freehold	–	22 April 2022	100.0	80,500
10	196 Viking Drive, Wacol, QLD	Master lease	5,709	Freehold	–	22 April 2022	100.0	25,400
11	203 Viking Drive, Wacol, QLD	Master lease	13,363	Freehold	–	22 April 2022	100.0	33,800
12	223 Viking Drive, Wacol, QLD	Master lease	6,246	Freehold	–	22 April 2022	100.0	17,000
13	11-19 Kellar Street, Berrinba, QLD	Master lease	7,412	Freehold	–	22 April 2022	100.0	17,765
14	47 Logistics Place, Larapinta, QLD	Master lease	7,704	Freehold	–	22 April 2022	100.0	18,695
15	8 Curlew Street, Port of Brisbane, QLD	Master lease	27,157	46	30 June 2059	22 April 2022	100.0	49,650
16	1-5, 2-6 Bishop Drive, Port of Brisbane, QLD	Multi-tenanted	127,354	54.7	30 June 2059	22 April 2022	100.0	55,700
17	53 Peregrine Drive, Port of Brisbane, QLD	Master lease	51,797	40	30 June 2059	22 April 2022	100.0	29,275
18	21 Curlew Street, Port of Brisbane, QLD	Master lease	12,307	43	19 November 2062	22 April 2022	100.0	60,500
JAPAN – LOGISTICS								
1	2464-11, Ota, Sakura-city, Chiba	Multi-tenanted	81,371	Freehold	–	31 October 2022	100.0	18,700,000
2	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie	Multi-tenanted	134,863	Freehold	–	15 November 2024	93.0	39,010,000

Valuation of the Properties

In FY2024, ESR-REIT conducted independent valuations of its portfolio. The methodologies employed in the independent valuations include the direct comparison method, capitalisation approach, discounted cash flow analysis and residual value approach.

As at 31 December 2024, the total valuation of ESR-REIT's 72 properties was approximately S$4.95 billion. Independent valuations were conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Cushman & Wakefield VHS Pte Ltd., CBRE Pte. Ltd., Jones Lang LaSalle Property Consultants Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, Savills Japan Valuation G.K. and Colliers International Japan KK.

The overall increase was mainly due to the Acquisitions, but partially offset by the assets with shorter remaining land lease tenure for Singapore properties and the decommissioning of 2 Fishery Port Road in preparation for potential redevelopment.

The table below sets out the divestments that have been completed since 1 July 2024 up to 31 December 2024:

No.	Property Name	Completion Date	Sale Consideration[10]
1	81 Tuas Bay Drive	4Q FY2024	S$35.0 million

As at 31 December 2024, the weighted average land lease expiry of ESR-REIT's portfolio was 43.8 years by valuation, up from 40.6 years a year ago, mainly due to the acquisition of ESR Yatomi Kisosaki Distribution Centre which is freehold and 20 Tuas South Avenue 14 which has a longer land lease than ESR-REIT's portfolio before the Acquisitions.

- Asset Enhancement Initiatives

AEI remains an important aspect of the ESR-REIT Manager's proactive asset management strategy for ESR-REIT. This enables the ESR-REIT Manager to unlock additional value for ESR-REIT through the maximisation of the permissible gross plot ratio and/or re-positioning of ESR-REIT's portfolio. The ESR-REIT Manager intends to continue engaging with various stakeholders, including the surrounding communities of the relevant properties, to identify potential further AEI opportunities that will enable it to put forth plans for land lease extensions closer to the date of land lease expiry, and where such plans will maximise land use and achieve the objectives of the various stakeholders.

10 Excluding divestment costs and applicable goods and services tax.

The table below sets out the AEIs completed in the last three years:

	Property Name	Description of AEI	Contract Cost	Completion Date
1	21B Senoko Loop	Conversion from General Industrial to High-Specs	S$38.5 million	1Q FY2024
2	7002 Ang Mo Kio Avenue 5	Creation of standalone block to maximise plot ratio	S$53.3 million	3Q FY2023
3	53 Peregrine Drive, Port of Brisbane	Creation of additional warehouse and hardstand	A$19.2 million	4Q FY2022

Apart from the aforementioned completed AEI, AEI works are ongoing for 16 Tai Seng Street, which stands at approximately 80.0% completion as at 31 December 2024. This AEI is poised to contribute an additional 2,793 sqm of new GFA with an estimated yield on cost of approximately 6.0%, and is due for completion in 1H FY2025.

In addition, there is a proposed redevelopment of 2 Fishery Port Road to a modern high-specification ramp-up cold storage facility at an estimated yield on cost of approximately 6.50% to 6.75%. Construction for the proposed redevelopment is expected to commence in 1H FY2025 with an expected construction period of up to 30 months.

6. RECENT DEVELOPMENTS

(i) Recent Acquisitions

On 31 July 2024, the ESR-REIT Manager announced that ESR-REIT, through its indirect wholly-owned Japan *tokutei mokuteki kaisha*, entered into a sale and purchase agreement to acquire 100.0% of the trust beneficiary interest in a logistics property known as ESR Yatomi Kisosaki Distribution Centre located at 1-3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken (the "**New Japan Property**", and the acquisition, the "**Japan Acquisition**"), for a purchase consideration of JPY38,000 million (approximately S$322.2 million) (the "**Japan Purchase Consideration**"). Further, ESR-REIT, through its indirect wholly-owned subsidiaries, entered into a share and purchase agreement to acquire a 51.0% interest in a high-specifications manufacturing facility and newly constructed four-storey and two-storey ramp-up logistics warehouses with modern specifications located at 20 Tuas South Avenue 14, Singapore 637312 (the "**New Singapore Property**", and the acquisition, the "**Singapore Acquisition**") (the Japan Acquisition and the Singapore Acquisition collectively, the "**Acquisitions**"), for a purchase consideration of approximately S$223.9 million (the "**Singapore Purchase Consideration**").

On 7 November 2024, the ESR-REIT Manager announced that the unitholders of ESR-REIT had approved, *inter alia*, the Acquisitions and the ESR-REIT Manager's proposals to fund both the Acquisitions via (i) debt financing, (ii) the issuance of new units in ESR-REIT to LOGOS Units No. 1 Ltd (being one of the nominees of the vendor in relation to the Singapore Acquisition for such purposes) so as to constitute part of the Singapore Purchase Consideration (the "**LOGOS Consideration Units**") (iii) S$100.0 million of the proceeds raised from the Series 009 Securities and (iv) a combination of

one or more of the 2024 Preferential Offering and the issuance of new units in ESR-REIT to Ivanhoe Cambridge Asia Inc. (being one of the nominees of the vendor in relation to the Singapore Acquisition for such purposes) so as to constitute part of the Singapore Purchase Consideration (the "**Ivanhoe Consideration Units**").

On 15 November 2024, the ESR-REIT Manager announced the completion of the Japan Acquisition. As the Japan Acquisition constitutes an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the acquisition fee in relation to the Japan Acquisition will be paid to the ESR-REIT Manager in the form of units in ESR-REIT and such units shall not be sold within one year from the date of issuance. In connection with the Japan Acquisition, 12,189,481 new units will be issued to the ESR-REIT Manager at an issue price of S$0.2681 per unit as payment for the acquisition fee of approximately S$3.3 million (based on the exchange rate of JPY100 = S$0.860). Additionally, ESR-REIT's wholly-owned Japan *tokutei mokuteki kaisha* (being the entity through which the Japan Acquisition was completed) obtained a secured loan facility of JPY26.3 billion to partially finance the acquisition.

On 29 November 2024, the ESR-REIT Manager announced the completion of the Singapore Acquisition. As the Singapore Acquisition constitutes an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the acquisition fee in relation to the Singapore Acquisition will be paid to the ESR-REIT Manager in the form of units in ESR-REIT and such units shall not be sold within one year from the date of issuance. In connection with the Singapore Acquisition, 16,376,146 new units will be issued to the ESR-REIT Manager at an issue price of S$0.2616 per unit as payment for the acquisition fee of approximately S$4.3 million. The Singapore Acquisition was partially funded by the issuance of 20,595,881 LOGOS Consideration Units and 19,016,393 Ivanhoe Consideration Units, each at an issue price of S$0.305 per unit, and the use of approximately S$86.7 million of the proceeds raised from the 2024 Preferential Offering. Additionally, Tuas South Avenue Pte. Ltd. (being the entity which owns 100% interest in the New Singapore Property) obtained a secured loan facility of S$341.5 million (with a green loan tranche of S$108.6 million) to partially finance the acquisition.

Both properties have obtained property income support following their completion. In respect of the Singapore Acquisition, the ALOG Trustee entered into a deed of income support with LSAV 1 Portfolio Ltd. and LSLV General Partner (collectively, the "**Singapore Acquisition Vendors**") for the Singapore Acquisition Vendors to provide an income support of up to S$3,519,000 for a period of 12 months after completion of the Singapore Acquisition. Further, the ESR-REIT Manager has negotiated for the net property income support to be given by Kisosaki TMK (the "**Japan NPI Support**") for the benefit of ESR-REIT to mitigate potential leasing risks and provide income stability for the next 12 months following the completion of the Japan Acquisition for an amount of up to JPY 400 million (approximately S$3.4 million). The Japan NPI Support will also be used to cover any rent-free period(s) provided to new tenant(s) for securing new lease(s).

7. INSURANCE

The properties held by ESR-REIT are insured in accordance with industry practice in Singapore. Insurance policies cover buildings from physical loss, damage and destruction and consequential loss arising from business interruption, terrorism and public liability. 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, environmental damage and breaches of environmental laws and regulations. All tenants are also required to take up insurance against loss of rents, industrial all risks and public liability insurance.

THE ESR-REIT TRUSTEE

The section headed "The ESR-REIT Trustee" of the Information Memorandum shall be deleted in its entirety and replaced with the following:

The trustee of ESR-REIT is Perpetual (Asia) Limited. Perpetual (Asia) Limited is a 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 31 December 2024, Perpetual (Asia) Limited has a paid-up capital of S$3.0 million. Perpetual (Asia) Limited's registered office is located in Singapore at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981.

Pursuant to a Supplemental Deed of Retirement and Appointment of Trustee dated 14 April 2022, amending and restating the trust deed dated 31 March 2006 constituting ESR-REIT, RBC retired as trustee of ESR-REIT and Perpetual (Asia) Limited was appointed as the new trustee of ESR-REIT to replace RBC as ESR-REIT Trustee with effect from 25 November 2022.

The ESR-REIT Trustee is independent of the ESR-REIT Manager.

Powers, Duties and Obligations of the ESR-REIT Trustee

The ESR-REIT Trustee's powers, duties and obligations are set out in the ESR-REIT Trust Deed. The powers and duties of the ESR-REIT Trustee include:

- acting as trustee of ESR-REIT and, in such capacity, safeguarding the rights and interests of the Unitholders;
- holding the assets of ESR-REIT on the trusts contained in the ESR-REIT Trust Deed for the benefit of the Unitholders; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of ESR-REIT.

The ESR-REIT Trustee has covenanted in the ESR-REIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the ESR-REIT Trustee may (on the recommendation of the ESR-REIT Manager), and subject to the provisions of the ESR-REIT Trust Deed, acquire or dispose of any real property, borrow and encumber any asset.

The ESR-REIT Trustee may, subject to the provisions of the ESR-REIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- on the recommendation of the ESR-REIT Manager, any real estate agents or managers, including a related party of the ESR-REIT Manager, in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

Although the ESR-REIT Trustee may borrow money and obtain other financial accommodation for the purposes of ESR-REIT, both on a secured and unsecured basis, the ESR-REIT Manager must not direct the ESR-REIT Trustee to incur a liability if to do so would mean that ESR-REIT's total borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or in Units) would exceed the limit stipulated by MAS based on the value of Deposited Property at the time the borrowing is incurred.

The ESR-REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the ESR-REIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers, any tax ruling and all other relevant laws. It must retain ESR-REIT's assets, or cause ESR-REIT's assets to be retained, in safe custody and cause ESR-REIT's accounts to be audited. It may appoint valuers to value the real estate assets and real estate-related assets of ESR-REIT.

The ESR-REIT Trustee is not personally liable to a Unitholder in connection with the office of the ESR-REIT Trustee, except in respect of its own fraud, gross negligence, wilful default, breach of the ESR-REIT Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the ESR-REIT Trustee shall be limited to the assets of ESR-REIT over which the ESR-REIT Trustee has recourse, provided that the ESR-REIT Trustee has acted without fraud, gross negligence, wilful default, breach of the ESR-REIT Trust Deed or breach of trust. The ESR-REIT Trust Deed contains certain indemnities in favour of the ESR-REIT Trustee under which it will be indemnified out of the assets of ESR-REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Removal of the ESR-REIT Trustee

The ESR-REIT Trustee may retire or be removed under the following circumstances:

- the ESR-REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new ESR-REIT Trustee (such appointment to be made in accordance with the provisions of the ESR-REIT Trust Deed); and

- the ESR-REIT Trustee may be removed by notice in writing to the ESR-REIT Trustee by the ESR-REIT Manager:

  – if the ESR-REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the ESR-REIT Manager), or if a receiver is appointed over any of its assets, or if a judicial manager is appointed in respect of the ESR-REIT Trustee;

  – if the ESR-REIT Trustee ceases to carry on business;

  – if the ESR-REIT Trustee fails or neglects after reasonable notice in writing from the ESR-REIT Manager to carry out or satisfy any material obligation imposed on the ESR-REIT Trustee by the ESR-REIT Trust Deed;

  – if the Unitholders by extraordinary resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the ESR-REIT Trust Deed, and of which at least 21 days' notice has been given to the ESR-REIT Trustee and the ESR-REIT Manager, shall so decide; or

  – if MAS directs that the ESR-REIT Trustee be removed.

THE ESR-REIT MANAGER

The section headed "The ESR-REIT Manager" of the Information Memorandum shall be deleted in its entirety and replaced with the following:

ESR-REIT Management (S) Limited (formerly known as ESR-LOGOS Funds Management (S) Limited, ESR Funds Management (S) Limited and Cambridge Industrial Trust Management Limited), was incorporated in Singapore under the Companies Act on 14 September 2005. As at 31 December 2024, it has an issued capital of S$64,714,500 and its registered office is located at 5 Temasek Boulevard #12-09 Suntec Tower 5 Singapore 038985.

Shareholding

As at 31 December 2024, the shareholders of the ESR-REIT Manager are ESR (holding a 99.0% interest in the ESR-REIT Manager through its subsidiary, ESR Investment Management Pte. Ltd.) and Shanghai Summit Pte. Ltd. (holding a 1.0% interest in the ESR-REIT Manager).

(i) ESR

ESR is Asia Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Its fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Its focus on New Economy real assets offers customers modern solutions for logistics, data centres, life sciences, infrastructure, and renewables. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities in which it operates and for the spaces it develops to thrive for generations to come. As at the date of this Supplemental Information Memorandum, ESR has not announced any further material updates on the proposed privatisation scheme and ESR remains listed on The Stock Exchange of Hong Kong.

(ii) Shanghai Summit Pte. Ltd

Shanghai Summit Pte. Ltd. is an investment holding company that is wholly-owned and controlled by Mr Tong Jinquan.

Board of Directors

The Board of Directors of the ESR-REIT Manager as at the date of this Supplemental Information Memorandum comprises the following:

Name	Designation
Ms Stefanie Yuen Thio	Independent Non-Executive Chairperson, Member of the Nominating and Remuneration Committee and Member of the Audit, Risk Management and Compliance Committee
Mr Ronald Lim	Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Member of the Investment Committee
Mr Nagaraj Sivaram	Independent Non-Executive Director and Chairman of the Audit, Risk Management and Compliance Committee

Name	Designation
Dr Julie Lo Lai Wan	Independent Non-Executive Director and Member of the Investment Committee
Mr Loi Pok Yen	Independent Non-Executive Director, Chairman of the Investment Committee and Member of the Audit, Risk Management and Compliance Committee
Mr George Agethen	Non-Executive Director
Mr Stuart Gibson	Non-Executive Director, Member of the Nominating and Remuneration Committee and Member of the Investment Committee
Mr Shen Jinchu, Jeffrey	Non-Executive Director, Member of the Nominating and Remuneration Committee and Member of the Investment Committee
Mr Adrian Chui	Chief Executive Officer and Executive Director

Experience and Expertise of the Board of Directors

The Board of the ESR-REIT Manager comprises nine directors (five independent, three non-independent and one executive director). Together, they bring to the Board of the ESR-REIT Manager a wide range of industry experience, expertise and knowledge in real estate, asset management, legal, finance and banking and strategic planning. The Board of the ESR-REIT Manager is committed to ensuring that the highest standards of corporate governance are practised in the management of the ESR-REIT Manager and ESR-REIT. A fundamental part of its responsibility is to protect and enhance Unitholders' value and interests.

Information on the business and working experience of the Directors as at the date of this Supplemental Information Memorandum is set out below:

Ms Stefanie Yuen Thio
Independent Non-Executive Chairperson, Member of the Nominating and Remuneration Committee and Member of the Audit, Risk Management and Compliance Committee

Ms Yuen Thio is the Joint Managing Partner of TSMP Law Corporation and heads its corporate practice. Admitted to the Singapore Bar in 1994, she has over 31 years of legal experience in mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients range from listed corporates to international companies, including in the logistics industry and REITs. She is regularly named by legal journals as a leading practitioner in her areas of specialisation.

Prior to her appointment, she served on the board of ARA Trust Management (CACHE) Limited, manager of Cache Logistics Trust. Ms Yuen Thio was appointed by the Monetary Authority of Singapore to the Corporate Governance Advisory Committee in 2025, and in 2017 she served on the MAS Corporate Governance Council to review the Code of Corporate Governance. She is a Fellow of the Singapore Institute of Directors. From 2014 to 2017, she was a member of the Expert Panel, Centre for Cross-Border Commercial Law in Asia. She was also a member of the Singapore Governance and Transparency Index Advisory Panel from June 2016 to May 2018. Ms Yuen Thio established SG Her Empowerment Limited, a women's empowerment charity with Institute of Public Character status in March 2022 where she is the current chairperson and director of the charity.

Mr Ronald Lim
Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Member of the Investment Committee

Mr Lim has more than 36 years of experience in the banking and finance industry. Mr Lim was with United Overseas Bank Ltd ("**UOB**") from March 1973 to November 2009 where he last held the appointment of Executive Director and Division Head of Commercial Banking in which the Bank is a leader in the SMEs market. Prior to the above and during his tenure with UOB, Mr Lim had also held leadership appointments as Head of Human Resource and Head of Branches Division where he was involved in the management and development of human capital, its delivery channels and banking services. From November 2009 to October 2011, Mr Lim was an Adviser to RGE Pte Ltd, a resource-based manufacturing group in the paper and pulp, palm oil and the oil and gas industries.

Mr Nagaraj Sivaram
Independent Non-Executive Director and Chairman of the Audit, Risk Management and Compliance Committee

Mr Nagaraj Sivaram was an assurance partner in Ernst & Young, Singapore and retired from the firm on 30 June 2019 after 35 years with the firm. In his years with the firm, he served in various roles principally in the audit or assurance department. His audit experience over the years included the audit of listed companies and multinationals in the food and beverage, logistics and real estate industries. His business advisory experience included financial due diligence work for the Transaction Advisory Services group of the firm.

He was the technical partner for many years. As technical partner he advised other partners on complex accounting and auditing issues, conducted training and set policies relating to risk management for the assurance practice of the firm. He was a member of the Accounting Standards Council, the standard setter in Singapore for eight years.

Dr Julie Lo Lai Wan
Independent Non-Executive Director and Member of the Investment Committee

Dr Lo has been the General Counsel of National Healthcare Group (NHG) since September 2020. NHG is a large healthcare company wholly-owned by MOH Holdings Pte Ltd, Singapore, and comprises numerous hospitals, specialty centres and polyclinics. Dr Lo is a member of the NHG Domain Specific Review Board which is an independent committee that reviews and approves research studies. Dr Lo also actively participates in national initiatives and strategies including major reforms of the healthcare sector.

Dr Lo was the Legal Director (Head of Legal & Contract Management Department) and Head of Procurement of Synapxe (formerly known as Integrated Health Information Systems (IHiS)). Synapxe is the technology agency for Singapore's public healthcare sector and is wholly-owned by MOH Holdings Pte Ltd, Singapore. Dr Lo built the legal and procurement departments, guided Synapxe through the Committee of Inquiry investigation into the SingHealth cyber attack in 2018 and led Synapxe through several major public healthcare projects. Prior to this, Dr Lo was a finance sector lawyer.

Mr Loi Pok Yen
Independent Non-Executive Director, Chairman of the Investment Committee and Member of the Audit, Risk Management and Compliance Committee

Mr Loi was the Group CEO of CWT Limited ("**CWT**"), an SGX listed integrated logistics service provider that provides supply chain solutions to various industries, before he retired from his position on 31 March 2023. In 2017, CWT was acquired by the HNA Group for approximately S$1.4 billion via a general offer and was subsequently delisted from the SGX and is now known as CWT Pte. Limited.

Prior to joining CWT, Mr Loi was responsible for the warehouse and logistics businesses at C&P Holdings Pte Ltd. From 1995 to 1997, he helped oversee and build Myanmar International Terminals Thilawa ("**MITT**"), Myanmar's largest port. Mr Loi has been instrumental in transforming the CWT Group into a global enterprise. In 2013, he was named EY Entrepreneur of the Year – Logistics Winner.

Mr George Agethen
Non-Executive Director

Mr Agethen is the Co-Head of Asia Pacific of Ivanhoé Cambridge, a real estate investor with over CAD77 billion of real estate assets globally and a real estate subsidiary of CDPQ, a global investment group. He is a member of the Executive Committee of Ivanhoé Cambridge and oversees the company's investment and asset management strategies in the APAC region. He has over 20 years of experience in real estate, portfolio management and investment banking and has held senior positions in leading organisations in Australia, Hong Kong, China and Singapore.

Mr Stuart Gibson
Non-Executive Director, Member of the Nominating and Remuneration Committee and Member of the Investment Committee

Mr Gibson is currently the Executive Director, Group Co-Founder and Co-CEO of ESR, the Sponsor of ESR-REIT. Mr Gibson has been the Co-CEO of ESR since January 2016 and he was also the Co-Founder and CEO of the Redwood group from July 2006 until 2016. Mr Gibson is responsible for overseeing ESR's overall operations and business development.

Mr Gibson was also a Director of various subsidiaries of ESR. He has been an Independent Director of SYLA Technologies Co., Ltd since July 2023.

Mr Gibson has over 28 years of real estate development and investment experience in Asia, which includes 15 years in the Japanese industrial real estate sector. Mr Gibson joined Prologis B.V. (formerly known as LogiStar B.V.) in 1998 as the development associate, and was subsequently seconded from Prologis B.V. to Prologis Japan as a Vice President from 2000, and was later promoted to the country head of Prologis Japan. He was the former Co-Founder and Co-CEO of AMB BlackPine from 2003 to 2006, which was subsequently incorporated into Prologis. He was also the Chairman of AMB Property Corporation Japan Advisory Committee from July 2006 to December 2007.

Mr Shen Jinchu, Jeffrey
Non-Executive Director, Member of the Nominating and Remuneration Committee and Member of the Investment Committee

Mr Shen is the Group Co-founder, and currently the Executive Director & Co-CEO of ESR, the Sponsor of ESR-REIT. Mr Shen has been the Co-CEO of ESR since June 2011 and was also a Co-founder of e-Shang Cayman Limited. Mr Shen is responsible for overseeing ESR's overall operations and business development, leading regional growth strategies, and expanding ESR's asset and fund management platforms.

Mr Shen was also a Director of various subsidiaries of ESR. He has served as a Non-Executive Director of ARA Trust Management (Suntec) Limited (manager of Suntec Real Estate Investment Trust) since November 2023.

Mr Shen has over 24 years of industrial real estate experience in China. Prior to co-founding ESR in June 2011, he held a variety of roles, including Senior Vice President at GLP Investment Management (China) Co., Ltd (formerly known as Prologis China) from January 2004 to September 2010, overseeing the Eastern China area. Mr. Shen was the Deputy Director of DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003. Previously, he was the assistant general manager of marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd, from July 1995 to November 2000.

Mr Adrian Chui
CEO and Executive Director

Mr Chui joined the ESR-REIT Manager in March 2017 as CEO and Executive Director. He reports to the Board and is responsible for achieving ESR-REIT's fiduciary duties to Unitholders as well as managing major stakeholder relationships. His key responsibilities include setting the strategic objectives for ESR-REIT alongside the Board as well as driving the overall business plan execution with the support of the management team.

Mr Chui has more than 20 years of extensive real estate experience, across property investments, divestments and operations, real estate funds management and structuring, capital markets, acquisitions financing, mergers and acquisitions, and fund raising. He was the pioneer in leading and structuring of Singapore's first ever REIT merger in 2018. He is also an Exco member of the Real Estate Investment Trust Association of Singapore (REITAS).

Prior to joining the Manager, Mr Chui was responsible for the Southeast Asia real estate business at Standard Chartered Bank. His deal experiences span across private funds, REITs and Business Trusts market includes structuring cross border property investments and fund raising in industrial, logistics, hospitality, office, retail and healthcare. His previous roles include being a sell-side property research analyst responsible for Singapore listed REITs and property companies and had held management roles in other REIT Management companies.

THE PROPERTY MANAGER

The section headed "The Property Manager" of the Information Memorandum shall be deleted in its entirety and replaced with the following:

ESR Property Services Pte. Ltd. (formerly known as ESR-LOGOS Property Management (S) Pte. Ltd., ESR Property Management (S) Pte. Ltd. and Cambridge Industrial Property Management Pte. Ltd.) was incorporated in Singapore under the Companies Act on 4 November 2005. As at 31 December 2024, it has an issued capital of S$250,000 and its registered office is located at 5 Temasek Boulevard, #12-09, Suntec Tower 5, Singapore 038985.

As at 31 December 2024, ESR holds an indirect interest of 100% in the Property Manager.

Board of Directors

The Board of Directors of the Property Manager as at the date of this Supplemental Information Memorandum comprise the following:

Name	Designation
Mr Stuart Gibson	Director
Mr Shen Jinshu, Jeffrey	Director
Mr Ivan Lim Ming Rean	Director

Experience and Expertise of the Board of Directors

Information on the business and working experience of Mr Stuart Gibson and Mr Shen Jinchu, Jeffrey is set out in the section titled "*The ESR-REIT Manager – Experience and Expertise of the Board of Directors*".

Mr Ivan Lim Ming Rean
Non-Executive Director

Mr Lim was appointed as the Group Chief Financial Officer of ESR on 19 September 2022 and is responsible for all aspects of the Group's financial management, including finance (accounting, tax, budgeting and forecasting), financing (debt and equity), and investor relations.

Prior to his appointment, Mr Lim helmed as Chief Financial Officer of LOGOS Property Group Limited and ARA Asset Management Limited, both of which are key subsidiaries of ESR post its acquisition of ARA. Mr Lim has close to 20 years in the real estate industry with his experience spanning fund management and investment, asset management, advisory and consultancy, corporate finance, group treasury and statutory reporting. Prior to joining LOGOS, Mr Lim was with OUE Limited from January 2020 to November 2020 as the Group Chief Financial Officer. He was the Chief Financial Officer of Mapletree Logistics Trust Management from December 2016 to December 2019 and Chief Financial Officer of Keppel REIT Management Limited from November 2013 to July 2014. Prior to that he was financial controller at Ascendas Pte Ltd. from July 2008 to August 2010.

Mr Lim received a bachelor's degree in estate management from the University of Malaya in September 1999. He was admitted as a Fellow of the Association of Chartered Certified Accountants in October 2009 and as a Chartered Accountant of Singapore in December 2016. Mr Lim also became a licensed valuer with the Malaysia Board of Valuers in January 2007.

SINGAPORE TAXATION

The section headed "Singapore Taxation" on pages 190 to 198 of the Information Memorandum shall be deleted in its entirety and replaced with the following:

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 MAS and IRAS in force as at the date of this Supplemental 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). It should be noted that as at the date of this Information Memorandum, the Income Tax (Qualifying Debt Securities) Regulations have not been amended to reflect the amendments made to the ITA in respect of the QDS scheme pursuant to the Income Tax (Amendment) Act 2023. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Supplemental Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 Notes 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. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders and prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, purchase, ownership of or disposal of the Notes, 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 Joint Lead Managers and any other persons involved in the issue and offering of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, ownership or disposal of the Notes.

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 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, currently 17.0%, and the applicable rate for non-resident individuals is currently 24.0%. 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 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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.

The terms "**early redemption fee**" and "**redemption premium**" 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; and

"**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.

References to "early redemption fee" and "redemption premium" in this Singapore taxation disclosure have the same meaning as defined in the ITA.

From the time of establishment of the Programme to 30 March 2016, the Programme as a whole was arranged by Australia and New Zealand Banking Group Limited (Singapore Branch), which was a Financial Sector Incentive (Bond Market) ("**FSI-BM**") Company (as defined in the ITA) at such time. Australia and New Zealand Banking Group Limited (Singapore Branch) has resigned as the arranger under such Programme with effect from 30 March 2016, and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch has been appointed as the sole arranger under the Programme and is a Financial Sector Incentive (Capital Market) ("**FSI-CM**") Company, Financial Sector Incentive (Standard Tier) ("**FSI-ST**") Company or FSI-BM Company (as defined in the ITA) and a Specified Licensed Entity at such time.

On the basis that the Programme as a whole was arranged by an FSI-BM Company prior to 1 January 2014 and by an FSI-BM, FSI-CM or FSI-ST Company and a Specified Licensed Entity thereafter, any tranche of the Notes (the "**Relevant Tranche of Notes**") issued as debt securities under the Programme during the period from the date of this Supplemental Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(1) subject to certain prescribed conditions having been fulfilled (including the furnishing to the MAS by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Tranche of Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Tranche of Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Tranche of Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the

Relevant Tranche of Notes 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 QDS shall not apply if the non-resident person acquires the Relevant Tranche of Notes using funds from that 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 Tranche of Notes 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 Tranche of Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(2) subject to certain conditions having been fulfilled (including the furnishing to the MAS by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Tranche of Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Tranche of Notes as the MAS may require), Qualifying Income from the Relevant Tranche of Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (1) above, is subject to income tax at a concessionary rate of 10.0% (except for holders who have been granted the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(3) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Tranche of Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Tranche of Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing to the MAS by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Tranche of Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Tranche of Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Tranche of Notes are not subject to withholding of tax by the Issuer.

The term "**Specified Licensed Entity**" means any of the following persons:

(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;

(C) a person who holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore to carry on a business in any of the following regulated activities:

(i) advising on corporate finance; or

(ii) dealing in capital markets products; or

(D) such other person as may be prescribed by rules made under Section 7 of the ITA.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Tranche of Notes, the Relevant Tranche of Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Tranche of Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the ESR-REIT Manager, such Relevant Tranche of Notes would not qualify as QDS; and

(B) even though a particular tranche of the Relevant Tranche of Notes is QDS, if, at any time during the tenure of such tranche of Relevant Tranche of Notes, 50.0% or more of such Relevant Tranche of Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the ESR-REIT Manager, Qualifying Income derived from such Relevant Tranche of Notes held by:

(I) any related party of the Issuer or the ESR-REIT Manager; or

(II) any other person where the funds used by such person to acquire such Relevant Tranche of Notes are obtained, directly or indirectly, from any related party of the Issuer or the ESR-REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax of 10.0% as described above.

The term "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. Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Tranche of Notes 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 Tranche of Notes using the funds of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Tranche of Notes without deduction or withholding of tax under Sections 45 or 45A of the ITA, any person whose Qualifying Income derived from such Relevant Tranche of Notes is not exempt from tax is required to 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 Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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. In addition, any foreign-sourced disposal gains received in Singapore from outside Singapore from the sale of the Notes that occurs on or after 1 January 2024 by an entity of a multinational group that does not have adequate economic substance in Singapore may be taxable as further described in Section 10L of the ITA.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**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 Notes, 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 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes

Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt 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 provided in that section. The IRAS has issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under the FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The section headed "Subscription, Purchase and Distribution" on pages 199 to 201 of the Information Memorandum shall be supplemented with the following:

European Economic Area and United Kingdom

Each Joint Lead Manager has represented and agreed that it will not engage in the offer or marketing of the Notes in any jurisdiction in which Directive 2011/61/EU (the "**AIFM Directive**") has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section, engage in the offer or marketing of the Notes in Germany, France, The Netherlands, Norway, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal, Ireland and such further jurisdictions as agreed in writing between the Issuer and the Joint Lead Managers prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a "**Relevant AIFMD Jurisdiction**").

For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under "Subscription, Purchase and Distribution – General" of this Information Memorandum, the Joint Lead Managers have not made any representation, undertaking or agreement that they have complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

European Economic Area

Prohibition of sales to EEA Retail Investors

In relation to each Member State of the European Economic Area, each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Notes 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 Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) 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 Joint Lead Managers; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or the Joint Lead Managers 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 Notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Notes 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 Notes to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) 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 Joint Lead Managers; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or the Joint Lead Managers 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 Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Each Joint Lead Manager has represented and agreed that:

(a) in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer,

(b) 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The sub-section entitled "Subscription, Purchase and Distribution – Singapore" on page 200 of the Information Memorandum shall be deleted in its entirety and replaced with the following:

Singapore

Each Joint Lead Manager acknowledges that the Information Memorandum and this Supplemental Information Memorandum have not been and will not be registered as a prospectus with the MAS. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum, this Supplemental Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, 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 of Singapore.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

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 and amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

PRICING SUPPLEMENT RELATING TO THE NOTES

Pricing Supplement

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS AMENDED OR MODIFIED FROM TIME TO TIME: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

PERPETUAL (ASIA) LIMITED
(in its capacity as trustee of ESR-REIT (formerly known as ESR-LOGOS REIT))
as Issuer

ESR-REIT MTN PTE. LTD.
(formerly known as ESR-LOGOS REIT MTN Pte. Ltd.)

PERPETUAL (ASIA) LIMITED
(in its capacity as trustee of ESR-REIT (formerly known as ESR-LOGOS REIT))

S$750,000,000 Multicurrency Debt Issuance Programme

SERIES NO: 010

TRANCHE NO: 001

S$[●] [●] per cent. Notes due [●]

Issue Price: [100.0] per cent.

DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited

Issuing and Paying Agent
British and Malayan Trustees Limited
1 Coleman Street
#06-11 The Adelphi
Singapore 179803

The date of this Pricing Supplement is [●] 2025.

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the **Notes**) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 12 September 2019 issued in relation to the S$750,000,000 Multicurrency Debt Issuance Programme of ESR-REIT MTN Pte. Ltd. and Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) (the **Issuer**) as supplemented by the Supplemental Information Memorandum dated [●] 2025 issued in relation to the Notes (together, the **Information Memorandum**). Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, early redemption fee or redemption premium is derived from any Notes 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 for qualifying debt securities available (subject to certain conditions) under the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the **Income Tax Act**) shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

In connection with the issue of the Notes, the Dealer named as the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in this Pricing Supplement may over-allot Notes, or effect transactions with a view to supporting the market price of the Notes, at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Tranche of Notes, and 60 days after the date of the allotment of the Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

PERPETUAL (ASIA) LIMITED
(in its capacity as trustee of ESR-REIT)

(as Issuer)

Signed: _____
Authorised Signatory

Signed: _____
Authorised Signatory

The terms of the Notes and additional provisions relating to their issue are as follows:

1.	Issuer:	Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT)
2.	Guarantor:	Not Applicable
3.	Series No.:	010
4.	Tranche No.:	001
5.	Currency:	Singapore dollars (**S$**)
6.	Principal Amount of Series:	S$[●]
7.	Principal Amount of Tranche:	S$[●]
8.	Denomination Amount:	S$250,000
9.	Calculation Amount (if different from Denomination Amount):	Not Applicable
10.	Issue Date:	[●] 2025
11.	Redemption Amount (including early redemption):	Denomination Amount
12.	Interest Basis:	Fixed Rate
13.	Interest Commencement Date:	[●] 2025
14.	**Fixed Rate Note**	
	(a) Maturity Date:	[●]
	(b) Day Count Fraction:	Actual/365 (Fixed)
	(c) Interest Payment Date(s):	The dates falling on [●] and [●] in each year, commencing on [●] 2025 and ending on the Maturity Date
	(d) Initial Broken Amount:	Not Applicable
	(e) Final Broken Amount:	Not Applicable
	(f) Interest Rate:	[●] per cent. per annum
15.	**Floating Rate Note**	Not Applicable
16.	**Variable Rate Note**	Not Applicable
17.	**Hybrid Note**	Not Applicable
18.	**Zero Coupon Note**	Not Applicable

19.	Issuer's Redemption Option Issuer's Redemption Option Period (Condition 5(d)):	No
20.	Noteholders' Redemption Option Noteholders' Redemption Option Period (Condition 5(e)):	No
21.	Issuer's Purchase Option Issuer's Purchase Option Period (Condition 5(b)):	No
22.	Noteholders' VRN Purchase Option Noteholders' VRN Purchase Option Period (Condition 5(c)(i)):	No
23.	Noteholders' Purchase Option Noteholders' Purchase Option Period (Condition 5(c)(ii)):	No
24.	Redemption for Taxation Reasons (Condition 5(f)):	Yes
25.	Notes to be represented on issue by:	Permanent Global Security
26.	Temporary Global Security exchangeable for Definitive Securities:	Not Applicable
27.	Temporary Global Security exchangeable for Permanent Global Security:	Not Applicable
28.	Applicable TEFRA exemption:	C Rules
29.	Listing:	Singapore Exchange Securities Trading Limited
30.	ISIN Code:	To be obtained
31.	Common Code:	To be obtained
32.	Clearing System(s):	The Central Depository (Pte) Limited
33.	Depository:	The Central Depository (Pte) Limited
34.	Delivery:	Delivery free of payment
35.	Method of issue of Notes:	Syndicated
36.	The following Dealer(s) is subscribing the Notes:	DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited

37.	Stabilising Manager(s) (if any):	Oversea-Chinese Banking Corporation Limited
38.	The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [●] producing a sum of (for Notes not denominated in Singapore dollars):	Not Applicable
39.	Use of proceeds:	The net proceeds arising from the issue of the Notes (after deducting issue expenses) will be used for the purposes of refinancing or repayment the existing borrowings of the Group, financing or refinancing the acquisitions and/or investments of ESR-REIT and any development and asset enhancement works initiated by ESR-REIT, financing general working capital and capital expenditure requirements of the Group.
40.	Private Bank Rebate:	Not Applicable
41.	Other terms:	
	Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:	Please refer to Annex 1
	Any additions or variations to the selling restrictions:	Not Applicable

Annex 1

A new Condition 11A shall be inserted below the existing Condition 11 in the terms and conditions of the Notes as follows:

"**11A. SUBSTITUTION IN RESPECT OF THE ESR-REIT TRUSTEE**

(a) The Issuer may substitute in place of Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) (or of the previous substitute under this Condition 11A) as the principal debtor under the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents another company being appointed as the replacement or substitute trustee of ESR-REIT (such substituted company being hereinafter called the **New ESR-REIT Trustee**) in accordance with the terms of the ESR-REIT Trust Deed, provided that relevant accession or supplemental agreements or deeds are executed or some other form of undertaking is given by the New ESR-REIT Trustee, agreeing to be bound by the provisions of the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents as fully as if the New ESR-REIT Trustee had been named in the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 11A) and provided further that the Trustee shall be provided with evidence to its reasonable satisfaction that the appointment of the New ESR-REIT Trustee has been completed in accordance with the terms of the ESR-REIT Trust Deed, including a copy of the deed supplemental to the ESR-REIT Trust Deed providing for such appointment, and a confirmation from the ESR-REIT Manager that the Deposited Property (as defined in the ESR-REIT Trust Deed) has been vested in the New ESR-REIT Trustee.

(b) The following further conditions shall apply to Condition 11A(a) above:

(i) where the New ESR-REIT Trustee is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to Singapore or any authority thereof or therein having power to tax as set out in these Conditions, undertakings or covenants shall be given by the New ESR-REIT Trustee in terms corresponding to the provisions of Condition 7 with the substitution for (or, as the case may be, the addition to) the references to Singapore or any authority thereof or therein having power to tax set out in these Conditions of references to that other or additional territory in which the New ESR-REIT Trustee is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Conditions 5(f) and 7 shall be modified accordingly; and

(ii) the Trustee shall be entitled to seek (at the expense of the Issuer) such legal or professional advice in connection with any proposed substitution of a principal debtor under this Condition 11A as it shall in its opinion deem necessary or desirable in all circumstances.

(c) The Issuer shall procure to be delivered to the Trustee a certificate signed by duly authorised signatories of the ESR-REIT Manager stating that the appointment of the New ESR-REIT Trustee has been completed in accordance with the terms of the ESR-REIT Trust Deed and that the conditions set out in this Condition 11A for the substitution of ESR-REIT Trustee (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above.

(d) Any such accession or supplemental agreement, trust deed, deed or undertaking shall, if so expressed, operate to release the Issuer (or the previous substitute under this Condition 11A) from all of its obligations as principal debtor under the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents. Not later than 14 days after the execution of such documents and compliance with such requirements, the New ESR-REIT Trustee shall give notice thereof in a form previously approved by the Trustee to the Noteholders in the manner provided in Condition 15. Upon the execution of such documents and compliance with such requirements, the New ESR-REIT Trustee shall be deemed to be named in the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents as the principal debtor in place of Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) (or in place of the previous substitute under this Condition 11A) under the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents, and Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Trust Deed, the Agency Agreement, the Notes, the Coupons and any other relevant Issue Documents to Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) and/or the ESR-REIT Trustee and/or the Issuer (or such previous substitute) shall, unless the context otherwise requires, be deemed to be or include references to the New ESR-REIT Trustee.

(e) The Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New ESR-REIT Trustee or to compare the same with those of the Issuer or the previous substitute under this Condition 11A as applicable.

(f) For the avoidance of doubt:

(i) any substitution of the existing ESR-REIT Trustee with the New ESR-REIT Trustee in accordance with this Condition 11A relates only to any such substitution of principal debtor in relation to the S$[●] [●] per cent. Notes due [●] only;

(ii) any substitution of the existing ESR-REIT Trustee with the New ESR-REIT Trustee in accordance with this Condition 11A shall not require any approval by Noteholders; and

(iii) nothing in this Condition 11A shall restrict the operation of paragraph 2(h) of Schedule 9 of the Trust Deed in connection with any substitution which has not been made in accordance with this Condition 11A."

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. No Director of the ESR-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.

2. As at the date of this Supplemental Information Memorandum, no option to subscribe for shares in, or debentures of, ESR-REIT has been granted to, or was exercised by, any Director of the ESR-REIT Manager.

3. Save as disclosed in Appendices II and III of this Supplemental Information Memorandum, no Director of the ESR-REIT Manager is interested, directly or indirectly, in the promotion of any assets acquired or disposed of by or leased to, ESR-REIT or any of its subsidiaries, within the two years preceding the date of this Supplemental Information Memorandum (other than for any transaction the value of which is below S$100,000).

SHARE CAPITAL

4. As at the date of this Supplemental Information Memorandum, there is only one class of units in ESR-REIT. The rights and privileges attached to the units of ESR-REIT are stated in the ESR-REIT Trust Deed.

BORROWINGS

5. As at 31 December 2024, all the borrowings or indebtedness in the nature of borrowings of ESR-REIT are as disclosed in Appendix III to this Supplemental Information Memorandum.

WORKING CAPITAL

6. The ESR-REIT Manager is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, ESR-REIT will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

7. There has been no significant change in the accounting policies of ESR-REIT since its audited consolidated financial statements for the financial year ended 31 December 2023.

LITIGATION

8. There are no legal or arbitration proceedings pending against the Issuer, ESR-REIT or any of their respective subsidiaries the outcome of which, in the opinion of the ESR-REIT Manager, may have or have had during the 12 months prior to the date of this Supplemental Information Memorandum a material adverse effect on the financial position of the Issuer, ESR-REIT or the Group.

MATERIAL ADVERSE CHANGE

9. Save as disclosed in this Supplemental Information Memorandum, there has been no material adverse change in the financial condition or business of ESR-REIT or the Group since 31 December 2024.

CONSENTS

10. Ernst & Young LLP, auditors of the Group have given and have not withdrawn their written consent to be named in this Supplemental Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Supplemental Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected, with prior appointments, at the registered office of the ESR-REIT Manager during normal business hours for a period of six months from the date of this Supplemental Information Memorandum:

    (a) the ESR-REIT Trust Deed;

    (b) the Trust Deed;

    (c) the audited consolidated financial statements of ESR-REIT for the financial year ended 31 December 2023; and

    (d) the unaudited consolidated financial statements of ESR- REIT for the financial year ended 31 December 2024.

12. Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant (as defined in the Trust Deed) are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

13. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ESR-REIT AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The information in this Appendix II has been extracted and reproduced from the audited consolidated financial statements of ESR-REIT and its Subsidiaries for the financial year ended 31 December 2023 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

ESR-LOGOS REIT and its subsidiaries

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 31 March 2006 (as amended))

Annual Financial Statements
31 December 2023

Report of the Trustee

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of ESR-LOGOS REIT (the "Trust") held by it or through its subsidiaries (collectively, 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 issued by the Monetary Authority of Singapore ("MAS") and the Listing Manual, the Trustee shall monitor the activities of ESR-LOGOS Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 31 March 2006 (as amended), including the Deed of Retirement and Appointment of Trustee of the Trust dated 14 April 2022 between the Trustee and the Manager (the "Trust Deed") in each annual accounting year 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 Trust during the year covered by these financial statements, set out on pages 8 to 110 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,
Perpetual (Asia) Limited

Matthew Allen
Director

Singapore
20 March 2024

Statement by the Manager

In the opinion of the directors of ESR-LOGOS Funds Management (S) Limited, the accompanying financial statements of ESR-LOGOS REIT (the "Trust") and its subsidiaries (the "Group") set out on pages 8 to 110 comprising the Statements of Financial Position, Consolidated Statement of Total Return, Consolidated Distribution Statement, Statements of Movements in Unitholders' Funds, Investment Properties Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including material accounting policy information, 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 December 2023, and the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group 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"* 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,
ESR-LOGOS Funds Management (S) Limited

Ms. Stefanie Yuen Thio
Chairperson

Singapore
20 March 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ESR-LOGOS REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and investment properties portfolio statements of the Group and the Trust as at 31 December 2023, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust are properly drawn up 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 present fairly, in all material respects, the consolidated financial position and consolidated portfolio holdings of the Group and the financial position and portfolio holdings of the Trust as at 31 December 2023 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date.

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 *Auditor's 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 ("ACRA") *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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (cont'd)

Valuation of investment properties held either directly or through joint venture and investments at fair value through profit or loss

The Group's investments in property assets comprise investment properties held either directly or through joint venture and investments in unquoted property funds. As at 31 December 2023, the respective carrying value of directly held investment properties is $4.7 billion, investment in joint venture is $41.2 million, and investments at fair value through profit or loss is $300.3 million. The underlying investment properties, held directly or indirectly, are stated at fair values based on independent external valuations.

The valuation of investment properties is considered a key audit matter because it requires significant judgement in the determination of the appropriate valuation methodology and the assumptions and estimates that are to be applied in the valuation. The valuation of the investment properties is sensitive to changes in the key assumptions applied, which is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions.

We have assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the independence, objectivity and competency of the 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 valuation methodologies adopted and compared them against those applied by other valuers for similar property types. We tested the key inputs in the projected cash flows and net operating income used in the valuations to supporting key information such as contractual terms of the leases and externally available industry and economic data.

We assessed the reasonableness of key assumptions used in the valuations, including market rental growth, price per square metre, terminal yield, capitalisation and discount rates, by comparing them against current and historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures and, where necessary, held discussions with the valuers to understand the effects of additional factors taken into account in the valuations and assessed whether the assumptions and market data used were reasonable in the context of the current environment.

We have reviewed the appropriateness of the disclosures in Notes 4 and 29 of the financial statements.

Other information

The Manager of the Trust 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 auditor's report thereon.

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 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 Manager is responsible for the preparation and fair presentation of these financial statements 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 for such internal control as the Manager determines is 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 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 Manager either intends to liquidate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the 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 auditor's 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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 control.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager'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 auditor's 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 auditor's 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 Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

From the matters communicated with 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 auditor's 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 auditor's report is Lee Wei Hock.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 March 2024

ESR-LOGOS REIT and its subsidiaries

Statements of Financial Position
As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Assets					
Non-current assets					
Investment properties	4	4,686,985	5,103,400	1,292,290	1,570,449
Investments in subsidiaries	5	–	–	1,953,875	2,104,974
Investment in joint venture	6	41,233	41,233	41,233	41,233
Investments at fair value through profit or loss ("FVTPL")	7	300,347	342,665	75,910	77,320
Loans to subsidiaries	8	–	–	667,506	725,755
Derivative financial instruments	9	5,075	19,617	–	10,419
		5,033,640	5,506,915	4,030,814	4,530,150
Current assets					
Trade and other receivables	10	27,258	40,684	49,401	52,177
Derivative financial instruments	9	3,426	4,385	3,260	4,385
Cash and bank balances	11	41,985	45,579	10,131	9,539
		72,669	90,648	62,792	66,101
Investment properties held for divestment	4	–	56,595	–	8,141
		72,669	147,243	62,792	74,242
Total assets		5,106,309	5,654,158	4,093,606	4,604,392
Liabilities					
Current liabilities					
Trade and other payables	12	77,924	91,560	35,693	42,796
Lease liabilities for leasehold land	13	17,073	16,180	2,735	2,895
Interest-bearing borrowings	14	163,088	229,349	163,088	229,349
Derivative financial instruments	9	182	–	182	–
Amount due to non-controlling interest	15	70,928	63,316	–	–
		329,195	400,405	201,698	275,040
Liabilities directly attributable to investment properties held for divestment	13	–	6,328	–	1,076
		329,195	406,733	201,698	276,116
Non-current liabilities					
Trade and other payables	12	35,854	20,530	15,909	5,537
Lease liabilities for leasehold land	13	574,972	521,440	129,355	155,154
Interest-bearing borrowings	14	1,392,799	1,846,707	984,165	1,410,387
Derivative financial instruments	9	2,674	1,907	2,674	1,907
Deferred tax liabilities	24	5,537	7,754	4,326	4,208
		2,011,836	2,398,338	1,136,429	1,577,193
Total liabilities		2,341,031	2,805,071	1,338,127	1,853,309

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Statements of Financial Position
As at 31 December 2023

	Note	Group		Trust	
		2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Net assets		2,765,278	2,849,087	2,755,479	2,751,083
Represented by:					
Unitholders' funds		2,463,150	2,444,653	2,453,351	2,448,955
Perpetual securities holders' funds	16	302,128	302,128	302,128	302,128
Non-controlling interest - perpetual securities	17	–	102,306	–	–
		2,765,278	2,849,087	2,755,479	2,751,083
Units in issue ('000)	18	7,689,164	6,719,188	7,689,164	6,719,188
Net asset value per Unit (cents)		32.0	36.4	31.9	36.4

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Statement of Total Return
For the financial year ended 31 December 2023

	Note	Group 2023 $'000	2022 $'000
Gross revenue	19	386,350	343,232
Property expenses	20	(113,191)	(98,989)
Net property income		273,159	244,243
Income from investments at FVTPL		9,215	11,129
Management fees	21	(21,924)	(21,201)
Trust expenses	22	(6,348)	(5,172)
Borrowing costs, net	23	(76,013)	(62,247)
Finance costs on lease liabilities for leasehold land	13	(32,176)	(23,743)
Net income		145,913	143,009
Foreign exchange loss		(1,240)	(2,256)
Change in fair value of investments at FVTPL		(39,839)	8,360
Change in fair value of financial derivatives		(16,346)	27,570
Change in fair value of investment properties	4	(166,818)	(22,511)
Fair value adjustments relating to the Merger		–	(427,055)
Change in fair value of right-of-use of leasehold land	13	8,685	5,593
Share of results of joint venture	6	3,876	5,343
Total loss for the year before income tax		(65,769)	(261,947)
Income tax credit/(expense)	24	2,104	(9,492)
Total loss for the year after income tax		(63,665)	(271,439)
Attributable to:			
Unitholders of the Trust and perpetual securities holders		(67,449)	(278,261)
Non-controlling interest - perpetual securities holders		467	3,828
Non-controlling interest - others		3,317	2,994
Total loss for the year		(63,665)	(271,439)
Earnings per Unit (cents)			
Basic and diluted	25	(1.150)	(4.972)
Distribution per Unit (cents)	25	2.564	3.000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Distribution Statement
For the financial year ended 31 December 2023

	Group	
	2023	**2022**
	$'000	$'000
Total loss after income tax, before distribution for the year	(67,449)	(278,261)
Add: Distribution adjustments (Note A)	243,938	437,871
	176,489	159,610
Amount reserved for distributions to perpetual securities holders	(18,198)	(12,049)
Net income available for distribution to Unitholders	158,291	147,561
Total amount available for distribution comprising:		
- Taxable income	158,291	147,561
- Tax-exempt income	4,084	12,049
- Capital distribution	30,323	17,487
	192,698	177,097
Less: Distributions (Note B)	(101,508)	(73,606)
Net amount available for distribution to Unitholders as at 31 December	91,190	103,491

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Distribution Statement
For the financial year ended 31 December 2023

Note A - Distribution adjustments

	Group	
	2023	**2022**
	$'000	$'000
Non-tax deductible/(chargeable) items and other adjustments:		
Management fees paid/payable in Units	12,352	10,837
Property Manager's fees paid/payable in Units	3,200	3,257
Trustee's fees	956	1,028
Financing related costs, including amortisation of debt related costs	12,768	11,091
Realised foreign exchange gain	–	(1,779)
Unrealised foreign exchange loss	1,435	4,163
Change in fair value of investments at FVTPL	39,839	(8,360)
Fair value adjustments relating to the Merger	–	427,055
Change in fair value of investment properties	166,818	22,511
Change in fair value of financial derivatives	16,346	(27,570)
Legal and professional fees	1,164	(867)
Adjustment for straight-line rent and lease incentives	(2,947)	(1,976)
Miscellaneous expenses	202	2,291
Share of results of joint venture	(3,876)	(5,343)
Distributable income from joint venture	3,876	5,236
Deferred tax (credit)/expense	(2,133)	5,069
Non-controlling interest share of non-tax deductible items	(519)	(643)
Interest income from subsidiary that was capitalised	1,053	227
Rollover adjustment from prior years	(36)	(2,224)
Tax interest adjustment	72	262
Net tax adjustments for income from subsidiaries and investments at FVTPL	(6,632)	(6,394)
Net effect of distribution adjustments	243,938	437,871

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Distribution Statement
For the financial year ended 31 December 2023

Note B - Distributions

	Group	
	2023	**2022**
	$'000	$'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 0.930 cents per Unit for the period from 27/2/2023 to 30/6/2023	71,358	–
Distribution of 0.448 cents per Unit for the period from 1/1/2023 to 26/2/2023	30,150	–
Distribution of 0.550 cents per Unit for the period from 22/4/2022 to 30/6/2022	–	36,720
Distribution of 0.910 cents per Unit for the period from 1/1/2022 to 21/4/2022	–	36,886
	101,508	73,606
Distribution of 1.540 cents per Unit for the period from 1/7/2022 to 31/12/2022	103,476	–
Distribution of 0.721 cents per Unit for the period from 1/10/2021 to 31/12/2021	–	29,058
Total distributions to Unitholders during the financial year[1]	204,984	102,664

[1] Distributions were partly paid by ESR-LOGOS REIT issuing an aggregate of 14.8 million Units amounting to $5.2 million (2022: 39.9 million Units amounting to $16.4 million), pursuant to the Distribution Reinvestment Plan.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Statements of Movements in Unitholders' Funds
For the financial year ended 31 December 2023

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Unitholders' Funds				
Balance at beginning of the year	2,444,653	1,597,968	2,448,955	1,598,024
Operations				
Total loss for the year after tax attributable to Unitholders and perpetual securities holders	(67,449)	(278,261)	(86,001)	(346,713)
Less: Amount reserved for distribution to perpetual securities holders	(18,198)	(12,049)	(18,198)	(12,049)
Net decrease in net assets resulting from operations	(85,647)	(290,310)	(104,199)	(358,762)
Movement in foreign currency translation reserve	(4,451)	(72,698)	–	–
Unitholders' transactions				
Management fees paid in Units	16,223	12,230	16,223	12,230
Units issued through Distribution Reinvestment Plan	5,213	16,444	5,213	16,444
Private placement	150,000	–	150,000	–
Preferential offering	149,749	–	149,749	–
Unit buy-back	(2,720)	–	(2,720)	–
Acquisition fees paid in Units	–	17,647	–	17,647
Partial consideration paid in Units pursuant to the Merger	–	1,268,318	–	1,268,318
Equity issue costs pursuant to: (Note 26)				
- Distribution Reinvestment Plan	(195)	(557)	(195)	(557)
- Private placement	(3,472)	–	(3,472)	–
- Preferential offering	(1,214)	(6)	(1,214)	(6)
- Unit buy-back	(5)	–	(5)	–
- Perpetual securities	–	(1,719)	–	(1,719)
Distributions to Unitholders	(204,984)	(102,664)	(204,984)	(102,664)
Net increase in Unitholders' funds resulting from Unitholders' transactions	108,595	1,209,693	108,595	1,209,693
Balance at end of the year	2,463,150	2,444,653	2,453,351	2,448,955
Perpetual Securities Holders' Funds				
Balance at beginning of the year	302,128	151,115	302,128	151,115
Issue of perpetual securities	–	150,000	–	150,000
Amount reserved for distribution to perpetual securities holders	18,198	12,049	18,198	12,049
Distributions to perpetual securities holders	(18,198)	(11,036)	(18,198)	(11,036)
Balance at end of the year	302,128	302,128	302,128	302,128

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Movements in Unitholders' Funds
For the financial year ended 31 December 2023

	Group		Trust	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Non-controlling interest - ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the year	102,306	–	–	–
Non-controlling interest acquired pursuant to the Merger	–	101,205	–	–
Amount reserved for distribution to non-controlling interest - perpetual securities holders	467	3,828	–	–
Distributions to non-controlling interest - perpetual securities holders	(2,773)	(2,727)	–	–
Redemption of non-controlling interest - perpetual securities	(100,000)	–	–	–
Balance at end of the year	–	102,306	–	–
Total	2,765,278	2,849,087	2,755,479	2,751,083

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ESR-LOGOS REIT and its subsidiaries

Investment Properties Portfolio Statements
As at 31 December 2023

Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Singapore										
Business Park Properties [1]										
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	33[5]	16 International Business Park Singapore 609929	100	100	26,400	32,500	1.07	1.33
750 - 750E CHAI CHEE ROAD	Leasehold	60/43	7/7[6]	750 to 750E Chai Chee Road Singapore 469000	79	80	193,000	232,000	7.84	9.49
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44[7]	6/8 Changi Business Park Avenue 1 Singapore 486017	61	59	368,000	384,000	14.94	15.71
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44[7]	2/4 Changi Business Park Avenue 1 Singapore 486015	100	100	155,000	189,000	6.29	7.73
Total Business Park Properties							**742,400**	**837,500**	**30.14**	**34.26**

ESR-LOGOS REIT and its subsidiaries

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
	Singapore										
	High-Specs Industrial Properties [2]										
	21/23 UBI ROAD 1	Leasehold	30+30	33[8]	21/23 Ubi Road 1 Singapore 408724/408725	94	94	34,200	37,100	1.39	1.52
	11 CHANG CHARN ROAD	Leasehold	99	33[9]	11 Chang Charn Road Singapore 159640	68	62	27,700	28,200	1.12	1.15
	12 ANG MO KIO STREET 65	Leasehold	30+30	27[10]	12 Ang Mo Kio Street 65 Singapore 569060	92	92	32,600	37,200	1.32	1.52
	16 TAI SENG STREET	Leasehold	30+30	44[11]	16 Tai Seng Street Singapore 534138	82	81	93,700	87,100	3.80	3.56
	30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	26[12]	30 Marsiling Industrial Estate Road 8 Singapore 739193	100	100	50,400	46,500	2.05	1.90
	19 TAI SENG AVENUE	Leasehold	30+30	44[13]	19 Tai Seng Avenue Singapore 534054	100	76	51,600	51,500	2.09	2.11
#	7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	33[14]	7000 Ang Mo Kio Avenue 5 Singapore 569877	82	88	363,400	328,300	14.75	13.43
	Total High-Specs Industrial Properties							**653,600**	**615,900**	**26.52**	**25.19**

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Singapore											
	Logistics Properties [3]										
	1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	8[15]	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701	100	100	7,400	8,000	0.30	0.33
	25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	31[16]	25 Changi South Ave 2 Singapore 486594	100	100	13,000	13,000	0.53	0.53
	160 KALLANG WAY	Leasehold	30+30	9[17]	160 Kallang Way Singapore 349246	13	8	22,300	22,200	0.91	0.91
+	4/6 CLEMENTI LOOP	Leasehold	30+30	–	4/6 Clementi Loop Singapore 129810 and 129814	–	86	–	39,600	–	1.62
	24 JURONG PORT ROAD	Leasehold	30+12	13[18]	24 Jurong Port Road Singapore 619097	96	98	79,000	84,000	3.21	3.44
+	3 PIONEER SECTOR 3	Leasehold	30+30	–	3 Pioneer Sector 3 Singapore 628342	–	100	–	100,000	–	4.09
	15 GREENWICH DRIVE	Leasehold	30	18[19]	15 Greenwich Drive Singapore 534022	100	100	88,700	90,000	3.60	3.68
	46A TANJONG PENJURU	Leasehold	30+14	26[20]	46A Tanjong Penjuru Singapore 609040	74	80	109,000	118,000	4.43	4.83
+	6 CHIN BEE AVENUE	Leasehold	30	–	6 Chin Bee Avenue Singapore 619930	–	100	–	97,900	–	4.00
	Balance carried forward							**319,400**	**572,700**	**12.98**	**23.43**

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Singapore											
Logistics Properties [3] (cont'd)											
Balance brought forward								**319,400**	**572,700**	**12.98**	**23.43**
	30 PIONEER ROAD	Leasehold	30	13[21]	30 Pioneer Road Singapore 628502	100	100	36,600	39,800	1.49	1.63
	COMMODITY HUB	Leasehold	29	12[22]	24 Penjuru Road Singapore 609128	98	100	244,700	251,500	9.93	10.29
	COLD CENTRE	Leasehold	30+30	42[23]	2 Fishery Port Road Singapore 619746	–	63	103,500	110,000	4.20	4.50
	SCHENKER MEGAHUB	Leasehold	30+30	41[24]	51 Alps Avenue Singapore 498783	100	100	96,700	94,500	3.93	3.86
	CHANGI DISTRICENTRE 1	Leasehold	30+30	42[25]	5 Changi South Lane Singapore 486045	92	93	93,600	96,200	3.80	3.93
	AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	29[26]	22 Loyang Lane Singapore 508931	100	100	12,500	13,400	0.51	0.55
+	PAN ASIA LOGISTICS CENTRE	Leasehold	30	–	21 Changi North Way Singapore 498774	–	100	–	31,700	–	1.29
	GUL LOGISCENTRE	Leasehold	30	10[27]	15 Gul Way Singapore 629193	100	100	28,500	28,300	1.16	1.16
	DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	20[28]	1 Greenwich Drive, Tampines LogisPark Singapore 533565	100	100	165,000	165,000	6.70	6.75
Balance carried forward								**1,100,500**	**1,403,100**	**44.70**	**57.39**

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
	Singapore										
	Logistics Properties [3] (cont'd)										
	Balance brought forward							**1,100,500**	**1,403,100**	**44.70**	**57.39**
+	PANDAN LOGISTICS HUB	Leasehold	30	–	49 Pandan Road Singapore 609290	–	92	-	43,201	-	1.77
	Total Logistics Properties							**1,100,500**	**1,446,301**	**44.70**	**59.16**
	General Industrial Properties [4]										
+	70 SELETAR AEROSPACE VIEW	Leasehold	30	–	70 Seletar Aerospace View Singapore 797564	–	–	–	7,065	–	0.29
	30 TEBAN GARDENS CRESCENT	Leasehold	10+22	15[29]	30 Teban Gardens Crescent Singapore 608927	77	63	26,200	29,300	1.06	1.20
+	30 TOH GUAN ROAD	Leasehold	30+30	–	30 Toh Guan Road Singapore 608840	–	97	–	60,800	–	2.49
	128 JOO SENG ROAD	Leasehold	30+30	28[30]	128 Joo Seng Road Singapore 368356	96	97	12,600	12,300	0.51	0.50
	130 JOO SENG ROAD	Leasehold	30+30	28[31]	130 Joo Seng Road Singapore 368357	88	100	16,400	16,000	0.67	0.65
	136 JOO SENG ROAD	Leasehold	30+30	27[32]	136 Joo Seng Road Singapore 368360	98	100	13,400	12,900	0.54	0.53
	Balance carried forward							**68,600**	**138,365**	**2.78**	**5.66**

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
	Singapore										
	General Industrial Properties [4] (cont'd)										
	Balance brought forward							**68,600**	**138,365**	**2.78**	**5.66**
	79 TUAS SOUTH STREET 5	Leasehold	30+30	36[33]	79 Tuas South Street 5 Singapore 637604	100	100	9,700	9,600	0.39	0.39
	31 TUAS AVENUE 11	Leasehold	30+30	30[34]	31 Tuas Avenue 11 Singapore 639105	100	100	11,700	12,200	0.48	0.50
	1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	37/42[35]	1/2 Changi North Street 2 Singapore 498808/498775	100	100	23,200	23,000	0.94	0.94
	9 TUAS VIEW CRESCENT	Leasehold	30+30	35[36]	9 Tuas View Crescent Singapore 637612	100	100	11,100	10,300	0.45	0.42
	31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	31[37]	31 Changi South Avenue 2 Singapore 486478	100	100	13,700	13,500	0.56	0.55
+	22 CHIN BEE DRIVE	Leasehold	30	–	22 Chin Bee Drive Singapore 619870	–	–	–	13,000	–	0.53
	54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	32[38]	54 Serangoon North Avenue 4 Singapore 555854	99	91	18,500	23,400	0.75	0.96
+	2 TUAS SOUTH AVENUE 2	Leasehold	60	–	2 Tuas South Ave 2 Singapore 637601	–	100	–	39,200	–	1.60
	21B SENOKO LOOP	Leasehold	30+30	29[39]	21B Senoko Loop Singapore 758171	100	–	58,000	23,800	2.35	0.97
	Balance carried forward							**214,500**	**306,365**	**8.70**	**12.52**

Investment Properties Portfolio Statements
As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Singapore										
General Industrial Properties [4] (cont'd)										
Balance brought forward							**214,500**	**306,365**	**8.70**	**12.52**
60 TUAS SOUTH STREET 1	Leasehold	30	11[40]	60 Tuas South Street 1 Singapore 639925	100	100	3,800	4,000	0.15	0.16
5/7 GUL STREET 1	Leasehold	29.5	14[41]	5/7 Gul Street 1 Singapore 629318/629320	63	63	10,400	11,400	0.42	0.47
28 WOODLANDS LOOP	Leasehold	30+30	32[42]	28 Woodlands Loop Singapore 738308	100	100	18,300	18,000	0.74	0.74
25 PIONEER CRESCENT	Leasehold	30+28	43[43]	25 Pioneer Crescent Singapore 628554	100	100	16,800	16,800	0.68	0.69
11 WOODLANDS WALK	Leasehold	30+30	32[44]	11 Woodlands Walk Singapore 738265	100	100	18,000	18,000	0.73	0.74
43 TUAS VIEW CIRCUIT	Leasehold	30	14[45]	43 Tuas View Circuit Singapore 637360	100	100	16,000	16,700	0.65	0.68
13 JALAN TERUSAN	Leasehold	28	11 [46]	13 Jalan Terusan Singapore 619293	100	100	19,500	23,500	0.79	0.96
160A GUL CIRCLE	Leasehold	27	17[47]	160A Gul Circle Singapore 629618	100	35	13,400	13,900	0.54	0.57
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	35[48]	3 Tuas South Avenue 4 Singapore 637610	100	100	46,000	45,000	1.87	1.84
8 TUAS SOUTH LANE	Leasehold	30+16	30[49]	8 Tuas South Lane Singapore 637302	93	100	98,300	101,100	3.99	4.14
Balance carried forward							**475,000**	**574,765**	**19.26**	**23.51**

Investment Properties Portfolio Statements
As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Singapore										
General Industrial Properties [4] (cont'd)										
Balance brought forward							**475,000**	**574,765**	**19.26**	**23.51**
120 PIONEER ROAD	Leasehold	30+28	31[50]	120 Pioneer Road Singapore 639597	82	82	33,700	33,900	1.37	1.39
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	30/30[51]	511/513 Yishun Industrial Park A Singapore 768768/768736	100	100	25,200	25,900	1.02	1.06
86/88 INTERNATIONAL ROAD	Leasehold	30+30	31[52]	86/88 International Road Singapore 629176/629177	100	100	41,900	41,500	1.70	1.70
11 UBI ROAD 1	Leasehold	30+30/ 21+30	32[53]	11 Ubi Road 1 Singapore 408723	100	100	79,000	87,900	3.21	3.60
29 TAI SENG STREET	Leasehold	30+30	43[54]	29 Tai Seng Street Singapore 534120	100	100	35,400	37,000	1.44	1.51
11 LORONG 3 TOA PAYOH	Leasehold	60	5[55]	11 Lorong 3 Toa Payoh Singapore 319579	58	74	35,100	42,800	1.43	1.75
81 TUAS BAY DRIVE	Leasehold	60	43[56]	81 Tuas Bay Drive Singapore 637308	100	100	29,700	28,500	1.21	1.17
Total General Industrial Properties							***755,000***	***872,265***	***30.64***	***35.69***
Total Singapore investment properties							***3,251,500***	***3,771,966***	***132.00***	***154.30***

Investment Properties Portfolio Statements
As at 31 December 2023

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
	Australia										
	Logistics Properties [3]										
	127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	–	127 Orchard Road, Chester Hill, New South Wales, Australia	100	100	79,838	71,616	3.24	2.93
	16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	–	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	100	33,086	37,168	1.34	1.52
+	51 MUSGRAVE ROAD, COOPERS PLAINS, QUEENSLAND	Freehold	Freehold	–	51 Musgrave Road, Coopers Plains, Queensland, Australia	–	86	–	9,519	–	0.39
	203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	203 Viking Drive, Wacol, Queensland, Australia	100	100	28,771	32,544	1.17	1.33
	223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	223 Viking Drive, Wacol, Queensland, Australia	100	100	14,565	11,513	0.59	0.47
	76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	76-90 Link Drive, Campbellfield, Victoria, Australia	100	100	16,723	15,638	0.68	0.64
	67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	100	39,020	40,341	1.58	1.65
	41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	–	41-51 Mills Road, Braeside, Victoria, Australia	100	97	43,336	47,819	1.76	1.96
	Balance carried forward							**255,339**	**266,158**	**10.36**	**10.89**

Investment Properties Portfolio Statements
As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Australia										
Logistics Properties [3] (cont'd)										
Balance brought forward							**255,339**	**266,158**	**10.36**	**10.89**
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	–	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	100	22,837	20,623	0.93	0.84
41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	–	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	100	16,004	15,411	0.65	0.63
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	16-24 William Angliss Drive, Laverton, North Victoria, Australia	100	100	25,624	25,836	1.04	1.06
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	217-225 Boundary Road, Laverton North, Victoria, Australia	100	100	35,963	35,355	1.46	1.45
182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	–	182-198 Maidstone Street, Altona, Victoria, Australia	100	100	54,844	55,298	2.23	2.26
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	196 Viking Drive, Wacol, Queensland, Australia	100	100	20,094	18,901	0.82	0.77
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	–	11-19 Kellar Street, Berrinba, Queensland, Australia	100	100	15,734	16,408	0.64	0.67
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	–	47 Logistics Place, Larapinta, Queensland, Australia	100	100	16,318	17,859	0.66	0.73
Balance carried forward							**462,757**	**471,849**	**18.79**	**19.30**

Investment Properties Portfolio Statements
As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 2023 %	Occupancy rate 2022 %	Independent valuation 2023 $'000	Independent valuation 2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	Percentage of net assets attributable to Unitholders 2022 %
Australia										
Logistics Properties [3] (cont'd)										
Balance brought forward							**462,757**	**471,849**	**18.79**	**19.30**
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	39[57]	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia	100	100	55,293	56,930	2.24	2.33
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	36[58]	8 Curlew Street, Port of Brisbane, Queensland, Australia	100	100	44,954	36,896	1.83	1.51
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	36[59]	53 Peregrine Drive, Port of Brisbane, Queensland, Australia	100	100	30,389	24,114	1.23	0.99
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	36[60]	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland	100	100	76,602	72,069	3.11	2.95
Total Logistics Properties							**669,995**	**661,858**	**27.20**	**27.08**
Total Australia investment properties							**669,995**	**661,858**	**27.20**	**27.08**
Japan										
Logistics Property [3]										
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	–	2464-11 and others, Ota, Sakura-shi, Chiba-ken	100	75	173,445	182,223	7.04	7.45
Total Japan investment property							**173,445**	**182,223**	**7.04**	**7.45**
Total Group's investment properties							**4,094,940**	**4,616,047**	**166.24**	**188.83**

ESR-LOGOS REIT and its subsidiaries

Investment Properties Portfolio Statements
As at 31 December 2023

	2023 $'000	2022 $'000	Percentage of net assets attributable to Unitholders 2023 %	2022 %
Trust				
Investment properties, at valuation (Note 4)	1,160,200	1,419,465	47.29	57.96
Other assets and liabilities (net)	1,595,279	1,331,618	65.02	54.38
Net assets of the Trust	2,755,479	2,751,083	112.31	112.34
Perpetual securities holders' funds	(302,128)	(302,128)	(12.31)	(12.34)
Net assets attributable to Unitholders' Funds	2,453,351	2,448,955	100.00	100.00
Group				
Investment properties, at valuation (Note 4)	4,094,940	4,616,047	166.24	188.83
Other assets and liabilities (net)	(1,329,662)	(1,766,960)	(53.97)	(72.29)
Net assets of the Group	2,765,278	2,849,087	112.27	116.54
Perpetual securities holders' funds	(302,128)	(302,128)	(12.27)	(12.36)
Non-controlling interest - perpetual securities holders' funds	–	(102,306)	–	(4.18)
Net assets attributable to Unitholders' Funds	2,463,150	2,444,653	100.00	100.00

	Independent Valuation 2023 $'000	2022 $'000
As disclosed in the Statement of Financial Position:		
Trust		
Investment properties (non-current)	1,292,290	1,570,449
Investment properties held for divestment (current)	–	8,141
Less: Right-of-use assets (Note 4)	(132,090)	(159,125)
Total investment properties, at valuation	**1,160,200**	**1,419,465**
Group		
Investment properties (non-current)	4,686,985	5,103,400
Investment properties held for divestment (current)	–	56,595
Less: Right-of-use assets (Note 4)	(592,045)	(543,948)
Total investment properties, at valuation	**4,094,940**	**4,616,047**

Notes

1 Business Parks are clusters of buildings and offices typically dedicated to business activities relating to high-technology, research and development (R&D) value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.

2 High-Specs Industrial properties are mixed-use industrial buildings with a high proportion of space that can be allocated for office use. These buildings typically have facilities such as air-conditioned units and sufficient floorboard, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.

3 Logistics properties are typically equipped with high floor loading and also have a high floor-to-ceiling height. Such buildings can be either single-storey or multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.

4 General Industrial properties can be single or multi-storey facilities dedicated to general industrial, manufacturing or factory activities. Such spaces also have a low percentage of the usable space which can be set aside for office use.

5 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.

6 Viva Trust holds the remainder of a 60 year lease commencing from 1 April 1971 for Plot 1: Lot 8134N Mukim 27 and 43 year lease commencing from 1 March 1988 for Plot 2: Lot 7837V Mukim 27.

7 Viva Trust holds the remainder of a 30+30 year lease commencing from 1 February 2008.

8 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.

9 ESR-LOGOS REIT holds the remainder of a 99 year lease commencing from 1 January 1958.

10 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.

11 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.

12 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.

13 Viva Trust holds the remainder of a 30+30 year lease commencing from 11 September 2007.

14 7000 AMK LLP holds the remainder of a 32+30 year lease commencing from 30 January 1995.

15 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2001.

16 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.

17 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 February 1973.

18 ESR-LOGOS REIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.

19 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2011.

20 ESR-LOGOS REIT holds the remainder of a 30+14 year lease commencing from 1 May 2006.

21 Viva Trust holds the remainder of a 30 year lease commencing from 16 February 2007.

22 ALOG Trust holds the remainder of a 29 year lease commencing from 19 August 2006.

23 ALOG Trust holds the remainder of a 30+30 year lease commencing from 20 December 2005.

24 ALOG Trust holds the remainder of a 30+30 year lease commencing from 1 June 2005.

25 ALOG Trust holds the remainder of a 30+30 year lease commencing from 16 August 2005.

Notes (cont'd)

[26] ALOG Trust holds the remainder of a 30+16 year lease commencing from 1 February 2007.

[27] ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2003.

[28] ALOG Trust holds the remainder of a 30 year lease commencing from 16 June 2014.

[29] ESR-LOGOS REIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.

[30] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.

[31] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.

[32] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.

[33] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.

[34] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.

[35] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.

[36] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.

[37] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.

[38] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.

[39] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.

[40] ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 March 2005.

[41] ESR-LOGOS REIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.

[42] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.

[43] ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.

[44] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.

[45] ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 1 February 2008.

[46] ESR-LOGOS REIT holds the remainder of a 28 year lease commencing from 25 March 2007.

[47] ESR-LOGOS REIT holds the remainder of a 27 year lease commencing from 30 September 2013.

[48] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1999.

[49] ESR-LOGOS REIT holds the remainder of a 30+16 year lease commencing from 1 April 2008.

[50] ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.

[51] ESR-LOGOS REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.

[52] ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.

Investment Properties Portfolio Statements
As at 31 December 2023

Notes (cont'd)

[53] Viva Trust holds the remainder of a 30+30 year lease commencing from 1 September 1995 for Plot 1 and 21+30 year lease commencing from 1 September 2004 for Plot 2.

[54] Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.

[55] Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.

[56] Viva Trust holds the remainder of a 60 year lease commencing from 19 July 2006.

[57] Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.

[58] LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.

[59] Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.

[60] LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.

\+ Property divested during the financial year
\# Property is on 100% basis which includes a 20% non-controlling interest.

Investment properties comprise a diversified portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multi-tenancy and the tenancies range from 1.3 year to 23.1 years for single tenancy and from 0.8 year to 15 years for multi-tenancy.

An independent valuation exercise was conducted for all the investment properties in December 2023 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., Cushman & Wakefield (Valuations) Pty Ltd and Colliers International Japan KK. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield, discount rate and average growth rate. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

As at 31 December 2023, the valuations adopted for investment properties amounted to $4.09 billion (2022: $4.62 billion). The net fair value loss on investment properties recognised in the Statement of Total Return is $166.8 million (2022: $22.5 million). An investment property with carrying value of $173.4 million (2022: $182.2 million) is pledged as security to secure bank loans (see Note 14).

ESR-LOGOS REIT and its subsidiaries

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	Group	
	2023	**2022**
	$'000	$'000
Cash flows from operating activities		
Total loss before income tax for the year	(65,769)	(261,947)
Adjustments for:		
Unrealised foreign exchange loss/(gain)	1,435	(1,907)
Borrowing costs, net	76,013	62,247
Management fees paid/payable in Units	12,352	10,837
Property Manager's fees paid/payable in Units	3,200	3,257
Share of results of joint venture	(3,876)	(5,343)
Finance costs on lease liabilities for leasehold land	32,176	23,743
Income from investments at FVTPL	(9,215)	(11,129)
Fair value adjustments relating to the Merger	–	427,055
Change in fair value of financial derivatives	16,346	(27,570)
Change in fair value of investment properties	166,818	22,511
Change in fair value of right-of-use of leasehold land	(8,685)	(5,593)
Change in fair value of investments at FVTPL	39,839	(8,360)
Operating income before working capital changes	260,634	227,801
Changes in working capital:		
Trade and other receivables	11,721	(9,464)
Trade and other payables	(8,925)	(23,730)
Cash generated from operating activities	263,430	194,607
Income tax paid	(3,352)	(974)
Net cash generated from operating activities	260,078	193,633
Cash flows from investing activities		
Interest received	1,087	594
Capital expenditure on investment properties	(93,543)	(98,573)
Acquisition of an investment property	–	(167,517)
Deposits received for investment properties held for divestment	–	581
Proceeds from disposal of investment properties	440,608	110,962
Dividend received from joint venture	3,876	4,824
Income from investments at FVTPL	9,748	11,129
Acquisition of subsidiaries, net of cash acquired (Note 5)	–	(106,857)
Payment for Merger related transaction costs	–	(22,165)
Net cash generated from/(used in) investing activities	361,776	(267,022)
Cash flows from financing activities		
Proceeds from issuance of new Units	299,749	–
Proceeds from issuance of perpetual securities	–	150,000
Payment for unit buy-back	(2,720)	–
Redemption of perpetual securities	(100,000)	–
Issue costs for perpetual securities paid	(15)	(1,508)
Equity issue costs paid	(5,073)	(870)
Finance costs paid	(68,850)	(75,622)
Proceeds from borrowings	317,800	1,379,479
Repayment of borrowings	(824,168)	(1,238,139)
Loan from non-controlling interest	4,784	1,900
Distributions paid to Unitholders (Note A)	(199,771)	(86,220)
Distributions paid to perpetual securities holders	(18,198)	(11,036)
Distributions paid to non-controlling interest - perpetual securities holders	(2,773)	(2,727)
Distributions paid to non-controlling interest	(1,922)	(1,336)
Payment of interest portion of lease liabilities for leasehold land	(19,981)	(10,376)
Payment of principal portion of lease liabilities for leasehold land	(3,510)	(7,774)
Movement in restricted cash	(946)	(2,630)
Net cash (used in)/generated from financing activities	(625,594)	93,141

ESR-LOGOS REIT and its subsidiaries

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	Group	
	2023	**2022**
	$'000	$'000
Net (decrease)/increase in cash and cash equivalents	(3,740)	19,752
Cash and cash equivalents at 1 January	42,949	24,150
Effect of exchange rate fluctuations on cash held	(800)	(953)
Cash and cash equivalents at 31 December (Note 11)	38,409	42,949

Note:

(A) Distributions paid to Unitholders

Distributions during the year ended 31 December 2023 were partially paid by issuing an aggregate of 14.8 million new Units (2022: 39.9 million new Units) amounting to $5.2 million (2022: $16.4 million) pursuant to the Distribution Reinvestment Plan.

	Group	
	2023	**2022**
	$'000	$'000
Distributions paid to Unitholders	(204,984)	(102,664)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	5,213	16,444
Net distributions paid to Unitholders in cash	(199,771)	(86,220)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. General

ESR-LOGOS REIT (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between ESR-LOGOS Funds Management (S) Limited (the "Manager") and Perpetual (Asia) Limited (the "Trustee"), and is governed by the laws of the Republic of Singapore ("Trust Deed"). On 31 March 2006, ESR-LOGOS REIT was declared as an authorised unit trust scheme under the Trustees Act 1967. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

On 25 July 2006, ESR-LOGOS REIT was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 3 April 2006, ESR-LOGOS REIT was included under the Central Provident Fund ("CPF") Investment Scheme.

On 22 April 2022, the Group completed the merger with ARA LOGOS Logistics Trust ("ALOG") by way of a trust scheme of arrangement (the "Merger"). Following the completion of the Merger, ALOG was delisted from the Official List of SGX-ST on 5 May 2022 and became a wholly-owned sub-trust of ESR-LOGOS REIT. ALOG was subsequently renamed as ALOG Trust.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Trust and its subsidiaries.

The principal activity of ESR-LOGOS REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. The principal activities of the subsidiaries and joint venture are set out in Note 5 and Note 6 to the financial statements.

The Group has entered into new Singapore property management agreements in respect of its Singapore properties on substantially the same terms as the previous property management agreements that expired during the year. The new Singapore property management agreements were approved by Unitholders during an extraordinary general meeting held on 26 April 2023 and are for a term of 10 years commencing from 5 May 2023.

The Trustee, Perpetual (Asia) Limited (the "Viva Trust Trustee"), in its capacity as the trustee of Viva Trust and HSBC Institutional Trust Services (Singapore) Limited (the "ALOG Trust Trustee"), in its capacity as the trustee of ALOG Trust, have entered into several service agreements in relation to the management of ESR-LOGOS REIT, Viva Trust and ALOG Trust and their property operations.

1. General (cont'd)

The fee structures for these services are as follows:

(A) Trustee's fees

The Trust

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of the deposited property of ESR-LOGOS REIT, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the Group's deposited property, excluding the deposited property of ALOG Trust, subject to there being no double counting of fees where the Trustee has already received a fee from a sub-trust in its capacity as the trustee of the relevant sub-trust. In addition, the Trustee charges a sub-trust administration fee of $50,000 per annum in respect of ALOG Trust.

Viva Trust

Pursuant to the trust deed entered into by the Manager and the Viva Trust Trustee, the fees of the Viva Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of Viva Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Viva Trust Trustee from time to time. The Viva Trust Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the deposited property of the Viva Trust, subject to a minimum fee of $15,000 per month.

ALOG Trust

Pursuant to the trust deed entered into by the Manager and the ALOG Trust Trustee, the fees of the ALOG Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of ALOG Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the ALOG Trust Trustee from time to time. The ALOG Trust Trustee's fee is presently charged at 0.030% per annum of the value of the deposited property of ALOG Trust, subject to a minimum fee of $15,000 per month.

(B) Management fees

Under the Trust Deed, the Manager is entitled to receive a base fee and performance fee as follows:

(a) base fee ("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 passed at a meeting of Unitholders duly convened and held in accordance with the provision of the Trust Deed, subject to there being no double counting of fees where a related party of the Manager has charged an asset management fee to a subsidiary of the Trust; and

(b) performance fee ("Performance Fee"), computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of Units in issue for such financial year, provided that the Highest DPU Threshold is achieved.

1. General (cont'd)

(B) Management fees (cont'd)

The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by the Trust in the previous years for which a Performance Fee was payable ("Highest DPU Threshold"). Whenever a Performance Fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a Performance Fee in future, the Trust would have to outperform the adjusted Highest DPU Threshold.

For the purpose of calculating the Performance Fee, the Highest DPU Threshold is initially set at 6.000 cents, or if the DPU achieved during the Performance Fee Waiver period is higher, then such higher DPU.

Management fees (Base Fee and Performance Fee, including any accrued Performance Fee which have been carried forward from previous financial years but excluding any acquisition fee or disposal fee) to be paid to the Manager in respect of a financial year, whether in cash or in Units or a combination of cash and Units, are capped at an amount equivalent to 0.8% per annum of the value of deposited property as at the end of the financial year (referred to as the "annual fee cap").

(C) Acquisition and disposal fees

Under the Trust Deed, the Manager is also entitled to receive the following fees:

(a) An acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:

(i) the purchase price, excluding GST, of any real estate acquired, whether directly by ESR-LOGOS REIT or indirectly through a special purpose vehicle;

(ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate) where ESR-LOGOS REIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate;

(iii) the value of any shareholder's loan extended by ESR-LOGOS REIT to the entity referred to in paragraph (ii) above; and

(iv) the value of any investment by ESR-LOGOS REIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

1. General (cont'd)

(C) Acquisition and disposal fees (cont'd)

(b) A disposal fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:

(i) the sale price, excluding GST, of any investment of the type referred to in paragraph (C)(a)(i) above for the acquisition fee;

(ii) in relation to an investment of the type referred to in paragraph (C)(a)(ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate);

(iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (C)(a)(iii) above for the acquisition fee; and

(iv) the value of an investment referred to in paragraph (C)(a)(iv) above for the acquisition fee.

The Manager may opt to receive acquisition and disposal fees in the form of cash or Units or a combination of cash and Units as it may determine.

(D) Development management fee

Pursuant to the amended and restated Trust Deed as approved and adopted by the Unitholders at the extraordinary general meeting held on 12 September 2019, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT, subject to the following:

(a) when the estimated total project costs are greater than $100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee payable to the Manager, and the Manager may be directed by its independent directors to reduce the development management fee;

(b) in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the development management fee, the Manager's independent directors shall have the discretion to direct the Manager to reduce the development management fee to such amount which is less than 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT; and

(c) any increase in the percentage of the development management fee or any change in the structure of the development management fee shall be approved by an extraordinary resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where real estate or real estate related assets are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the Manager. Instead, the Manager will receive the development management fee for the development project.

1. General (cont'd)

(D) Development management fee (cont'd)

The development management fee shall be payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs have been finalised.

The Manager may opt to receive the development management fee in the form of cash or a combination of cash and Units as it may determine.

(E) Fees under the property management agreements for Singapore properties

ESR-LOGOS Property Management (S) Pte. Ltd. (the "Property Manager"), as property manager for all of ESR-LOGOS REIT's Singapore properties including those held through 7000 AMK LLP, Viva Trust and ALOG Trust, is entitled to receive the following fees:

(a) A property management fee of 2.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where property management fee is charged at 1.0% per annum of the gross revenue.

(b) A lease management fee of 1.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where no lease management fee shall be charged.

(c) A marketing services commission equivalent to:

(i) up to one month's gross rent, inclusive of service charge, for securing a tenancy of three years or less;

(ii) up to two month's gross rent, inclusive of service charge, for securing a tenancy of more than three years;

(iii) up to half month's gross rent, inclusive of service charge, for securing a renewal of tenancy of three years or less; and

(iv) up to one month's gross rent, inclusive of service charge, for securing a renewal of tenancy of more than three years.

1. General (cont'd)

(E) Fees under the property management agreements for Singapore properties (cont'd)

(d) A project management fee in relation to development or redevelopment (if not prohibited by the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code") or if otherwise permitted by the Monetary Authority of Singapore ("MAS")), the refurbishment, retrofitting and renovation works on a property, as follows:

(i) where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;

(ii) where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs;

(iii) where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs; and

(iv) where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Property Manager and the Trustee.

(e) A property tax services 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:

(i) where the proposed annual value is $1.0 million or less, a fee of 7.5% of the property tax savings;

(ii) where the proposed annual value is more than $1.0 million but does not exceed $5.0 million, a fee of 5.5% of the property tax savings; and

(iii) where the proposed annual value is more than $5.0 million, a fee of 5.0% of the property tax savings.

The above-mentioned fee is a lump sum fixed fee based on the property tax savings calculated over a 12-month period.

The Property Manager may opt to receive property and lease management fees in the form of cash or Units or a combination of cash and Units as it may determine.

1. General (cont'd)

(F) Fees under the property and lease management agreements for the Australia properties

LOGOS REIT Property Management Pty Ltd as the property manager for all of ESR-LOGOS REIT's Australia properties, is entitled to receive the following fees:

(a) A property and lease management fee of 2.0% per annum of gross revenue of the relevant property.

(b) A marketing services commission equivalent to:

(i) between 10% to 18.75% of the annual gross rent for the first year of the new lease or licence, depending on the duration of the new lease or licence secured and whether a local marketing manager is involved; and

(ii) 50% of the commission for a new lease or licence for securing a renewal of lease or licence in a multi-tenanted property.

(c) A project management fee in relation to development or redevelopment, refurbishment, retrofitting and renovation works on a property of between 1.5% to 3.0% of construction costs, for construction costs of up to A$50.0 million. For construction costs exceeding A$50.0 million, the project management fee will be mutually agreed.

(d) A land tax services fee of between 5.0% to 7.5% of the land tax savings, depending on the quantum of the reduction in annual value of the relevant property.

(G) Fees under the asset and investment management agreements for the Australia properties

LOGOS REIT Investment Management Pty Ltd as the Australia investment and asset manager for all of ESR-LOGOS REIT's Australia properties is entitled to receive the following fees:

(a) An investment management fee of:

(i) A$53,500 per annum in respect of investment management services provided to ALOG Logistics Trust Australia ("ALTA", a managed investment trust in Australia); and

(ii) A$29,500 per annum in respect of each of ALTA's sub-trusts in Australia, subject to the customary inflation indexation.

1. General (cont'd)

(G) Fees under the asset and investment management agreements for the Australia properties (cont'd)

(b) An asset management fee based on 0.15% per annum of ALTA's consolidated deposited properties, excluding its investments in the property funds. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.

(H) Fees under the asset and property management agreements for the Japan property

ESR Ltd. as the asset and property manager for ESR Sakura Distribution Centre (the "Japan Property") is entitled to receive the following fees:

(a) An asset management fee based on 0.275% per annum of the gross asset value of the Japan Property. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.

(b) A property management fee of JPY300,000 per month where the number of tenant is zero or one and an additional JPY100,000 per month for each additional tenant, capped at JPY500,000 per month.

(c) A construction management fee based on 3.0% of construction costs where the total construction costs is at least JPY1,000,000, subject to a fee cap of JPY300,000.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements are prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties (including right-of-use assets and investment properties held for divestment), investments at fair value through profit or loss ("FVTPL"), amount due to non-controlling interest and derivative financial instruments, which are stated at fair value as described in Note 29.

2. Material accounting policy information (cont'd)

2.2 Basis of measurement (cont'd)

As at 31 December 2023, the current liabilities of the Group and the Trust exceeded their current assets by $256.5 million and $138.9 million, respectively. This is primarily due to the classification of revolving credit facilities of $163.3 million as current liabilities as they are maturing in 2024. Notwithstanding the net current liabilities position, based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due. The financial statements have been prepared on the basis that the Group and the Trust will continue to operate as a going concern.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars ("$"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the financial year, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2023.

The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

2.5 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to FRS 1: *Non-current liabilities with Covenants*	1 January 2024
Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Manager expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. Material accounting policy information (cont'd)

2.6 Basis of consolidation

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 the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been aligned with the policies adopted by the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

In the Trust's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the Group. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for investments in subsidiaries and joint venture in the Trust's financial statements

Investments in subsidiaries and joint venture are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

2.7 Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investment in joint venture using the equity method from the date on which it becomes a joint venture.

Under the equity method, the investment in joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The statement of total return reflects the share of results of operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in joint venture.

The financial statements of joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Material accounting policy information (cont'd)

2.7 Investment in joint venture (cont'd)

When the Group's share of losses exceeds its interest in a joint venture, 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 joint venture's operations or has made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value.

2.8 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period 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 end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the Statement of Total Return.

Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in the Statements of Movements in Unitholders' Funds. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal.

2. Material accounting policy information (cont'd)

2.9 Investment properties

Investment properties are properties that are owned by the Group and held to earn rentals or for capital appreciation, or both but not for sale in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are accounted for as non-current assets, except if they meet the conditions to be classified as held for divestment (see Note 2.10 below). They are initially measured at cost, including transaction costs and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of each investment property

Any increase or decrease on fair valuation 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 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.

The properties are subject to continued maintenance and regularly valued on the basis set out above.

Investment properties under development

Investment properties under development are measured at fair value.

2.10 Investment properties held for divestment

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for divestment and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

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 property.

2. Material accounting policy information (cont'd)

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at fair value and are derived by discounting future lease payments using the Group's incremental borrowing rate for borrowings of similar amount and tenor. Any increase or decrease in right-of-use assets is credited or charged directly to the statement of total return. Right-of-use assets which meets the definition of an investment property is accounted for in accordance with Note 2.9.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(a). Contingent rents are recognised as revenue in the period in which they are earned.

2. Material accounting policy information (cont'd)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of total return when the assets are derecognised or impaired, and through amortisation process.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the statement of total return.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of total return.

2. Material accounting policy information (cont'd)

2.12 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of total return when the liabilities are derecognised and through the amortisation process.

Derivative financial instruments

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the statement of total return.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of total return.

Netting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Material accounting policy information (cont'd)

2.13 Impairment

(a) Financial assets

Expected credit losses (ECLs) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2.14 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at bank, including term deposits and restricted cash.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value.

2. Material accounting policy information (cont'd)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.16 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental costs, directly attributable to the issuance, offering and placement of Units are deducted directly against Unitholders' funds.

2.17 Perpetual securities

The perpetual securities confer a right to receive distributions at fixed rates that shall be reset on their respective stipulated date, with subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and will be non-cumulative.

The perpetual securities may be redeemed at the option of the Trust in whole, but not in part, on the first reset date or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

Accordingly, the perpetual securities are classified as equity and the expenses relating to their issue are deducted directly against Unitholders' funds.

2.18 Revenue recognition

(a) Rental income from operating leases

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Interest income

Interest income is accrued using the effective interest method.

2. Material accounting policy information (cont'd)

2.19 Expenses

(a) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are the property manager's fees which are based on the applicable rates stipulated in Notes 1E, 1F and 1H.

(b) Management fees

Management fees are recognised on an accrual basis based on the applicable rates stipulated in Note 1B.

(c) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are the trustee's fees which are based on the applicable rates stipulated in Note 1A.

(d) Borrowing costs

Borrowing costs comprise interest expense on borrowings and amortisation of debt-related transaction costs, which are recognised in the statement of total return using the effective interest method over the period of borrowings.

2.20 Taxation

(a) Current tax and deferred tax

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 directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

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.

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 goodwill or assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investment 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.

2. Material accounting policy information (cont'd)

2.20 Taxation (cont'd)

(a) Current tax and deferred tax (cont'd)

The measurement of deferred tax 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 the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at 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 the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits 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 laws and prior experience. This assessment 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 ESR-LOGOS REIT and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee will not be assessed to tax on the taxable income of ESR-LOGOS REIT on certain types of income. Instead, the Trustee and the Manager will deduct income tax (if required) at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of ESR-LOGOS REIT in that financial year, except:

(i) where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or

(ii) where the beneficial owners are Qualifying Non-resident Non-individual Unitholders or Qualifying Non-resident Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced tax rate of 10.0% for distributions made on or before 31 December 2025.

2. Material accounting policy information (cont'd)

2.20 Taxation (cont'd)

(a) Current tax and deferred tax (cont'd)

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 Central Provident Fund ("CPF") member who uses his CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts;
- an individual who uses his Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts;
- a company which is incorporated and tax resident in Singapore;
- a Singapore branch of companies incorporated outside Singapore;
- a non-corporate constituted or registered in Singapore such as town councils, statutory boards, charities registered under the Charities Act 1994 or established by any written law, co-operative societies registered under the Co-operative Societies Act 1979 or trade unions registered under the Trade Unions Act 1940;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; and
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A "Non-resident Non-individual Unitholder" is one, not being an individual, which is not a resident of Singapore for income tax purposes and;

- which does not have a permanent establishment in Singapore; or
- which 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.

A "Qualifying Non-resident Fund" is one that qualifies for tax exemption under section 13D, 13U or 13V of the Income Tax Act that is not a resident of Singapore for income tax purpose and;

- which does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- which carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

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 ESR-LOGOS REIT. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act 1947 and collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without having to deduct tax at source.

2. Material accounting policy information (cont'd)

2.20 Taxation (cont'd)

(b) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.21 Distribution policy

The Group's distribution policy is to distribute at least 90% of its annual distributable income to Unitholders, comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion. Distributions are made on a semi-annual basis at the discretion of the Manager.

2.22 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 for the period after tax by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues 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 ESR-LOGOS REIT's Chief Operating Decision Makers ("CODM"s) which comprise the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer of the Manager, to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available.

2. Material accounting policy information (cont'd)

2.24 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

3.1 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 policies and reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

In particular, information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 24 - Assessment of income tax provision
- Note 29 - Valuation of investment properties
- Note 29 - Valuation of investments at FVTPL

4. Investment properties

	Group		Trust	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Investment properties, at valuation				
At 1 January	4,616,047	2,947,591	1,419,465	1,450,991
Additions through acquisition of subsidiaries (the Merger)	–	1,595,262	–	–
Acquisition of investment property[#]	–	169,887	–	–
Capital expenditure incurred	87,483	108,411	40,434	21,230
Disposal of investment properties	(425,382)	(109,570)	(258,137)	(57,954)
Change in fair value during the year*	(161,448)	(24,328)	(41,562)	5,198
Effect of movement in exchange rates	(21,760)	(71,206)	–	–
At 31 December	4,094,940	4,616,047	1,160,200	1,419,465
Investment properties (non-current)	4,094,940	4,565,780	1,160,200	1,412,400
Investment properties held for divestment (current)	–	50,267	–	7,065
At 31 December	4,094,940	4,616,047	1,160,200	1,419,465
Right-of-use assets				
At 1 January	543,948	227,683	159,125	164,187
Re-measurement due to change in lease rates	77,792	22,903	3,275	2,865
Recognition due to additions through acquisition of subsidiaries (the Merger)	–	320,340	–	–
De-recognition due to disposal of investment properties	(36,405)	(6,365)	(28,676)	(6,365)
Change in fair value due to accretion of interest	32,176	23,743	8,004	8,470
Change in fair value due to lease payment	(23,491)	(18,150)	(9,360)	(9,488)
Change in fair value due to interest and lease payments borne by tenants**	(369)	(801)	(278)	(544)
Effect of movement in exchange rates	(1,606)	(25,405)	–	–
At 31 December	592,045	543,948	132,090	159,125
Right-of-use assets (non-current)	592,045	537,620	132,090	158,049
Right-of-use assets attributable to investment properties held for divestment (current)	–	6,328	–	1,076
At 31 December	592,045	543,948	132,090	159,125

4. Investment properties (cont'd)

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Investment properties (including right-of-use assets) (non-current)	4,686,985	5,103,400	1,292,290	1,570,449
Investment properties held for divestment (including right-of-use assets) (current)	–	56,595	–	8,141
At 31 December	4,686,985	5,159,995	1,292,290	1,578,590

[#] The acquisition cost of the investment property recorded in FY2022 included acquisition fees of $1.7 million paid to the Manager (Note 28).

[*] The fair value loss of $161.4 million (2022: $24.3 million) together with an adjustment for the effect of lease incentives and marketing fee amortisation of $5.4 million (2022: -$1.8 million), aggregate to $166.8 million (2022: $22.5 million) as disclosed in the Statement of Total Return.

[**] The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and lease payments borne by tenants of $0.4 million (2022: $0.8 million) as disclosed in Note 13.

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Except as disclosed in Note 28, investment properties are leased to unrelated third parties under operating leases.

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2023 and 31 December 2022. Investment properties held for divestment are stated at fair value based on recently agreed selling price for the subject property between unrelated third parties in an arm's length transaction. Information on the fair value assessment of investment properties and investment properties held for divestment are disclosed in Note 29.

As at 31 December 2023, $58.0 million (2022: $23.8 million) of investment properties are under redevelopment.

Security

As at 31 December 2023, an investment property with carrying value of $173.4 million (2022: $182.2 million) is pledged as security to secure bank loans (see Note 14).

Critical judgement made in accounting for the Merger

The Group considered the Merger completed on 22 April 2022 as an acquisition of a group of assets and liabilities and not a business combination. Accordingly, the acquisition cost of the Merger was allocated to the assets acquired and liabilities assumed and no goodwill or deferred tax was recognised.

An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the assets acquired. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes such as strategic management and operational processes are acquired. The Merger did not include the acquisition of such significant processes.

5. Investments in subsidiaries

	Trust	
	2023 $'000	**2022** $'000
Unquoted equity investments, at cost	3,057,246	3,028,362
Impairment losses	(1,103,371)	(923,388)
	1,953,875	2,104,974

Impairment losses

During the year, the Trust recognised an impairment loss of $180.0 million (2022: $536.2 million) against its investments in subsidiaries. This amount relates predominantly to the decrease in fair value of investment properties held indirectly through certain subsidiaries. The impairment loss has no impact on distributable income.

Composition of the Group

Details of the subsidiaries are as follows:

Name of subsidiary	**Principal activities**	**Country of incorporation**	**Effective equity interest held by the Group**	
			2023 %	**2022** %
(I) Direct Subsidiaries				
ESR-LOGOS REIT MTN Pte. Ltd.	Provision of financial and treasury services	Singapore	100	100
ESR-LOGOS REIT SPV2 Pte. Ltd.[(1)]	Investment holding	Singapore	100	100
7000 AMK LLP [(1)]	Property investment	Singapore	80	80
Viva Trust [(1)]	Property investment	Singapore	100	100
ESR-LOGOS REIT AUS (MTN) Pty Ltd [(2), (3)]	Provision of financial and treasury services	Australia	100	100
ALOG Trust [(1)]	Property investment	Singapore	100	100
ESR-LOGOS REIT INV Pte. Ltd.[(1)]	Investment holding	Singapore	100	100
ESR-LOGOS REIT INV2 Pte. Ltd.[(1)]	Investment holding	Singapore	100	100

5. Investments in subsidiaries (cont'd)

Composition of the Group (cont'd)

Details of the subsidiaries are as follows: *(cont'd)*

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
(II) Indirect Subsidiaries				
ALOG (Australia) Pte Ltd [1]	Investment holding	Singapore	100	100
ALOG Singapore One Pte Ltd [4]	Investment holding	Singapore	–	100
ALOG-OPAT Trust [2]	Investment holding	Australia	100	100
ALOG Logistics Trust Australia [2]	Investment holding	Australia	100	100
Chester Hill (NSW) Trust [2]	Property investment	Australia	100	100
Somerton (VIC) Trust [2]	Property investment	Australia	100	100
Coopers Plains (QLD) Trust [2]	Property investment	Australia	100	100
Wacol (QLD) Trust [2]	Property investment	Australia	100	100
Wacol 2 (QLD) Trust [2]	Property investment	Australia	100	100
Kidman Park (SA) Trust [2]	Property investment	Australia	100	100
Laverton (VIC) Trust [2]	Property investment	Australia	100	100
Altona Trust [2]	Property investment	Australia	100	100
ESIP Trust [2]	Investment holding	Australia	100	100
LAIP Trust [2]	Investment holding	Australia	100	100
Berrinba Trust [2]	Property investment	Australia	100	100
Berkeley Trust [2]	Property investment	Australia	100	100
Campbellfield Trust [2]	Property investment	Australia	100	100
Braeside Trust [2]	Property investment	Australia	100	100

5. Investments in subsidiaries (cont'd)

Composition of the Group (cont'd)

Details of the subsidiaries are as follows: *(cont'd)*

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
(II) Indirect Subsidiaries (cont'd)				
Hydrive Trust [2]	Property investment	Australia	100	100
Link Drive Trust [2]	Property investment	Australia	100	100
Wacol Trust [2]	Property investment	Australia	100	100
Westlink Trust [2]	Property investment	Australia	100	100
Woodlands Trust [2]	Property investment	Australia	100	100
LP Bishop Asset Trust [2]	Property investment	Australia	100	100
LP Curlew Asset Trust [2]	Property investment	Australia	100	100
Peregrine (QLD) Trust [2]	Property investment	Australia	100	100
Heron (QLD) Trust [2]	Property investment	Australia	100	100
Larapinta Property Asset Trust [2]	Property investment	Australia	100	100
ALOG-LAIV Trust [2]	Investment holding	Australia	100	100
ESR-LOGOS REIT TMK1 [3]	Property investment	Japan	100	100
ESR-LOGOS REIT GK1 [3]	Investment holding	Japan	100	100

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by Ernst & Young LLP, Singapore for Group consolidation purpose.
(3) Audited by a member firm of EY International.
(4) On 10 October 2023, ALOG Singapore One Pte. Ltd. was struck off from the Register of Companies pursuant to Section 344A of the Companies Act.

Put option for 20% interest in 7000 AMK LLP

As part of the acquisition in 2017, ESR-LOGOS REIT granted a put option to Ho Lee Properties Pte Ltd ("HLP"), the owner of the remaining 20% interest in 7000 AMK LLP, that provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP at a price of no less than $60.0 million (the "Put Option"). As the Put Option contains an obligation for ESR-LOGOS REIT to purchase the remaining 20% interest in 7000 AMK LLP, the 20% non-controlling interest in 7000 AMK LLP has been accounted for by the Group as a financial liability (see Note 15). On 14 February 2022, ESR-LOGOS REIT and HLP entered into a Second Supplemental Deed, which among other changes, extended the Put Option until 31 December 2024 or such later date as may be agreed by the parties.

5. Investments in subsidiaries (cont'd)

Put option for 20% interest in 7000 AMK LLP (cont'd)

As at 31 December 2023, the Put Option remains unexercised and HLP's 20% share of the results of 7000 AMK LLP has been allocated to non-controlling interest, which has been accounted for and classified as a current liability. Upon the exercise of the Put Option, the amount recognised as financial liability at that date will be extinguished by the payment made by ESR-LOGOS REIT to HLP.

Acquisition of subsidiaries

Merger with ALOG

On 22 April 2022, the Group completed its merger with ALOG by way of a trust scheme of arrangement. The scheme consideration was settled by way of the issuance of 2,575.8 million new Units at an issue price of $0.4924 and a cash consideration of $140.9 million.

The fair value of identifiable assets and liabilities of ALOG as at 22 April 2022 (the Merger date) and the cashflow effect of the Merger were as follow:

	2022 $'000
Investment properties	1,915,602
Investments at FVTPL	300,467
Trade and other receivables	6,953
Cash and bank balances	34,071
Other assets	9,454
Interest-bearing borrowings	(776,222)
Trade and other payables	(47,560)
Non-controlling interest – perpetual securities	(101,205)
Other liabilities	(320,688)
Fair value of net assets acquired	1,020,872
Premium over the fair value of net assets acquired	388,374
Total consideration paid in cash and Units	1,409,246
Less:	
Cash and bank balances acquired	(34,071)
Consideration paid in Units	(1,268,318)
Net cash outflow on Merger net of cash acquired	106,857

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Investment properties are leased to unrelated third parties under operating leases.

6. Investment in joint venture

	Group		Trust	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Unquoted equity investment				
At 1 January	41,233	40,714	41,233	40,714
Reversal of impairment losses	–	–	–	519
Share of results	3,876	5,343	–	–
Distribution received	(3,876)	(4,824)	–	–
At 31 December	41,233	41,233	41,233	41,233

In FY2022, a reversal of impairment losses of $519,000 was made due to accretion in the fair value of the Trust's share of net assets of PTC Logistics Hub LLP ("PTC LLP").

Summarised financial information of the joint venture, based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of PTC LLP:

	Group	
	2023 $'000	**2022** $'000
Current assets, including cash and bank balances of $5,841,519 (2022: $4,964,675)	5,915	5,000
Non-current assets, including investment property of $228,000,000 (2022: $228,000,000)	242,202	242,578
Current liabilities	(4,574)	(4,052)
Non-current liabilities, including long-term borrowings of $145,589,431 (2022: $145,175,071)	(159,394)	(159,377)
Net assets	84,149	84,149
Proportion of the Group's ownership	49%	49%
Group's share in net assets	41,233	41,233
Carrying amount of the Group's investment	41,233	41,233

6. Investment in joint venture (cont'd)

Summarised statement of comprehensive income of PTC LLP:

	Group	
	2023	**2022**
	$'000	$'000
Revenue	17,535	17,517
Property expenses	(328)	(322)
Other operating expenses	(25)	(123)
Change in fair value of investment property	(280)	(217)
Change in fair value of right-of-use of leasehold land	(376)	(350)
Change in fair value of financial derivatives	–	839
Net finance costs	(8,617)	(6,440)
Profit for the year, representing total comprehensive income for the year	7,909	10,904
Proportion of the Group's ownership	49%	49%
Group's share of profit for the year	3,876	5,343

The joint venture has no other contingent liabilities or commitments as at 31 December 2023 and 2022. PTC LLP cannot distribute its taxable profits without the consent from the joint venture partners.

7. Investments at fair value through profit or loss

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Unquoted equity investments, at fair value				
At 1 January	342,665	66,542	77,320	66,542
Additions through acquisition of subsidiaries (the Merger)	–	300,467	–	–
Reversal of acquisition costs	–	(7)	–	(7)
Change in fair values during the year	(39,839)	8,360	(1,410)	10,785
Effect of movement in exchange rate	(2,479)	(32,697)	–	–
At 31 December	300,347	342,665	75,910	77,320

7. Investments at fair value through profit or loss (cont'd)

On 14 May 2021, ESR-LOGOS REIT acquired a 10.0% interest in ESR Australia Logistics Partnership ("EALP"). EALP is a private fund managed by ESR Asset Management (Australia) Pty Ltd, an indirect subsidiary of ESR Group Limited. As at 31 December 2023, EALP owns 33 income-producing properties and two properties which are currently under development. Collectively, the 35 prime logistics assets (2022: 37) are located in core industrial markets of New South Wales, Victoria, Queensland and South Australia.

On 22 April 2022, ESR-LOGOS REIT acquired a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund through the merger with ALOG Trust. As at 31 December 2023, New LAIVS Trust owns four income-producing logistics properties (2022: four) located in New South Wales and Victoria, while Oxford Property Fund owns one income-producing logistics property (2022: one) in Victoria.

The Group has determined that it neither has significant influence in nor control over the property funds as it does not have the ability to direct the relevant activities nor participate in the property funds' financial and operating policy decisions. These investments are classified as financial assets measured at fair value through profit or loss.

8. Loans to subsidiaries (Trust)

The loans to subsidiaries comprise a mix of interest-bearing and interest-free loans, which are unsecured.

The interest-bearing loans bear interest at rates based on ESR-LOGOS REIT's prevailing cost of debt. Interest is payable in arrears on a quarterly basis.

The loans to subsidiaries are repayable at dates mutually agreed by the parties, which are not likely to occur within the next 12 months from the reporting date.

9. Derivative financial instruments

	2023		2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$'000	$'000	$'000	$'000
Group				
Interest rate swaps				
Current	3,418	–	4,316	–
Non-current	5,075	(2,674)	19,617	(1,907)
Forward foreign currency exchange contracts				
Current	8	(182)	69	–
	8,501	(2,856)	24,002	(1,907)
Trust				
Interest rate swaps				
Current	3,252	–	4,316	–
Non-current	–	(2,674)	10,419	(1,907)
Forward foreign currency exchange contracts				
Current	8	(182)	69	–
	3,260	(2,856)	14,804	(1,907)

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate borrowings by swapping the interest rates on such borrowings from floating rates to fixed rates.

At 31 December 2023, the Group has entered into interest rate swap contracts with a total notional amount of $1,055.8 million (2022: $1,299.5 million) to fix the base interest rates for a weighted average tenor of approximately 1.0 year (2022: 2.1 years), of which Nil (2022: $75.0 million) relates to forward start interest rate swaps. Under these interest rate swap contracts, the Group pays interest at a weighted average fixed interest rate of 2.5% (2022: 2.1%) per annum and receives interest based on SORA, TIBOR or BBSY Bid.

The Group has also entered into forward foreign currency exchange contracts to manage its foreign currency risk. As at 31 December 2023, the total notional amount of the Group's outstanding forward foreign currency exchange contracts was A$13.0 million (2022: A$18.0 million).

The Group's derivative financial instruments are not designated as hedging instruments.

9. Derivative financial instruments (cont'd)

Master netting or similar agreements

The Group's interest rate swap and forward foreign currency exchange contract transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the statement of financial position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. 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.

As at 31 December 2023 and 31 December 2022, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangements.

10. Trade and other receivables

	Group		Trust	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Trade receivables	4,798	4,075	791	738
Deposits	6,870	5,075	2,998	1,809
Other receivables				
- Subsidiaries	–	–	42,752	45,182
- Joint venture	8	837	8	837
- Unrelated third parties	12,089	10,726	2,548	3,493
	12,097	11,563	45,308	49,512
Financial assets carried at amortised cost	23,765	20,713	49,097	52,059
Capitalised costs	1,787	279	187	–
Prepayments	1,706	2,600	117	118
GST receivable	–	17,092	–	–
Total trade and other receivables	27,258	40,684	49,401	52,177

Trade receivables are non-interest bearing and are generally on 14 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables are non-trade related, non-interest bearing and repayable on demand.

The Group's primary exposure to credit risk arises from its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Concentration of credit risk relating to trade receivables is limited due to the Group's large number and diverse range of tenants. The maximum exposure to credit risk for trade and other receivables is represented by the carrying amount at the reporting date.

10. Trade and other receivables (cont'd)

Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Gross receivables 2023 $'000	Impairment losses 2023 $'000	Gross receivables 2022 $'000	Impairment losses 2022 $'000
Group				
Past due 0 – 30 days	3,448	–	2,969	–
Past due 31 – 120 days	1,007	–	647	–
More than 120 days past due	343	–	459	–
	4,798	–	4,075	–
Trust				
Past due 0 – 30 days	298	–	283	–
Past due 31 – 120 days	226	–	224	–
More than 120 days past due	267	–	231	–
	791	–	738	–

Trade receivables are individually assessed for impairment on an ongoing basis.

The Manager believes that no impairment is necessary in respect of the trade receivables as these receivables are mainly due from tenants that have good payment records and/or have sufficient securities in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 30.

11. Cash and bank balances

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and bank balances in the statement of financial position	41,985	45,579	10,131	9,539
Less: Restricted cash	(3,576)	(2,630)		
Cash and cash equivalents in the statement of cash flows	38,409	42,949		

The restricted cash pertains to cash reserves for the Japan Property which is required to be maintained based on agreements with the banks. The restricted cash comprises mainly reserves for interest expense, capital expenditure and property expenses to ensure availability of cash when incurred/due for payment.

12. Trade and other payables

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Current liabilities				
Trade payables and accrued operating expenses	33,585	35,050	15,724	12,429
Amounts due to related parties (trade):				
- the Manager	4,037	5,171	4,037	5,171
- the Property Manager	2,312	2,706	1,791	1,954
- the Trustee	114	74	69	29
- other related parties	386	441	–	–
Interest and loan commitment fee payable	4,531	6,927	4,094	6,292
Deposits received for investment properties held for divestment	–	581	–	356
Security deposits	15,250	20,688	5,904	13,518
Rent received in advance	3,537	2,610	598	485
Retention sums	4,586	4,292	2,339	971
Other payables	3,968	7,637	58	673
Reinstatement sums	5,618	5,383	1,079	918
	77,924	91,560	35,693	42,796
Non-current liability				
Security deposits	32,958	20,530	15,909	5,537
Other payables	2,896	–	–	–
	35,854	20,530	15,909	5,537
Total trade and other payables	113,778	112,090	51,602	48,333
Less: Rent received in advance	(3,537)	(2,610)	(598)	(485)
Less: GST payables	(8,043)	(5,433)	(4,945)	(2,929)
Less: Deposit received for investment properties held for divestment	–	(581)	–	(356)
Financial liabilities at amortised cost	102,198	103,466	46,059	44,563

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand. Transactions with related parties are priced on terms agreed between the parties.

Retention sums relate to monies withheld as security against defective works for properties undergoing asset enhancement initiatives.

Reinstatement sums relate to monies received from outgoing tenants in respect of their contractual obligations to reinstate their leased premises.

The Group and the Trust's exposure to liquidity risk related to trade and other payables are disclosed in Note 30.

13. Leases

As a lessee

The Group is required to pay land rent, whether annually or on an upfront land premium basis to JTC Corporation, CapitaLand Singapore BP&C Pte Ltd and Port of Brisbane Pty Ltd for properties in its portfolio. The annual land rent payable is based on market land rent for the relevant year of the lease term or on the contractual agreement for such leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Lease liabilities for leasehold land			
	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At 1 January	543,948	227,683	159,125	164,187
Re-measurement due to change in lease rates	77,792	22,903	3,275	2,865
Recognition due to additions through acquisition of subsidiaries (the Merger)	–	320,340	–	–
De-recognition due to disposal of investment properties	(36,405)	(6,365)	(28,676)	(6,365)
Accretion of interest	32,176	23,743	8,004	8,470
Payments	(23,491)	(18,150)	(9,360)	(9,488)
Effect of interest and payments borne by tenants	(369)	(801)	(278)	(544)
Effect of movement in exchange rates	(1,606)	(25,405)	–	–
At 31 December	592,045	543,948	132,090	159,125
Current	17,073	22,508	2,735	3,971
Non-current	574,972	521,440	129,355	155,154
At 31 December	592,045	543,948	132,090	159,125

The current lease liabilities are inclusive of liabilities directly attributable to investment properties held for divestment.

13. Leases (cont'd)

As a lessee (cont'd)

The following are the amounts recognised in the Statement of Total Return:

	Group	
	2023	**2022**
	$'000	$'000
Change in fair value of right-of-use of leasehold land	8,685	5,593
Finance costs on lease liabilities for leasehold land	(32,176)	(23,743)
Net amount recognised in Statement of Total Return	(23,491)	(18,150)

As a lessor

The Group's investment properties are leased to tenants under operating leases. The remaining lease terms of the leases range from less than one year to 20 years. Certain leases include a fixed annual rental escalation clause to enable upward revision of the rental charge on an annual basis. Rental income recognised by the Group during the year is disclosed in Note 19.

Future minimum rental receivable under non-cancellable operating leases as at 31 December are as follows:

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Receivable:				
- Within 1 year	321,869	341,547	70,984	85,015
- After 1 year but within 5 years	518,549	589,015	117,780	99,265
- After 5 years	354,831	346,736	86,588	59,382
	1,195,249	1,277,298	275,352	243,662

14. Interest-bearing borrowings

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current liabilities				
Unsecured SGD loans	163,300	180,000	163,300	180,000
Unsecured SGD fixed rate notes	–	50,000	–	50,000
Unamortised loan transaction costs	(212)	(651)	(212)	(651)
	163,088	229,349	163,088	229,349
Non-current liabilities				
Unsecured SGD loans	745,000	1,169,000	745,000	1,169,000
Unsecured Australian dollar ("AUD") loans	369,072	372,131	54,394	54,845
Secured Japanese Yen ("JPY") loans	97,755	124,326	–	–
Unsecured JPY loans	66,101	72,562	66,101	72,562
Unsecured SGD fixed rate notes	125,000	125,000	125,000	125,000
Unamortised loan transaction costs	(10,129)	(16,312)	(6,330)	(11,020)
	1,392,799	1,846,707	984,165	1,410,387
Total interest-bearing borrowings	1,555,887	2,076,056	1,147,253	1,639,736

The weighted average all in cost of debt as at 31 December 2023 was 3.9% per annum (2022: 3.7% per annum).

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			‹-------- 2023 --------›		‹-------- 2022 --------›	
	Nominal interest rate %	Year of maturity	Face value $'000	Gross carrying amount $'000	Face value $'000	Gross carrying amount $'000
Group						
Secured						
JPY term loan facilities	TIBOR^ + margin	2023	–	–	17,016	16,781
JPY term loan facilities	0.71375%	2026	97,755	96,870	107,310	106,076
Unsecured						
SGD term loan facilities	SOR*/SORA** + margin	2025 to 2027	745,000	740,565	1,175,000	1,167,189
AUD term loan facilities	BBSY Bid# + margin	2027	369,072	365,982	372,131	368,085
JPY term loan facilities	TIBOR^ + margin	2026	66,101	65,627	72,562	71,885
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	163,300	162,234	174,000	171,596
SGD medium term notes	2.60% to 3.95%	2023 and 2026	125,000	124,609	175,000	174,444
			1,566,228	1,555,887	2,093,019	2,076,056

14. Interest-bearing borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

Terms and conditions of outstanding loans and borrowings are as follows: *(cont'd)*

	Nominal interest rate %	Year of maturity	2023 Face value $'000	2023 Gross carrying amount $'000	2022 Face value $'000	2022 Gross carrying amount $'000
Trust						
Unsecured						
SGD term loan facilities	SOR*/SORA** + margin	2025 to 2027	745,000	740,565	1,175,000	1,167,189
AUD term loan facilities	BBSY Bid# + margin	2027	54,394	53,920	54,845	54,229
JPY term loan facilities	TIBOR^ + margin	2026	66,101	65,627	72,562	71,885
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	163,300	162,532	174,000	171,989
SGD medium term notes	2.60% to 3.95%	2023 and 2026	125,000	124,609	175,000	174,444
			1,153,795	1,147,253	1,651,407	1,639,736

^ Tokyo Interbank Offered Rate
* Swap Offer Rate
** Singapore Overnight Rate Average
# Bank Bill Swap Bid Rate

The nominal interest rate for the floating rate loans drawn in SGD is determined by an interest margin plus SORA (2022: SOR/SORA), floating rate loans drawn in AUD is determined by an interest margin plus BBSY Bid and floating rate loans drawn in JPY is determined by an interest margin plus TIBOR.

As at the reporting date, the Group has in place the following borrowings:

(A) Term loans and revolving credit facilities

(i) unsecured club loan facility of $320 million from UOB, Maybank, RHB and HSBC consisting of:

- Facility A: $160 million term loan facility maturing in March 2026 at an interest margin plus SORA; and
- Facility B: $160 million revolving credit facility maturing in March 2025 at an interest margin plus SORA.

(ii) unsecured loan facility of A$68.5 million from RHB consisting of:

- Facility A: A$60.5 million term loan facility maturing in May 2027 at an interest margin plus BBSY Bid; and
- Facility B: A$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.

(iii) unsecured loan and bank guarantee facility of A$25 million from Australia and New Zealand Banking Group Limited ("ANZ") maturing in April 2027 at an interest margin plus BBSY Bid.

14. Interest-bearing borrowings (cont'd)

As at the reporting date, the Group has in place the following borrowings:

(A) Term loans and revolving credit facilities (cont'd)

(iv) unsecured loan facility of $835 million and A$365 million from a syndicate of six banks comprising DBS Bank Ltd. and its Australia Branch, Maybank, SMBC Singapore, HSBC, Oversea-Chinese Banking Corporation Limited and ANZ consisting of:

- Facility A: $185 million term loan facility maturing in April 2025 at an interest margin plus SORA;
- Facility B: $200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
- Facility C: $200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
- Facility D: $250 million revolving credit facility maturing in April 2024 at an interest margin plus SORA;
- Facility E: A$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
- Facility F: A$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.

(v) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus TIBOR.

(vi) secured club loan facility of JPY12.2 billion from MUFG and Sumitomo Mitsui Banking consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate;
- Consumption tax bridging loan facility of JPY1.7 billion maturing in October 2026 at an interest margin plus TIBOR, which has been fully repaid and cancelled during the year; and
- Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

This secured loan facility is secured on the following:

- Investment property with a carrying amount of $173.4 million (2022: $182.2 million);
- A pledge over the trust beneficial interest in the above investment property;
- A conditional pledge over the insurance claims relating to the above investment property; and
- A pledge over the specified shares of certain subsidiaries.

14. Interest-bearing borrowings (cont'd)

(A) Term loans and revolving credit facilities (cont'd)

As at 31 December 2023, the total amounts outstanding under the term loan and revolving credit facilities were $1,277.9 million (2022: $1,744.0 million) and $163.3 million (2022: $174.0 million), respectively.

(B) Unsecured Medium Term Notes

On 2 February 2012, ESR-LOGOS REIT, through its wholly-owned subsidiary, ESR-LOGOS REIT MTN Pte. Ltd. (the "Issuer"), established a $500 million multi-currency medium term note programme (the "MTN Programme"). The MTN Programme was modified and renamed as $750 million multi-currency debt issuance programme (the "Debt Issuance Programme") in March 2016 to allow the issue of medium term notes (the "Notes") and/or perpetual securities (the "Perps") by either the Trust or the Issuer.

Under the Debt Issuance Programme, the Trust and/or the Issuer may, subject to compliance with all relevant laws, regulations, and directives, from time to time issue the Notes/Perps denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes/Perps are unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) (the "Guarantor").

The Notes/Perps may be issued in series having one or more issue dates and the same maturity date, and on identical terms.

As at the reporting date, the Group has a $125 million 5-year fixed rate notes (the "Series 007 Notes") under its Debt Issuance Programme. The Series 007 Notes was issued directly by the Trust in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.

In May 2023, the Trust redeemed and cancelled the $50 million 7-year fixed rate notes (the "Series 005 Notes") issued in May 2016 upon its maturity.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2022	Merger	Cash flows	Amortisation of loan transaction costs	Effect of changes in foreign exchange rates	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	1,901,612	–	(456,444)	6,324	(20,214)	1,431,278
Fixed rate notes	174,444	–	(50,000)	165	–	124,609
	2,076,056	–	(506,444)	6,489	(20,214)	1,555,887

14. Interest-bearing borrowings (cont'd)

(B) Unsecured Medium Term Notes (cont'd)

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2021	Merger	Cash flows*	Amortisation of loan transaction costs	Effect of changes in foreign exchange rates	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	1,016,600	776,222	126,929	5,657	(23,796)	1,901,612
Fixed rate notes	174,252	–	–	192	–	174,444
	1,190,852	776,222	126,929	5,849	(23,796)	2,076,056

* The cash flows in FY2022 included an upfront loan transaction cost of $14.4 million relating to new loan facilities.

15. Amount due to non-controlling interest

This relates to the 20% non-controlling interest in 7000 AMK LLP, which has been accounted for and classified as a current liability due to the Put Option granted by ESR-LOGOS REIT to HLP. As disclosed in Note 5, the Put Option provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP.

16. Perpetual securities

In November 2017, ESR-LOGOS REIT issued $150.0 million of perpetual securities (the "Series 006 Perps"). The key terms and conditions are as follows:

- the Series 006 Perps confer a right to receive distribution at a rate of 4.6% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to the Series 006 Perps in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset at 6.632% per annum;

- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;

- the Series 006 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and

- the Series 006 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on any distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

16. Perpetual securities (cont'd)

In June 2022, ESR-LOGOS REIT issued a separate $150.0 million of perpetual securities (the "Series 008 Perps"). The key terms and conditions are as follows:

- the Series 008 Perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;
- the Series 008 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and
- the Series 008 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

The Series 006 Perps and Series 008 Perps are classified as equity instruments and recorded as equity in the Statement of Financial Position. The $302.1 million (2022: $302.1 million) presented in the Statement of Financial Position represents the carrying value of the $300.0 million (2022: $300.0 million) perpetual securities issued and includes the total return attributable to the perpetual securities holders from the last distribution date. The issue costs were deducted from the Unitholders' funds.

17. Non-controlling interest - Perpetual securities

In February 2018, ALOG Trust issued $100.0 million of perpetual securities (the "ALOG Perps") under a $1.0 billion Multicurrency Debt Issuance Programme (the "ALOG Debt Issuance Programme") established by ALOG Trust. The key terms and conditions are as follows:

- the ALOG perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every 5 years thereafter;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the ALOG perps constitute direct, unsecured and subordinated obligations of ALOG 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 ALOG Debt Issuance Programme).

The ALOG Perps may be redeemed at the option of ALOG Trust and are classified as non-controlling interest in ESR-LOGOS REIT's consolidated statement of financial position.

On 1 February 2023, ALOG Trust redeemed the $100.0 million ALOG Perps. Upon the redemption, the ALOG Perps were cancelled and delisted from the SGX-ST. The ALOG Debt Issuance Programme has been terminated on 6 February 2023.

18. Units in issue

	Group and Trust	
	2023	**2022**
	Number of units '000	Number of units '000
Units in issue:		
At 1 January	6,719,188	4,030,257
Issue of new Units:		
- Management fees paid in Units	49,534	29,932
- Distribution Reinvestment Plan	14,828	39,907
- Private placement	454,545	–
- Preferential offering	460,767	–
- Partial consideration paid in Units pursuant to the Merger	–	2,575,788
- Acquisition fees paid in Units	–	43,304
Unit buy-back	(9,698)	–
Total issued Units at 31 December	7,689,164	6,719,188

During the financial year ended 31 December 2023, the Trust issued the following new Units:

(i) 49.5 million new Units amounting to approximately $16.2 million at issue prices ranging from $0.2905 to $0.3792 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;

(ii) 14.8 million new Units amounting to approximately $5.2 million at issue price of $0.3516 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;

(iii) 454.5 million new Units amounting to approximately $150.0 million at an issue price of $0.3300 per Unit pursuant to a private placement in February 2023; and

(iv) 460.8 million new Units amounting to approximately $149.7 million at an issue price of $0.3250 per Unit pursuant to a preferential offering in April 2023.

During the financial year ended 31 December 2023, the Trust repurchased a total of 9.7 million Units amounting to approximately $2.7 million by way of market repurchases at unit prices ranging from $0.2570 to $0.3100 per Unit. All units repurchased have been cancelled as at 31 December 2023.

18. Units in issue (cont'd)

During the financial year ended 31 December 2022, the Trust issued the following new Units:

(i) 29.9 million new Units amounting to approximately $12.2 million at issue prices ranging from $0.3706 to $0.4790 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;

(ii) 39.9 million new Units amounting to approximately $16.4 million at issue prices ranging from $0.4024 to $0.4221 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;

(iii) 2,575.8 million new Units amounting to approximately $1,268.3 million at an issue price of $0.4924 per Unit as partial consideration paid in Units pursuant to the Merger with ALOG Trust in April 2022;

(iv) 38.3 million new Units amounting to approximately $16.0 million at an issue price of $0.4170 per Unit as payment for acquisition fees in relation to the Merger with ALOG Trust; and

(v) 5.0 million new Units amounting to approximately $1.7 million at an issue price of $0.3357 per Unit as payment for acquisition fees in relation to the acquisition of ESR Sakura Distribution Centre.

Unitholders' rights

Each Unit represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The limitations on a Unitholder's rights include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem its Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

19. Gross revenue

	Group	
	2023	**2022**
	$'000	$'000
Property rental income	355,160	317,657
Other income	31,190	25,575
	386,350	343,232

20. Property expenses

	Group	
	2023	**2022**
	$'000	$'000
Property Manager's fees paid and payable in:		
- cash	14,083	12,242
- Units[1]	3,200	3,257
	17,283	15,499
Property tax	32,802	28,393
Repair and maintenance expenses	23,140	21,463
Other property operating expenses	39,966	33,634
	113,191	98,989

[1] Includes approximately $0.8 million (2022: $0.9 million) paid to the Property Manager subsequent to the reporting date by way of an issuance of 2.4 million (2022: 2.3 million) new Units to the Property Manager at an issue price of $0.3137 (2022: $0.3792) per Unit for financial year ended 31 December 2023.

21. Management fees

	Group	
	2023	**2022**
	$'000	$'000
Base fees paid and payable in:		
- cash	9,572	10,274
- Units[1]	12,352	10,837
Performance fees[2]	–	90
	21,924	21,201

[1] Includes approximately $2.7 million (2022: $3.3 million) paid to the Manager subsequent to the reporting date by way of an issuance of 8.6 million (2022: 8.7 million) new Units to the Manager at an issue price of $0.3137 (2022: $0.3792) per Unit.

[2] Paid to the former manager of ALOG Trust.

There was no Performance Fee payable for the financial year as the Trust did not outperform the initial Highest DPU Threshold of 6.000 cents for the financial year ended 31 December 2023. Please refer to Note 1B(b) for further details on the Performance Fee structure.

22. Trust expenses

	Group	
	2023	**2022**
	$'000	$'000
Auditor's remuneration:		
- audit fees	555	597
- non-audit fees	245	184
Trustee's fees	1,188	1,189
Valuation fees	350	419
Professional fees[1]	2,203	2,007
Other expenses[2]	1,807	776
	6,348	5,172

[1] Professional fees include $0.5 million (2022: $0.9 million) of professional fees incurred in relation to the change of trustee of ESR-LOGOS REIT.

[2] Other expenses comprise investor relations costs, compliance costs, listing fees and other non-property related expenses.

23. Borrowing costs, net

	Group	
	2023	**2022**
	$'000	$'000
Finance income:		
- interest income from bank deposits	1,087	594
- financial derivatives	14,564	–
Finance costs paid and payable:		
- bank loans	(81,015)	(50,562)
- financial derivatives	–	(955)
- fixed rate notes	(3,943)	(5,225)
Amortisation of transaction costs relating to debt facilities	(6,706)	(6,099)
	(76,013)	(62,247)

24. Income tax (credit)/expense

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows:

	Group	
	2023	**2022**
	$'000	$'000
Current income tax		
- Current year	27	25
- Under provision in prior years	2	2
Deferred tax	(2,133)	5,068
Withholding tax		
- Current year	853	4,397
- Over provision in prior years	(853)	–
	(2,104)	9,492

	Group	
	2023	**2022**
	$'000	$'000
Reconciliation of tax expense		
Total loss for the year before income tax	(65,769)	(261,947)
Income tax using Singapore tax rate of 17% (2022: 17%)	(11,181)	(44,531)
Effect of different tax rates in foreign jurisdictions	(240)	(182)
Income not subject to tax	(11,100)	(14,827)
Non-tax deductible items	50,241	88,619
Deferred tax on fair value (loss)/gain	(2,133)	5,068
Tax transparency	(26,848)	(24,653)
(Over)/Under provision of tax in prior years	(851)	2
Others	8	(4)
Income tax (credit)/expense	(2,104)	9,492

24. Income tax (credit)/expense (cont'd)

Deferred tax liabilities as at 31 December are attributable to the investments at FVTPL and investment properties in Australia.

Movement in temporary differences during the year:

	2022	Recognised in statement of total return	Effect of movement in exchange rates	2023
	$'000	$'000	$'000	$'000
Group				
Deferred tax liabilities	7,754	(2,133)	(84)	5,537

	2021	Recognised in statement of total return	Effect of movement in exchange rates	2022
	$'000	$'000	$'000	$'000
Group				
Deferred tax liabilities	1,867	5,068	819	7,754

In accordance with FRS 12 Income Taxes, deferred tax is not recognised on temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss ("initial recognition exemption"). As a result of applying the initial recognition exemption, the Group has not recognised deferred tax liabilities of $30.1 million (2022: $35.4 million) relating to temporary differences arising from the Merger.

25. Earnings and distribution per Unit

(a) *Basic earnings per Unit*

The calculation of basic earnings per Unit is based on the total return attributable to Unitholders and the weighted average number of Units in issue for the financial year.

	Group	
	2023	2022
	$'000	$'000
Total loss after income tax	(63,665)	(271,439)
Less:		
Non-controlling interest	(3,317)	(2,994)
Non-controlling interest - perpetual securities holders	(467)	(3,828)
Amount reserved for distribution to perpetual securities holders	(18,198)	(12,049)
Total loss attributable to Unitholders	(85,647)	(290,310)

25. Earnings and distribution per Unit (cont'd)

(a) *Basic earnings per Unit (cont'd)*

	Number of units	
	2023	**2022**
	'000	'000
Weighted average number of Units:		
- Units issued at beginning of the year	6,719,188	4,030,257
Effect of issue of new Units:		
- Management fees paid in Units	24,294	12,166
- Distribution Reinvestment Plan	11,293	22,149
- Private placement	383,561	–
- Preferential offering	313,069	–
- Partial consideration paid in Units pursuant to the Merger	–	1,750,125
- Acquisition fees paid in Units	–	24,652
Effect of unit buy-back	(1,273)	–
	7,450,132	5,839,349

	Group	
	2023	**2022**
Basic earnings per Unit (cents)	(1.150)	(4.972)

(b) *Diluted earnings per Unit*

Diluted earnings per Unit is the same as basic earnings per Unit as there were no dilutive instruments in issue during the current and previous financial years.

25. Earnings and distribution per Unit (cont'd)

(c) *Distribution per Unit*

The calculation of distribution per Unit is based on the total amount available for distribution and the number of Units entitled to distribution during the financial year.

	Group	
	2023	**2022**
	$'000	$'000
Total return after income tax and distribution adjustments	176,489	159,610
Amount reserved for perpetual securities holders	(18,198)	(12,049)
Net income available for distribution to Unitholders	158,291	147,561
Total amount available for distribution comprising:		
- Taxable income	158,291	147,561
- Tax-exempt income	4,084	12,049
- Capital distribution	30,323	17,487
Amount available for distribution to Unitholders	192,698	177,097
Distribution per Unit (cents)	2.564	3.000

26. Equity issue costs

	Group and Trust	
	2023	**2022**
	$'000	$'000
Equity issue costs:		
- Distribution Reinvestment Plan	195	557
- Private placement	3,472	–
- Preferential offering	1,214	6
- Perpetual securities	–	1,719
- Unit buy-back	5	–
	4,886	2,282

The equity issue costs are deducted directly against Unitholders' funds.

27. Commitments

(a) Commitments

During the year, the Group entered into a Deed of Income Support in connection with the divestment of a property where it will provide net property income support ("NPI Support") to the purchaser of the property. The NPI Support is for a period of 36 months from 16 October 2023 and has an upper limit of S$8.6 million per annum. Based on the Manager's estimates, the total NPI Support to be paid to the purchaser is approximately S$4.8 million.

(b) Capital commitments

At the reporting date, the Group had the following capital commitments:

- $33.4 million (2022: $104.2 million) of capital commitments in respect of redevelopment works, asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the consolidated financial statements. These projects are targeted to complete in 2024.

- A$7.05 million (2022: A$7.05 million) of capital commitments in respect of the 10.0% interest in EALP, which may be called upon by EALP to finance its activities.

(c) Guarantees

- The Trust has provided unsecured corporate guarantees to banks in respect of the interest rate swaps contracts entered into by certain subsidiaries with total notional amount of $269.7 million (2022: $272.0 million).

- The Trust has provided unsecured corporate guarantees of $9.3 million (2022: 6.9 million) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

28. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect subsidiaries of a substantial Unitholder of the Trust.

28. Related parties (cont'd)

Other than as disclosed elsewhere in the financial statements, the following significant related party transactions were carried out in the normal course of business on terms agreed between the parties:

	Group	
	2023 $'000	**2022** $'000
ESR-LOGOS Funds Management (S) Limited (the Manager)		
Management fees paid and payable in:		
- cash	8,122	9,001
- Units	12,352	10,837
Acquisition fees paid in Units	–	17,648
Development management fees paid and payable in cash	1,857	1,055
Divestment fees paid in cash	2,162	557
ESR-LOGOS Property Management (S) Pte. Ltd. (Subsidiary of immediate holding company of the Manager)		
Property and lease management fees paid and payable in:		
- cash	6,318	5,589
- Units	3,200	3,257
Lease marketing services commission paid and payable in cash	5,602	3,592
Project management fees paid and payable in cash	822	419
Site staff cost recovery	1,240	1,088
Rental income received and receivable[1]	–	673
Utilities income received and receivable	–	16
RBC Investor Services Trust Singapore Limited[2]		
Trustee fees paid	–	434

28. Related parties (cont'd)

	Group	
	2023 $'000	**2022** $'000
Perpetual (Asia) Limited (the Trustee)[3]		
Trustee fees paid and payable	431	43
ESR Group Limited and its subsidiaries[4]		
Base and performance fees paid	–	439
Investment management fees paid and payable	732	542
Asset management fees paid and payable	1,459	864
Property management fees paid and payable	1,556	1,329
Lease marketing services commission paid and payable in cash	1,071	–
Acquisition of ESR Sakura Distribution Centre	–	169,812
Rental support received[5]	1,840	421
TSMP Law Corporation		
Legal fees paid and payable	–	630

[1] Relates to rental income received and receivable from ESR-LOGOS Property Management (S) Pte Ltd ("ELPM") pursuant to a 3-year tenancy agreement entered into between the Group and ELPM during 2021. The lease has since been pre-terminated on 3 January 2023.

[2] On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.

[3] Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.

[4] Excluding the Manager and ELPM.

[5] Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

29. Fair value measurement

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a real estate team that reports directly to the Chief Executive Officer of the Manager, and has an overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet financial reporting requirements, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Manager's Board.

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability are categorised in 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 entire measurement (with Level 3 being the lowest).

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no such transfers during the current financial year.

29. Fair value measurement (cont'd)

(b) *Assets and liabilities measured at fair value*

The table below shows an analysis of each class of assets and liabilities of the Group and the Trust measured at fair value as at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	4,686,985	4,686,985
Financial assets				
Investments at FVTPL	–	–	300,347	300,347
Derivative financial instruments	–	8,501	–	8,501
	–	8,501	4,987,332	4,995,833
Financial liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
Amount due to non-controlling interest	–	–	(70,928)	(70,928)
	–	(2,856)	(70,928)	(73,784)
2022				
Non financial assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	–	56,595	5,103,400	5,159,995
Financial assets				
Investments at FVTPL	–	–	342,665	342,665
Derivative financial instruments	–	24,002	–	24,002
	–	80,597	5,446,065	5,526,662
Financial liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)
Amount due to non-controlling interest	–	–	(63,316)	(63,316)
	–	(1,907)	(63,316)	(65,223)

29. Fair value measurement (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	1,292,290	1,292,290
Financial assets				
Investment at FVTPL	–	–	75,910	75,910
Derivative financial instruments	–	3,260	–	3,260
	–	3,260	1,368,200	1,371,460
Financial liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
2022				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	8,141	1,570,449	1,578,590
Financial assets				
Investment at FVTPL	–	–	77,320	77,320
Derivative financial instruments	–	14,804	–	14,804
	–	22,945	1,647,769	1,670,714
Financial liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)

29. Fair value measurement (cont'd)

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment properties held for divestment

The fair value of investment properties held for divestment are based on contracted selling price of the subject property with unrelated third parties in arm's length transactions.

Financial derivatives

The fair value of derivative financial instruments such as interest rate swaps and forward foreign currency exchange contracts are based on valuation statements from financial institutions that are the counterparties of the transactions. The fair value of interest rate swaps are calculated by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. The fair values of forward foreign currency exchange contracts are determined using actively quoted forward foreign currency exchange rates at the reporting date.

(d) *Level 3 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Amount due to non-controlling interest

The fair value of the amount due to non-controlling interest is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 29(d).

29. Fair value measurement (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

Investment properties held directly or through joint venture

Investment properties are stated at fair value based on valuations performed by independent professional valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued. Independent valuations are obtained annually for all investment properties. Any change in the fair value is recorded in profit or loss.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In determining the fair values, the valuers have used valuation methods including direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The residual value approach uses the discounted cash flows method and the capitalisation approach as the starting point to determine the gross development value before deducting the remaining development costs.

29. Fair value measurement (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

Investment properties held directly or through joint venture (cont'd)

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs in Level 3 fair value measurement used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties held directly or through joint venture		
Discounted cash flows method, direct comparison method, capitalisation approach and residual value approach	• Market rental growth ranges from 1.8% to 6.3% (2022: 2.4% to 7.1%) per annum.	The estimated fair value would increase/(decrease) if: • expected market rental growth were higher/(lower);
	• Adjusted price (psm) of $1,756 (2022: $1,834)	• the adjusted price psm were higher/(lower);
	• Discount rates of 3.90% to 10.50% (2022: 4.00% to 9.50%)	• the discount rates were lower/(higher);
	• Capitalisation rates of 4.10% to 7.50% (2022: 4.20% to 7.50%)	• the capitalisation rates were lower/(higher); or
	• Terminal yield rates of 4.20% to 7.75% (2022: 4.30% to 7.50%)	• the terminal yield rates were lower/(higher)

29. Fair value measurement (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

Key unobservable inputs correspond to:

- Market rental growth, adjusted price psm, capitalisation and terminal yield rates derived from specialised publications from the industrial market and recent sales in the industrial sector.
- Discount rates, based on the risk-free rates derived from government-issued bonds, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 4.

Investments at fair value through profit or loss

The fair value of the investments at fair value through profit or loss, which are unquoted equity investments in property funds, is determined based on the Group's share of the net assets of the property funds with reference to the fair value of the underlying investment properties of the funds. The fair value of these underlying investment properties is determined based on significant unobservable inputs. Accordingly, the fair value of the investments is categorised under Level 3 of the fair value hierarchy.

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

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties held by property funds		
Discounted cash flows method and capitalisation approach	• Discount rates of 6.50% to 7.50% (2022: 5.50% to 7.00%)	The estimated fair value would increase/(decrease) if: • the discount rates were lower/(higher);
	• Capitalisation rates of 4.50% to 8.00% (2022: 3.60% to 6.25%)	• the capitalisation rates were lower/(higher); or
	• Terminal yield rates of 4.75% to 8.25% (2022: 3.85% to 7.25%)	• the terminal yield rates were lower/(higher).

29. Fair value measurement (cont'd)

(e) *Assets and liabilities not measured at fair value for which fair value is disclosed*

The table below shows an analysis of other non-current liabilities of the Group and the Trust not measured at fair value for which fair value is disclosed:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust				
2023				
Liabilities				
Fixed rate notes	115,785	–	–	115,785
2022				
Liabilities				
Fixed rate notes	163,501	–	–	163,501

Determination of fair value for fixed rate notes

The fair values of the fixed rate notes are determined based on the quoted bid prices in an active market as at the reporting date.

(f) *Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value*

The carrying amounts of current financial assets and liabilities of the Group and the Trust approximate their fair values due to their short maturity period. The carrying amounts of non-current floating rate borrowings of the Group and the Trust do not materially differ from their fair values.

29. Fair value measurement (cont'd)

(g) *Classification of financial instruments*

The fair values of financial assets and liabilities, together with their carrying amounts shown in the Statement of Financial Position, are as follows:

	Note	Financial assets at amortised cost $'000	Fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Group						
2023						
Investments at FVTPL	7	–	300,347	–	300,347	300,347
Trade and other receivables*	10	23,765	–	–	23,765	23,765
Cash and bank balances	11	41,985	–	–	41,985	41,985
Loans and borrowings	14	–	–	(1,555,887)	(1,555,887)	(1,546,672)
Trade and other payables^	12	–	–	(102,198)	(102,198)	(102,198)
Amount due to non-controlling interest	15	–	(70,928)	–	(70,928)	(70,928)
Derivative financial instruments (net)	9	–	5,645	–	5,645	5,645
		65,750	235,064	(1,658,085)	(1,357,271)	(1,348,056)
2022						
Investments at FVTPL	7	–	342,665	–	342,665	342,665
Trade and other receivables*	10	20,713	–	–	20,713	20,713
Cash and bank balances	11	45,579	–	–	45,579	45,579
Loans and borrowings	14	–	–	(2,076,056)	(2,076,056)	(2,064,557)
Trade and other payables^	12	–	–	(103,466)	(103,466)	(103,466)
Amount due to non-controlling interest	15	–	(63,316)	–	(63,316)	(63,316)
Derivative financial instruments (net)	9	–	22,095	–	22,095	22,095
		66,292	301,444	(2,179,522)	(1,811,786)	(1,800,287)

29. Fair value measurement (cont'd)

(g) *Classification of financial instruments (cont'd)*

The fair values of financial assets and liabilities, together with their carrying amounts shown in the Statement of Financial Position, are as follows:

	Note	Financial assets at amortised cost $'000	Fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Trust						
2023						
Loans to subsidiaries	8	667,506	–	–	667,506	667,506
Investment at FVTPL	7	–	75,910	–	75,910	75,910
Trade and other receivables*	10	49,097	–	–	49,097	49,097
Cash and bank balances	11	10,131	–	–	10,131	10,131
Loans and borrowings	14	–	–	(1,147,253)	(1,147,253)	(1,138,038)
Trade and other payables^	12	–	–	(46,059)	(46,059)	(46,059)
Derivative financial instruments (net)	9	–	404	–	404	404
		726,734	76,314	(1,193,312)	(390,264)	(381,049)
2022						
Loans to subsidiaries	8	725,755	–	–	725,755	725,755
Investment at FVTPL	7	–	77,320	–	77,320	77,320
Trade and other receivables*	10	52,059	–	–	52,059	52,059
Cash and bank balances	11	9,539	–	–	9,539	9,539
Loans and borrowings	14	–	–	(1,639,736)	(1,639,736)	(1,628,237)
Trade and other payables^	12	–	–	(44,563)	(44,563)	(44,563)
Derivative financial instruments (net)	9	–	12,897	–	12,897	12,897
		787,353	90,217	(1,684,299)	(806,729)	(795,230)

* Excludes prepayments, GST receivable and capitalised costs.

^ Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

30. Financial risk management objectives and policies

The Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk).

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 Audit, Risk Management and Compliance Committee ("ARCC") oversees how management 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. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit, which is outsourced to a public accounting firm, undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for tenants and monitors the amounts receivable from tenants on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the tenants. In addition, the Group requires the tenants to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to the Group. For cash and cash equivalents, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Manager establishes an allowance for impairment loss, based on a specific loss component that relates to individually significant exposures, that represents its estimate of expected losses in respect of trade and other receivables.

Credit risk concentration profile
At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statements of Financial Position.

Financial assets that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment history with the Group. Cash deposits are placed with financial institutions which are reputable and regulated.

Financial assets that are past due or impaired
Information regarding financial assets that are past due or impaired is disclosed in Note 10 (Trade and other receivables). At the reporting date, the Group had no financial assets which had been determined to be impaired and there are no allowances for impairment loss provided for.

30. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities.

The Manager monitors the liquidity risk of the Group on an on-going basis. The Group's objective is to maintain a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations. Typically, the Manager ensures that the Group has sufficient cash on demand and committed revolving credit facilities to meet expected operating expenses for a reasonable period, including the servicing of financial obligations; but this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

Analysis of financial instruments by remaining contracted maturities

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year $'000	Between 2 to 5 years $'000	More than 5 years $'000	Total $'000
Group				
2023				
Non-derivative financial liabilities				
Term loan facilities	(59,912)	(1,382,400)	–	(1,442,312)
Revolving credit facilities	(165,792)	–	–	(165,792)
Medium term notes	(3,259)	(131,500)	–	(134,759)
Trade and other payables*+	(61,813)	(35,854)	–	(97,667)
Amount due to non-controlling interest	(70,928)	–	–	(70,928)
Lease liabilities	(23,892)	(163,784)	(966,018)	(1,153,694)
	(385,596)	(1,713,538)	(966,018)	(3,065,152)
Derivative financial instruments				
Interest rate swaps	12,200	1,176	–	13,376
	(373,396)	(1,712,362)	(966,018)	(3,051,776)
2022				
Non-derivative financial liabilities				
Term loan facilities	(245,195)	(1,689,968)	–	(1,935,163)
Revolving credit facilities	(5,757)	(176,020)	–	(181,777)
Medium term notes	(54,229)	(134,759)	–	(188,988)
Trade and other payables*+	(76,009)	(20,530)	–	(96,539)
Amount due to non-controlling interest	(63,316)	–	–	(63,316)
Lease liabilities	(25,661)	(172,193)	(1,056,068)	(1,253,922)
	(470,167)	(2,193,470)	(1,056,068)	(3,719,705)
Derivative financial instruments				
Interest rate swaps	(8,952)	(6,223)	–	(15,175)
	(479,119)	(2,199,693)	(1,056,068)	(3,734,880)

30. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contracted maturities (cont'd)

	Within 1 year $'000	Between 2 to 5 years $'000	More than 5 years $'000	Total $'000
Trust				
2023				
Non-derivative financial liabilities				
Term loan facilities	(40,781)	(925,648)	–	(966,429)
Revolving credit facilities	(165,792)	–	–	(165,792)
Medium term notes	(3,259)	(131,500)	–	(134,759)
Trade and other payables*+	(26,056)	(15,909)	–	(41,965)
Lease liabilities	(8,956)	(42,021)	(201,659)	(252,636)
	(244,844)	(1,115,078)	(201,659)	(1,561,581)
Derivative financial instruments				
Interest rate swaps	7,217	298	–	7,515
	(237,627)	(1,114,780)	(201,659)	(1,554,066)
2022				
Non-derivative financial liabilities				
Term loan facilities	(229,244)	(1,195,775)	–	(1,425,019)
Revolving credit facilities	(5,757)	(176,020)	–	(181,777)
Medium term notes	(54,229)	(134,759)	–	(188,988)
Trade and other payables*+	(32,734)	(5,537)	–	(38,271)
Lease liabilities	(10,888)	(49,748)	(256,310)	(316,946)
	(332,852)	(1,561,839)	(256,310)	(2,151,001)
Derivative financial instruments				
Interest rate swaps	(6,391)	(2,364)	–	(8,755)
	(339,243)	(1,564,203)	(256,310)	(2,159,756)

* Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

\+ Excludes interest and loan commitment fee payable, which are included in the respective debt facilities.

(c) *Market risk*

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return 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 on risk, utilising interest rate and currency hedging strategies where appropriate.

30. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of ensuring that the majority of the Group's exposures to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps and fixed rate borrowings.

At the reporting date, the Group has entered into interest rate swap contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional amounts of the bank loans.

As at 31 December 2023, the Group has fixed 81.6% (2022: 72.0%) of its interest rate exposure by entering into interest rate swaps and fixed rate borrowings. The Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges and takes into account prevailing market conditions.

Sensitivity analysis for variable rate instruments

For the variable rate instruments, a change of 100 basis points ("bps") in interest rates at the end of the reporting period would have increased/(decreased) Unitholders' funds and total return by the amounts shown below. The analysis assumes that all other variables remain constant.

	Total Return		Unitholders' Funds	
	100 bps increase $'000	**100 bps decrease** $'000	**100 bps increase** $'000	**100 bps decrease** $'000
Group				
2023				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(2,876)	2,876	(2,876)	2,876
2022				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(5,862)	5,862	(5,862)	5,862

30. Financial risk management objectives and policies (cont'd)

(c) ***Market risk (cont'd)***

(i) ***Interest rate risk (cont'd)***

Sensitivity analysis for variable rate instruments (cont'd)

	Total Return		Unitholders' Funds	
	100 bps increase	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
	$'000	$'000	$'000	$'000
Trust				
2023				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(2,427)	2,427	(2,427)	2,427
2022				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(5,238)	5,238	(5,238)	5,238

(ii) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries and property funds.

The Group manages its foreign currency risk by holding net borrowings in foreign currencies to achieve a natural hedge and by entering into forward foreign currency exchange contracts to hedge against foreign currency movements on net income denominated in foreign currencies (Note 9).

30. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(ii) *Foreign currency risk (cont'd)*

As at the reporting date, the Group and the Trust's exposure to foreign currency risk are as follows:

	AUD $'000	JPY $'000	Total $'000
Group			
2023			
Financial assets			
Investments at FVTPL	300,347	–	300,347
Derivative financial instruments	5,241	–	5,241
Trade and other receivables	4,444	284	4,728
Cash and cash equivalents	14,365	10,342	24,707
	324,397	10,626	335,023
Financial liabilities			
Derivative financial instruments	–	(103)	(103)
Trade and other payables	(5,039)	(4,717)	(9,756)
Interest-bearing borrowings (Gross)	(369,072)	(163,856)	(532,928)
	(374,111)	(168,676)	(542,787)
Net statement of financial position exposure	(49,714)	(158,050)	(207,764)
Trust			
2023			
Financial assets			
Investment at FVTPL	75,910	–	75,910
Loans to subsidiaries	–	70,324	70,324
Trade and other receivables	8	441	449
Cash and cash equivalents	213	–	213
	76,131	70,765	146,896
Financial liabilities			
Derivative financial instruments	–	(103)	(103)
Trade and other payables	(425)	(175)	(600)
Interest-bearing borrowings (Gross)	(54,394)	(66,101)	(120,495)
	(54,819)	(66,379)	(121,198)
Net statement of financial position exposure	21,312	4,386	25,698

30. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(ii) *Foreign currency risk (cont'd)*

	AUD $'000	JPY $'000	Total $'000
Group **2022**			
Financial assets			
Investments at FVTPL	342,665	–	342,665
Derivative financial instruments	9,197	583	9,780
Trade and other receivables	6,997	17,199	24,196
Cash and cash equivalents	8,977	7,593	16,570
	367,836	25,375	393,211
Financial liabilities			
Trade and other payables	(5,629)	(3,560)	(9,189)
Interest-bearing borrowings (Gross)	(372,131)	(196,888)	(569,019)
	(377,760)	(200,448)	(578,208)
Net statement of financial position exposure	(9,924)	(175,073)	(184,997)
Trust **2022**			
Financial assets			
Investment at FVTPL	77,320	–	77,320
Derivative financial instruments	–	583	583
Loans to subsidiaries	–	77,633	77,633
Trade and other receivables	–	52	52
Cash and cash equivalents	363	–	363
	77,683	78,268	155,951
Financial liabilities			
Trade and other payables	(329)	(140)	(469)
Interest-bearing borrowings (Gross)	(54,845)	(72,562)	(127,407)
	(55,174)	(72,702)	(127,876)
Net statement of financial position exposure	22,509	5,566	28,075

30. Financial risk management objectives and policies (cont'd)

(c) *Market risk (cont'd)*

(ii) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

A 10% weakening of the SGD against the following currencies would increase the total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

	Total Return	
	2023	**2022**
	$'000	$'000
Group		
AUD against SGD	8,020	5,587
JPY against SGD	439	556
Trust		
AUD against SGD	2,131	2,251
JPY against SGD	439	556

A 10% strengthening of the SGD against the above currencies would have had an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

31. Capital management

The Manager's objective when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt, equity and other financial instruments, whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest coverage and other ratios within approved limits.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 45% of the fund's deposited property, provided that the Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from new borrowings.

31. Capital management (cont'd)

At the reporting date, the Aggregate Leverage and interest coverage ratios of the Group are as follows:

	Group	
	2023	**2022**
Aggregate leverage ratio[1]	35.7%	41.8%
Interest coverage ratio[2]	3.1x	3.5x
Adjusted interest coverage ratio[3]	2.5x	2.8x

[1] The aggregate leverage ratio includes ESR-LOGOS REIT's 49.0% share of the borrowings and total assets of PTC LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*.

[2] The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*) and borrowing-related fees (including amortisation of debt-related transaction costs).

[3] The adjusted interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*), borrowing-related fees (including amortisation of debt-related transaction costs) and distributions on perpetual securities.

The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As part of its finance policy, the Board of the Manager (the "Board") proactively reviews the Group's capital and debt management regularly so as to optimise the Group's funding structure to meet its investment opportunities. 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.

32. Segment reporting

Segment information is presented based on the information reviewed by the Manager's Chief Operating Decision Makers ("CODMs") for performance assessment and resource allocation.

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by 3 countries: Singapore, Australia and Japan. All geographical locations are in the business of investing in industrial properties, which is the only business segment of the Group.

The Manager assesses the performance of the geographical segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments as treasury activities are centrally managed by the Group.

32. Segment reporting (cont'd)

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore $'000	Australia $'000	Japan $'000	Total $'000
Segment Results				
For the year ended 31 December 2023				
Gross revenue	323,760	54,983	7,607	386,350
Property expenses	(100,348)	(11,466)	(1,377)	(113,191)
Net property income	223,412	43,517	6,230	273,159
Share of results of joint venture	3,876	–	–	3,876
Income from investments at FVTPL	–	9,215	–	9,215
Change in fair value of investments at FVTPL	–	(39,839)	–	(39,839)
Change in fair value of investment properties	(186,268)	13,891	5,559	(166,818)
Change in fair value of right-of-use of leasehold land	710	7,975	–	8,685
Finance costs on lease liabilities for leasehold land	(12,636)	(19,540)	–	(32,176)
	29,094	15,219	11,789	56,102
Unallocated amounts:				
- Interest income				15,651
- Borrowing costs				(91,664)
- Change in fair value of financial derivatives				(16,346)
- Foreign exchange loss				(1,240)
- Management fees				(21,924)
- Trust expenses				(6,348)
Total loss for the year before tax				(65,769)
Income tax credit				2,104
Total loss for the year after tax				(63,665)
Segment Assets and Liabilities				
As at 31 December 2023				
Segment assets				
Investment properties (including right-of-use assets)	3,489,570	1,023,970	173,445	4,686,985
Investment in joint venture	41,233	–	–	41,233
Investments at FVTPL	–	300,347	–	300,347
Others	49,137	9,480	10,626	69,243
	3,579,940	1,333,797	184,071	5,097,808
Unallocated assets [(1)]				8,501
Consolidated total assets				5,106,309
Segment liabilities	419,843	358,344	4,101	782,288
Unallocated liabilities [(2)]				1,558,743
Consolidated total liabilities				2,341,031

32. Segment reporting (cont'd)

	Singapore $'000	Australia $'000	Japan $'000	Total $'000
Segment Results				
For the year ended 31 December 2022				
Gross revenue	303,300	38,702	1,230	343,232
Property expenses	(90,925)	(7,861)	(203)	(98,989)
Net property income	212,375	30,841	1,027	244,243
Share of results of joint venture	5,343	–	–	5,343
Income from investments at FVTPL	–	11,129	–	11,129
Change in fair value of investments at FVTPL	–	8,360	–	8,360
Change in fair value of investment properties	(28,851)	5,858	482	(22,511)
Change in fair value of right-of-use of leasehold land	1,095	4,498	–	5,593
Finance costs on lease liabilities for leasehold land	(12,702)	(11,041)	–	(23,743)
	177,260	49,645	1,509	228,414
Unallocated amounts:				
- Interest income				594
- Borrowing costs				(62,841)
- Change in fair value of financial derivatives				27,570
- Fair value adjustment relating to the Merger				(427,055)
- Foreign exchange loss				(2,256)
- Management fees				(21,201)
- Trust expenses				(5,172)
Total loss for the year before tax				(261,947)
Income tax expense				(9,492)
Total loss for the year after tax				(271,439)

32. Segment reporting (cont'd)

	Singapore $'000	Australia $'000	Japan $'000	Total $'000
Segment Assets and Liabilities				
As at 31 December 2022				
Segment assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	4,042,825	934,947	182,223	5,159,995
Investment in joint venture	41,233	–	–	41,233
Investments at FVTPL	–	342,665	–	342,665
Others	45,398	16,125	24,740	86,263
	4,129,456	1,293,737	206,963	5,630,156
Unallocated assets [(1)]				24,002
Consolidated total assets				5,654,158
Segment liabilities	445,137	278,469	3,502	727,108
Unallocated liabilities [(2)]				2,077,963
Consolidated total liabilities				2,805,071

[(1)] Unallocated assets consist of derivative financial assets.
[(2)] Unallocated liabilities consist of derivative financial liabilities and interest-bearing borrowings.

33. Financial ratios

	2023 %	2022 %
Expenses to weighted average net assets[1]		
- including performance component of management fees	0.99	1.04
- excluding performance component of management fees	0.99	1.03
Portfolio turnover rate[2]	15.37	4.40

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs and income tax expense.

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

34. Subsequent events

Subsequent to the reporting period, the following significant events occurred:

(a) ***Attainment of Temporary Occupation Permit ("TOP") status for 21B Senoko Loop***

On 17 January 2024, ESR-LOGOS REIT obtained the TOP status for the phase 2 of the redevelopment project at 21B Senoko Loop.

(b) ***Incorporation of ESR-LOGOS REIT INV3 Pte. Ltd.***

On 24 January 2024, ESR-LOGOS REIT incorporated ESR-LOGOS REIT INV3 Pte. Ltd., a wholly-owned subsidiary in Singapore. The subsidiary is nominally capitalised and its incorporation is not expected to have any material impact on the earnings per Unit or the net tangible assets per Unit of the Group.

(c) ***US$70.0 million investment in ESR Japan Income Fund ("JIF")***

On 1 February 2024, a subscription agreement was entered into between ESR-LOGOS REIT INV3 Pte. Ltd. and ESR Japan Income Fund, SCSp, acting through its managing general partner (associé gérant commandité) in relation to ESR-LOGOS REIT's investment of US$70.0 million in JIF.

(d) ***Repurchase of Units***

On 13 February 2024, ESR-LOGOS REIT repurchased 2.0 million Units amounting to approximately $0.6 million at $0.3025 per Unit.

On 14 February 2024, ESR-LOGOS REIT repurchased 0.9 million Units amounting to approximately $0.3 million at $0.3000 per Unit.

On 1 March 2024, ESR-LOGOS REIT repurchased 8.5 million Units amounting to approximately $2.5 million at $0.2985 per Unit.

34. Subsequent events (cont'd)

(e) *Issuance of new Units*

On 15 February 2024, the Trust issued 11.1 million new Units amounting to approximately $3.5 million at an issue price of $0.3137 per Unit as partial payment for the Manager's base management fees and the Property Manager's property management fees.

35. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board on 20 March 2024.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ESR-REIT AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The information in this Appendix III has been reproduced from the announcement of the unaudited consolidated financial statements of ESR-REIT and its Subsidiaries for the financial year ended 31 December 2024 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024

The Directors of ESR-REIT Management (S) Limited ("ESRM") (formerly known as ESR-LOGOS Funds Management (S) Limited), as manager of ESR-REIT (formerly known as ESR-LOGOS REIT) (the "Manager"), are pleased to announce the unaudited financial results of ESR-REIT and its subsidiaries (the "Group") for the half year ("2H2024") and full year ended 31 December 2024 ("FY2024").

ESR-REIT (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended, modified, supplemented or restated from time to time) entered into between ESRM as the Manager and Perpetual (Asia) Limited as the trustee (the "Trustee"), and is governed by the laws of the Republic of Singapore ("Trust Deed"). On 31 March 2006, ESR-REIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Group in trust for the holders ("Unitholders") of units in the Trust ("Units").

On 25 July 2006, ESR-REIT was admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). On 3 April 2006, ESR-REIT was included under the Central Provident Fund Investment Scheme.

The principal activity of ESR-REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

ESR-REIT's distribution policy is to distribute at least 90% of its annual distributable income comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion.

On 17 January 2024, ESR-REIT obtained the Temporary Occupation Permit ("TOP") for the phase 2 redevelopment project at 21B Senoko Loop, Singapore.

On 24 January 2024, ESR-REIT incorporated ESR-REIT INV3 Pte. Ltd., a wholly-owned subsidiary. The subsidiary is nominally capitalised and its incorporation is not expected to have any material impact on the earnings per Unit or the net tangible assets per Unit of the Group.

On 1 February 2024, ESR-REIT INV3 Pte. Ltd. entered into a subscription agreement with ESR Japan Income Fund, SCSp, acting through its managing general partner (associé gérant commandité) in relation to ESR-REIT's investment of US$70.0 million in ESR Japan Income Fund.

On 28 March 2024, ESR-REIT entered into a S$200.0 million sustainability-linked unsecured revolving credit facility agreement. The unsecured revolving credit facility is the Trust's inaugural sustainability-linked facility.

On 30 April 2024 and 30 October 2024, ESR-REIT completed the divestment of 182-198 Maidstone Street, Altona, VIC, Australia (through an indirect wholly-owned entity, Altona (VIC) Trust) and 81 Tuas Bay Drive, Singapore for a sale consideration of A$65.5 million and S$35.0 million, respectively.

On 20 August 2024, ESR-REIT issued S$174.75 million in aggregate principal amount of 6.00% subordinated perpetual securities comprised in Series 009 (the "Series 009 PS"). The Series 009 PS comprise S$74,750,000 in aggregate principal amount of New Securities issued as part of the Exchange Consideration and S$100,000,000 in aggregate principal amount of Additional New Securities issued pursuant to the additional new issue. The Series 009 PS were issued pursuant to the S$750,000,000 Multicurrency Debt Issuance Programme.

On 10 October 2024, ESR-REIT launched a non-renounceable preferential offering to raise gross proceeds of up to approximately S$94.0 million. The issuance of 289.2 million new Units for the preferential offering to raise gross proceeds of approximately S$88.2 million was completed on 11 November 2024.

On 17 October 2024, ESR-REIT entered into a S$225.0 million unsecured sustainability-linked term loan facility and a JPY15.5 billion unsecured term loan facility.

On 15 November 2024, ESR-REIT completed the acquisition of ESR Yatomi Kisosaki Distribution Centre in Japan, through its wholly-owned Japan tokutei mokuteki kaisha, ESR-REIT TMK2. As part of the acquisition, ESR-REIT TMK2 obtained a secured loan facility of JPY26.3 billion to part finance the acquisition.

On 29 November 2024, ESR-REIT completed the acquisition of 51.0% interest in 20 Tuas South Avenue 14 in Singapore, partially funded by the issuance of a total of 39.6 million Consideration Units to LOGOS Units No. 1 Ltd and Ivanhoe Cambridge Asia Inc., at an issue price of S$0.305 per Consideration Unit, and the use of approximately S$86.7 million proceeds from the 2024 Preferential Offering. As part of the acquisition, Tuas South Avenue Pte. Ltd., the entity that holds 20 Tuas South Avenue 14, obtained a secured loan facility of S$341.5 million (with a green loan tranche of S$108.6 million) to part finance the acquisition.

As at 31 December 2024, the Group holds interest in a diversified portfolio of 72 properties (excluding 48 Pandan Road, which is held through a joint venture) located across Singapore, Australia and Japan with a diversified tenant base of approximately 379 tenants across the following sub sectors: business park, high-specs industrial, logistics and general industrial.

ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024

Summary of the Group's Results

	FY2024 S$'000	FY2023 S$'000	Fav/(Unfav) %
Gross revenue	**370,504**	**386,350**	**(4.1)**
Net property income	**261,654**	**273,159**	**(4.2)**
Amount available for distribution	**164,064**	**192,698**	**(14.9)**
- Taxable income	*149,100*	*158,291*	*(5.8)*
- Tax exempt income	*3,393*	*4,084*	*(16.9)*
- Capital distribution	*11,571*	*30,323*	*(61.8)*
Distributable amount available per unit (cents)	**2.119**	**2.564**	**(17.4)**
- Taxable income	*1.925*	*2.103*	*(8.5)*
- Tax exempt income	*0.044*	*0.056*	*(21.4)*
- Capital distribution	*0.150*	*0.405*	*(63.0)*

Breakdown of distributable amount available per unit

	FY2024 cents	FY2023 cents	Fav/(Unfav) %
For the half year ended 30 June	1.122	1.378	(18.6)
For the half year ended 31 December	0.997	1.186	(15.9)
For the year ended 31 December	**2.119**	**2.564**	**(17.4)**

Total distribution for 2H2024

	Advanced Distribution[(1)]	Remaining Distribution	Total Distribution
Distribution Period	**1 July 2024 to 10 November 2024**	**11 November 2024 to 31 December 2024**	**2H2024**
	S$'000	**S$'000**	**S$'000**
Total amount available for distribution	**55,672**	**22,137**	**77,809**
Applicable number of units ('000)	7,710,806	8,049,818	7,804,313
DPU (cents)	**0.722**	**0.275**	**0.997**

[(1)] An Advanced Distribution of 0.722 cents per Unit for the period from 1 July 2024 to 10 November 2024 has been paid on 8 January 2025 pursuant to the preferential offering which was completed on 11 November 2024.

Details of the Remaining Distribution for 2H2024

For Units trading under the main ESR-REIT counter

Distribution period	**11 November 2024 to 31 December 2024**
Distribution rate	**0.275 cents taxable income per unit**
Record date	**5 February 2025**
Payment date	**14 March 2025**

For Consideration Units trading under the temporary ESR-REIT A counter

Distribution period	**29 November 2024 to 31 December 2024**
Distribution rate	**0.195 cents taxable income per unit**
Record date	**5 February 2025**
Payment date	**14 March 2025**

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the distribution for the period from 11 November 2024 to 31 December 2024.

1(a) Statement of Total Return, together with comparative statement for the corresponding period of the immediately preceding financial year

		Group					
	Note[1]	2H2024 S$'000	2H2023 S$'000	Fav/(Unfav) %	FY2024 S$'000	FY2023 S$'000	Fav/(Unfav) %
Gross revenue	7	**189,598**	**189,505**	**0.0**	**370,504**	**386,350**	**(4.1)**
Property expenses	8	(55,783)	(57,175)	2.4	(108,850)	(113,191)	3.8
Net property income		**133,815**	**132,330**	**1.1**	**261,654**	**273,159**	**(4.2)**
Income from investments at fair value through profit or loss		3,967	4,271	(7.1)	7,803	9,215	(15.3)
Management fees	9	(10,446)	(10,558)	1.1	(20,724)	(21,924)	5.5
Trust expenses	10	(4,019)	(2,741)	(46.6)	(7,674)	(6,348)	(20.9)
Borrowing costs, net	11	(36,523)	(35,727)	(2.2)	(68,885)	(76,013)	9.4
Finance costs on lease liabilities for leasehold land		(15,801)	(17,909)	11.8	(31,469)	(32,176)	2.2
Net income		**70,993**	**69,666**	**1.9**	**140,705**	**145,913**	**(3.6)**
Foreign exchange gain/(loss)		6,661	(1,058)	n.m.	5,935	(1,240)	n.m.
Change in fair value of investments at fair value through profit or loss	4	(26,166)	(39,207)	33.3	(26,796)	(39,839)	32.7
Change in fair value of financial derivatives		(5,466)	(12,262)	55.4	(6,559)	(16,346)	59.9
Change in fair value of investment properties	3	(136,610)	(71,467)	(91.2)	(220,180)	(166,818)	(32.0)
Change in fair value of right-of-use of leasehold land	3	4,046	6,246	(35.2)	8,179	8,685	(5.8)
Share of results of joint venture		867	1,920	(54.8)	2,842	3,876	(26.7)
Total loss for the period before income tax		**(85,675)**	**(46,162)**	**(85.6)**	**(95,874)**	**(65,769)**	**(45.8)**
Income tax (expense)/credit		(9,435)	2,314	n.m.	(11,740)	2,104	n.m.
Total loss for the period after income tax		**(95,110)**	**(43,848)**	**(116.9)**	**(107,614)**	**(63,665)**	**(69.0)**
Attributable to:							
Unitholders of the Trust and perpetual securities holders		(113,715)	(45,196)	(151.6)	(127,779)	(67,449)	(89.4)
Non-controlling interest - perpetual securities holders		-	-	-	-	467	(100.0)
Non-controlling interests - others		18,605	1,348	1,280.2	20,165	3,317	507.9
Total loss for the period		**(95,110)**	**(43,848)**	**(116.9)**	**(107,614)**	**(63,665)**	**(69.0)**
Earnings per Unit (cents)							
Basic and diluted		**(1.605)**	**(0.708)**	**(126.7)**	**(1.914)**	**(1.150)**	**(66.4)**
Distribution per Unit (cents)		**0.997**	**1.186**	**(15.9)**	**2.119**	**2.564**	**(17.4)**
Distribution Statement							
Total loss after income tax, before distribution for the period		**(113,715)**	**(45,196)**	**(151.6)**	**(127,779)**	**(67,449)**	**(89.4)**
Distribution adjustments (Note A)		199,334	133,581	49.2	297,156	243,938	21.8
		85,619	**88,385**	**(3.1)**	**169,377**	**176,489**	**(4.0)**
Amount reserved for distribution to perpetual securities holders		(11,203)	(9,174)	(22.1)	(20,277)	(18,198)	(11.4)
Net income available for distribution for the period		**74,416**	**79,211**	**(6.1)**	**149,100**	**158,291**	**(5.8)**
Total amount available for distribution comprising:							
- Taxable income		74,416	79,211	(6.1)	149,100	158,291	(5.8)
- Tax-exempt income		3,393	-	100.0	3,393	4,084	(16.9)
- Capital distribution		-	12,013	(100.0)	11,571	30,323	(61.8)
Amount available for distribution to Unitholders for the period		**77,809**	**91,224**	**(14.7)**	**164,064**	**192,698**	**(14.9)**

n.m. – not meaningful

[1] Please refer to the *Notes to the Financial Statements* on pages 47 to 67

Note A - Distribution adjustments

	Group					
	2H2024 S$'000	2H2023 S$'000	Fav/(Unfav) %	FY2024 S$'000	FY2023 S$'000	Fav/(Unfav) %
Non-tax deductible/(chargeable) items and other adjustments:						
Management fees paid/payable in Units	5,757	5,824	(1.2)	11,460	12,352	(7.2)
Property Manager's fees paid/payable in Units	1,487	1,520	(2.2)	2,940	3,200	(8.1)
Trustee's fees	295	428	(31.1)	665	956	(30.4)
Financing related costs, including amortisation of debt related costs	5,896	6,272	(6.0)	11,538	12,768	(9.6)
Unrealised foreign exchange (gain)/loss	(6,382)	1,280	n.m.	(5,939)	1,435	n.m.
Change in fair value of investments at fair value through profit or loss	26,166	39,207	(33.3)	26,796	39,839	(32.7)
Change in fair value of investment properties	136,610	71,467	91.2	220,180	166,818	32.0
Change in fair value of financial derivatives	5,466	12,262	(55.4)	6,559	16,346	(59.9)
Legal and professional fees	87	653	(86.7)	91	1,164	(92.2)
Adjustment for straight line rent and lease incentives	(420)	(1,086)	61.3	(1,824)	(2,947)	38.1
Miscellaneous expenses	2,774	(1,589)	n.m.	5,173	202	2,460.9
Share of results of joint venture	(867)	(1,920)	54.8	(2,842)	(3,876)	26.7
Distributable income from joint venture	2,239	1,920	16.6	4,214	3,876	8.7
Deferred tax expense/(credit)	8,078	(2,267)	n.m.	6,056	(2,133)	n.m.
Non-controlling interest share of non-tax deductible items	15,620	(543)	n.m.	15,409	(519)	n.m.
Interest income from subsidiary that was capitalised	-	738	(100.0)	-	1,053	(100.0)
Rollover adjustment from prior years	1,461	(36)	n.m.	1,461	(36)	n.m.
Tax interest adjustment	359	72	398.6	359	72	398.6
Net tax adjustments for income from subsidiaries and investments at fair value through profit or loss	(5,292)	(621)	(752.2)	(5,140)	(6,632)	22.5
Net effect of distribution adjustments	**199,334**	**133,581**	**49.2**	**297,156**	**243,938**	**21.8**

Financial Review of the Statement of Total Return

Gross revenue

The Group recorded gross revenue of S$370.5 million in FY2024, 4.1% lower than FY2023, mainly due to the loss of income from (i) the divestment of ten properties aggregating S$440.6 million in FY2023 and the divestment of 182-198 Maidstone Street in Australia and 81 Tuas Bay Drive in Singapore aggregating S$92.8 million in FY2024; and (ii) the decommissioning of 2 Fishery Port Road. This was partially offset by additional income contributions from (i) 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives in 3Q2023 and 1Q2024 respectively; and (ii) the acquisition of 20 Tuas South Avenue 14 in Singapore and ESR Yatomi Kisosaki Distribution Centre in Japan in November 2024.

Net property income

Net property income decreased by 4.2% to S$261.7 million in FY2024, mainly due to the lower gross revenue.

Income from investments at fair value through profit or loss

Income from investments at fair value through profit or loss comprises distribution income from the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss. The decrease in the distribution income from the Australian property funds was mainly due to higher borrowing costs incurred due to the higher base rates.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

Trust expenses

Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Increase in trust expenses in FY2024 were mainly due to higher non-claimable input Goods and Services Tax ("GST") as the De Minimis rule under the GST Act was not satisfied. Such non-claimable input GST is not tax deductible and therefore has no impact to distributable income.

Borrowing costs, net

Borrowing costs comprised interest expenses on loans and interest rate swaps, as well as the amortisation of debt related transaction costs, net of interest income. Borrowing costs were 9.4% lower in FY2024 mainly due to the interest savings from the repayment of borrowings using the proceeds from the private placement, preferential offering, perpetual securities and the divestment of properties completed in FY2023 and FY2024, partially offset by the increase in borrowings to partially fund the acquisition of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre in November 2024 and higher base rates. Lower interest margins obtained from the early refinancing of certain borrowings also contributed to the lower borrowing costs.

Please refer to Note 5 of the *Notes to the Financial Statements Announcement* for more details on borrowings.

Lease liabilities and right-of-use of leasehold land

Following the adoption of FRS 116 *Leases*, lease payments made for land rent are reflected as finance cost on lease liabilities for leasehold land and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Statement of Cash Flows.

The amount of finance costs on lease liabilities for leasehold land net of the change in fair value of right-of-use of leasehold land for FY2024 decreased to S$23.3 million (FY2023: S$23.5 million) mainly due to the divestment of properties in 2023.

Change in fair value of investments at fair value through profit or loss

The change in fair value of investments at fair value through profit or loss relates to the fair value changes in the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss. The change in fair value of investments at fair value through profit or loss was mainly due to the change in value on the investment properties held by the property funds. The change in fair value of investments at fair value through profit or loss is recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

Change in fair value of financial derivatives

The change in fair value of financial derivatives represented the change in fair values of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the floating rate borrowings of the Group; and (b) forward foreign currency exchange contracts entered into to hedge against foreign currency movements on net income denominated in Australian dollars ("A$") from its investments in Australia. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Change in fair value of investment properties

The change in fair value of investment properties of approximately S$220.2 million in FY2024 comprised fair value loss of S$219.0 million based on the valuations of the investment properties as at 31 December 2024 and adjustments for straight-line rent and marketing commission for FY2024 of S$1.2 million. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Share of results of joint venture

Share of results of joint venture relates to the Group's 49.0% share of the net income of PTC Logistics Hub LLP, which owns 48 Pandan Road.

Income tax

Income tax consists of corporate income tax, deferred tax and withholding tax. The increase was mainly attributable to (i) higher withholding tax in relation to the income received from Australia and Japan, which included the tax on the capital gain from the divestment of 182-198 Maidstone Street located in Australia; and (ii) higher deferred tax expense. The tax on the capital gain and the deferred tax expense have no impact on distributable income.

Non-controlling interests - others

The non-controlling interests - others consist of the 20.0% interest in 7000 AMK LLP and 49.0% interest in LSLV Project 5 Pte. Ltd. that is not owned by the Group. The increase was mainly due to acquisition of 20 Tuas South Avenue 14 in November 2024, by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd..

1(b) Statements of Financial Position, together with comparatives as at the end of the immediately preceding financial year

	Note[1]	Group		Trust	
		31-12-24 S$'000	31-12-23 S$'000	31-12-24 S$'000	31-12-23 S$'000
Assets					
Non-current assets					
Investment properties	3	5,548,674	4,686,985	1,287,655	1,292,290
Investments in subsidiaries		-	-	1,854,809	1,953,875
Investment in joint venture		39,806	41,233	39,806	41,233
Investments at fair value through profit or loss	4	261,576	300,347	71,567	75,910
Loans to subsidiaries		-	-	798,887	667,506
Derivative financial instruments		1,283	5,075	1,283	-
		5,851,339	5,033,640	4,054,007	4,030,814
Current assets					
Trade and other receivables		60,455	27,258	45,355	49,401
Derivative financial instruments		1,929	3,426	288	3,260
Cash and bank balances		83,945	41,985	8,834	10,131
		146,329	72,669	54,477	62,792
Investment property held for divestment	3	9,732	-	9,732	-
		156,061	72,669	64,209	62,792
Total assets		**6,007,400**	**5,106,309**	**4,118,216**	**4,093,606**
Liabilities					
Current liabilities					
Trade and other payables		126,981	77,924	39,975	35,693
Lease liabilities for leasehold land		10,650	17,073	2,992	2,735
Interest-bearing borrowings	5	30,234	163,088	-	163,088
Derivative financial instruments		1,407	182	1,407	182
Amount due to non-controlling interests		76,742	70,928	-	-
		246,014	329,195	44,374	201,698
Liabilities directly attributable to investment property held for divestment	6	1,010	-	1,010	-
		247,024	329,195	45,384	201,698
Non-current liabilities					
Trade and other payables		37,982	35,854	17,311	15,909
Lease liabilities for leasehold land		597,173	574,972	131,063	129,355
Interest-bearing borrowings	5	2,223,766	1,392,799	1,305,499	984,165
Derivative financial instruments		2,874	2,674	2,433	2,674
Deferred tax liabilities		8,026	5,537	3,455	4,326
Amount due to non-controlling interests		214,879	-	-	-
		3,084,700	2,011,836	1,459,761	1,136,429
Total liabilities		**3,331,724**	**2,341,031**	**1,505,145**	**1,338,127**
Net assets		**2,675,676**	**2,765,278**	**2,613,071**	**2,755,479**
Represented by:					
Unitholders' funds		2,213,895	2,463,150	2,207,895	2,453,351
Perpetual securities holders' funds		405,176	302,128	405,176	302,128
Non-controlling interest		56,605	-	-	-
		2,675,676	**2,765,278**	**2,613,071**	**2,755,479**
Units in issue ('000)		**8,049,164**	**7,689,164**	**8,049,164**	**7,689,164**
Net asset value per Unit (cents)		**27.5**	**32.0**	**27.4**	**31.9**

[1] Please refer to the *Notes to the Financial Statements* on pages 47 to 67

Financial Review of the Statement of Financial Position

Investment properties

As at 31 December 2024, the total carrying value of investment properties was S$5.6 billion based on independent external valuation. The increase from 31 December 2023 was mainly due to the acquisition of 20 Tuas South Avenue 14 in Singapore and ESR Yatomi Kisosaki Distribution Centre in Japan as well as capital expenditure and asset enhancement costs incurred for certain properties. This was partially offset by (i) the divestment of 182-198 Maidstone Street located in Australia and 81 Tuas Bay Drive located in Singapore; and (ii) the reclassification of a property as investment property held for divestment as further elaborated below.

Lease liabilities and right-of-use of leasehold land

The Group is required to pay land rent, whether annually or on an upfront land premium basis, for properties in its portfolio. Following the adoption of FRS 116 *Leases*, the Group recognised right-of-use assets and lease liabilities for these land leases previously classified as operating leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the lease commencement date.

Investment in joint venture

Investment in joint venture relates to ESR-REIT's 49.0% share of the net assets of PTC Logistics Hub LLP, which owns 48 Pandan Road. The Group applies the equity method to account for its interest in the joint venture.

Investments at fair value through profit or loss

Investments at fair value through profit or loss relates to ESR-REIT's investments in 3 Australian property funds, namely a 10.0% interest in ESR Australia Logistics Partnership ("EALP"), a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund.

Investment property held for divestment

Investment property held for divestment as at 31 December 2024 relates to 79 Tuas South Street 5 in Singapore, where a contract of sale was entered into to divest the property for approximately S$9.9 million.

Trade and other receivables

Trade and other receivables increased by S$33.2 million mainly due to the Japan Consumption Tax receivable in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre in Japan. The inclusion of the trade and other receivables in Tuas South Avenue Pte. Ltd. also contributed to the increase.

Trade and other payables

Trade and other payables increased by S$51.2 million mainly due to the acquisitions of LSLV Project 5 Pte. Ltd. and ESR Yatomi Kisosaki Distribution Centre in November 2024, and the receipt of security deposits from the new tenants at 7002 Ang Mo Kio Avenue 5.

Amount due to non-controlling interests

The amount due to non-controlling interests represents 20.0% interest in 7000 AMK LLP and the loans from the owners of the remaining 49.0% interest in LSLV Project 5 Pte. Ltd. that is not owned by the Group. The increase was mainly due to acquisition of 20 Tuas South Avenue 14 in November 2024, by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd..

Derivative financial instruments

Derivative financial instruments represent the fair value of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the Group's floating rate borrowings; and (b) forward foreign currency exchange contracts entered into to manage its foreign currency risk. The aggregate notional amount of interest rate swaps as at 31 December 2024 was S$1,284.8 million (31 December 2023: S$1,055.8 million). The aggregate notional amount of Australian dollar forward foreign currency exchange contracts as at 31 December 2024 was A$6.9 million (31 December 2023: A$13.0 million).

Aggregate leverage and interest coverage ratios

		Group	
	Note	**31-12-24**	**31-12-23**
Aggregate leverage ratio	(1)	42.8%	35.7%
Interest coverage ratio	(2)	2.5x	3.1x

(1) The aggregate leverage ratio includes ESR-REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*.

(2) The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases and* the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation) ("EBITDA"), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*) and borrowing-related fees (including amortisation of debt-related transaction costs).

The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As part of its finance policy, the Manager proactively reviews the Group's capital and debt management regularly so as to optimise the Group's funding structure to meet its investment opportunities. The Manager also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

Sensitivity analysis on the impact of changes in EBITDA and interest rates on interest coverage ratio

	Interest coverage ratio	
	31-12-24	**31-12-23**
10% decrease in EBITDA	2.2x	2.2x
100 basis point increase in weighted average interest rate	2.1x	2.1x
10% increase in EBITDA	2.7x	2.7x
100 basis point decrease in weighted average interest rate	3.0x	3.1x

For details of the Group's interest-bearing borrowings, please refer to Note 5 of the *Notes to the Financial Statements Announcement*.

Liabilities directly attributable to investment property held for divestment

Liabilities directly attributable to investment property held for divestment are mainly the lease liabilities for the leasehold land of the property.

Perpetual securities

ESR-REIT has S$75.25 million of subordinated perpetual securities ("Perps") under Series 006 ("Series 006 PS"), S$150.0 million of Perps under Series 008 ("Series 008 PS") and S$174.75 million of Perps under Series 009 PS in issue under its S$750 million Multicurrency Debt Issuance Programme.

Series 006 PS confer a right to receive distribution at a rate of 4.60% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to Series 006 PS in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset to 6.632% per annum. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 006 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on any future distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 006 PS is classified as equity instruments and recorded as equity in the financial statements.

Series 008 PS confer a right to receive distribution at a rate of 5.50% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 008 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 008 PS is classified as equity instruments and recorded as equity in the financial statements.

Series 009 PS confer a right to receive distribution at a rate of 6.00% per annum, with the first distribution rate reset falling on 20 August 2029 and subsequent resets occurring every 5 years thereafter at a rate equivalent to the prevailing five-year SORA-OIS plus the initial spread of 3.548 per cent. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Series 009 PS.

The Series 009 PS are redeemable at the option of the ESR-REIT in whole, but not in part, on 20 August 2029 and every distribution payment date thereafter at the redemption amount, together with distribution accrued (including any arrears of distribution and any additional distribution amount) to (but excluding) the date fixed for redemption. The Series 009 PS may also be redeemed upon the occurrence of certain other redemption events specified in the pricing supplement for the Series 009 PS. The Series 009 PS is classified as equity instruments and recorded as equity in the financial statements.

Non-controlling interest

Non-controlling interest represents the 49.0% interest in LSLV Project 5 Pte. Ltd. that is not attributable to ESR-REIT.

The Group is in net current liabilities position as at 31 December 2024. Notwithstanding the net current liabilities position, based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

1(c) Statement of Cash Flows

	Group			
	2H2024 S$'000	2H2023 S$'000	FY2024 S$'000	FY2023 S$'000
Cash flows from operating activities				
Total loss before income tax for the period	(85,675)	(46,162)	(95,874)	(65,769)
Adjustments for:				
Unrealised foreign exchange (gain)/loss	(6,382)	1,286	(5,939)	1,435
Borrowing costs, net	36,523	35,727	68,885	76,013
Management fees paid/payable in Units	5,757	5,824	11,460	12,352
Property Manager's fees paid/payable in Units	1,487	1,520	2,940	3,200
Share of results of joint venture	(867)	(1,920)	(2,842)	(3,876)
Finance costs on lease liabilities for leasehold land	15,801	17,909	31,469	32,176
Income from investments at fair value through profit or loss	(3,967)	(4,271)	(7,803)	(9,215)
Change in fair value of financial derivatives	5,466	12,262	6,559	16,346
Change in fair value of investment properties	136,610	71,467	220,180	166,818
Change in fair value of right-of-use of leasehold land	(4,046)	(6,246)	(8,179)	(8,685)
Change in fair value of investments at fair value through profit or loss	26,166	39,207	26,796	39,839
Operating income before working capital changes	**126,873**	**126,603**	**247,652**	**260,634**
Changes in working capital				
Trade and other receivables	(31,686)	(6,530)	(36,335)	11,721
Trade and other payables	70,096	(6,475)	63,074	(7,256)
Cash generated from operating activities	**165,283**	**113,598**	**274,391**	**265,099**
Income tax paid	(747)	(410)	(4,769)	(3,358)
Net cash generated from operating activities	**164,536**	**113,188**	**269,622**	**261,741**
Cash flows from investing activities				
Capital expenditure on investment properties	(13,703)	(44,697)	(26,197)	(94,474)
Acquisition of an investment property	(331,478)	-	(331,478)	-
Deposits for investment properties held for divestment	-	(253)	-	-
Proceeds from disposal of investment properties	35,000	397,108	92,755	440,608
Dividend received from joint venture	2,295	1,920	4,270	3,876
Income from investments at fair value through profit or loss	3,892	6,596	7,873	9,748
Acquisition of subsidiaries, net of cash acquired (Note A)	(175,856)	-	(175,856)	-
Payment for acquisition related transaction costs	(9,294)	-	(9,294)	-
Interest received	360	583	979	1,087
Net cash (used in)/generated from investing activities	**(488,784)**	**361,257**	**(436,948)**	**360,845**
Cash flows from financing activities				
Proceeds from issuance of new Units	88,200	-	88,200	299,749
Proceeds from issuance of perpetual securities	100,000	-	100,000	-
Payment for unit buy-back	(4,971)	(2,720)	(12,908)	(2,720)
Redemption of perpetual securities	-	-	-	(100,000)
Issue costs for perpetual securities paid	(2,497)	-	(2,497)	(15)
Equity issue costs paid	(175)	(551)	(203)	(5,073)
Finance costs paid	(35,397)	(32,807)	(67,083)	(69,582)
Proceeds from borrowings	1,149,160	93,800	1,386,550	317,800
Repayment of borrowings	(823,600)	(451,168)	(1,059,900)	(824,168)
Loan from non-controlling interest	(1,200)	4,784	-	4,784
Distributions paid to Unitholders (Note B)	(86,231)	(71,358)	(177,424)	(199,771)
Distributions paid to perpetual securities holders	(8,132)	(9,151)	(17,229)	(18,198)
Distributions paid to non-controlling interest - perpetual securities holders	-	-	-	(2,773)
Distributions paid to non-controlling interest	(1,886)	(1,922)	(3,651)	(1,922)
Payment of interest portion of lease liabilities for leasehold land	(10,090)	(9,977)	(19,859)	(19,981)
Payment of principal portion of lease liabilities for leasehold land	(1,665)	(1,686)	(3,431)	(3,510)
Movement in restricted cash	(10,123)	(618)	(10,155)	(946)
Net cash generated from/(used in) financing activities	**351,393**	**(483,374)**	**200,410**	**(626,326)**
Net increase/(decrease) in cash and cash equivalents	**27,145**	**(8,929)**	**33,084**	**(3,740)**
Cash and cash equivalents at beginning of the period	**43,327**	**46,612**	**38,409**	**42,949**
Effect of exchange rate fluctuations on cash held	**(258)**	**726**	**(1,279)**	**(800)**
Cash and cash equivalents at end of the period (Note C)	**70,214**	**38,409**	**70,214**	**38,409**

Notes:

(A) Acquisition of subsidiaries

On 29 November 2024, ESR-REIT through its indirect wholly-owned subsidiaries, acquired a 51.0% equity interest in Tuas South Avenue Pte. Ltd., through the acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd.. Tuas South Avenue Pte. Ltd. owns 100% interest in 20 Tuas South Avenue 14 located in Singapore.

The consideration was settled by way of the issuance of 39.6 million Consideration Units at an issue price of S$0.305 per unit and a cash consideration of S$210.3 million.

The fair value of the assets acquired and liabilities assumed as at 29 November 2024 were as follows:

	S$'000
Investment property	840,000
Trade and other receivables	1,479
Cash and bank balances	34,477
Interest-bearing borrowings	(411,600)
Trade and other payables	(9,961)
Fair value of net assets acquired	454,395
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of LSLV Project 5 Pte. Ltd.	(222,654)
Identifiable net assets acquired	231,741
Total consideration paid in cash and Consideration Units	222,415
Amount payable to LSLV General Partner and LSAV 1 Portfolio Ltd.	9,326
Total consideration paid in cash and Consideration Units	222,415
Less:	
Cash and bank balances acquired	(34,477)
Consideration paid in Units	(12,082)
Cash outflow on acquisition, net of cash acquired	175,856

(B) Distributions paid to Unitholders

Distributions during the year ended 31 December 2024 were fully paid in cash (FY2023: partially paid by issuing an aggregate of 14.8 million new Units amounting to S$5.2 million pursuant to the Distribution Reinvestment Plan).

	Group			
	2H2024	2H2023	FY2024	FY2023
	S$'000	S$'000	S$'000	S$'000
Distributions paid to Unitholders	(86,231)	(71,358)	(177,424)	(204,984)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	-	-	-	5,213
Distributions paid to Unitholders in cash	(86,231)	(71,358)	(177,424)	(199,771)

(C) Cash and cash equivalents

For purpose of the Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	Group	
	FY2024	**FY2023**
	S$'000	**S$'000**
Cash and bank balances in the Statement of Financial Position	83,945	41,985
Less: Restricted cash	(13,731)	(3,576)
Cash and cash equivalents in the Statement of Cash Flows	70,214	38,409

1(d)(i) Statements of Movements in Unitholders' funds

	Group		Trust	
	FY2024 S$'000	FY2023 S$'000	FY2024 S$'000	FY2023 S$'000
Unitholders' Funds				
Balance at beginning of the period	**2,463,150**	**2,444,653**	**2,453,351**	**2,448,955**
Operations				
Total loss for the period attributable to Unitholders and perpetual securities holders	(127,779)	(67,449)	(154,049)	(86,001)
Amount reserved for distribution to perpetual securities holders	(20,277)	(18,198)	(20,277)	(18,198)
Net decrease in net assets resulting from operations	**(148,056)**	**(85,647)**	**(174,326)**	**(104,199)**
Movement in foreign currency translation reserve	(30,069)	(4,451)	-	-
Unitholders' transactions				
Issuance of new Units pursuant to:				
- Management fees paid in Units	14,167	16,223	14,167	16,223
- Distribution Reinvestment Plan	-	5,213	-	5,213
- Private Placement	-	150,000	-	150,000
- Preferential Offering	88,200	149,749	88,200	149,749
- Unit Buy-Back	(12,908)	(2,720)	(12,908)	(2,720)
- Acquisition fees paid in Units	7,552	-	7,552	-
- Consideration Units for the acquisition of subsidiaries	12,082	-	12,082	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	-	(195)	-	(195)
- Private Placement	-	(3,472)	-	(3,472)
- Preferential Offering	(166)	(1,214)	(166)	(1,214)
- Perpetual Securities	(2,596)	-	(2,596)	-
- Unit Buy-Back	(37)	(5)	(37)	(5)
Distributions paid to Unitholders	(177,424)	(204,984)	(177,424)	(204,984)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(71,130)**	**108,595**	**(71,130)**	**108,595**
Balance at end of the period	**2,213,895**	**2,463,150**	**2,207,895**	**2,453,351**
Perpetual Securities Holders' Funds				
Balance at beginning of the period	**302,128**	**302,128**	**302,128**	**302,128**
Issue of perpetual securities	100,000	-	100,000	-
Amount reserved for distribution to perpetual securities holders	20,277	18,198	20,277	18,198
Distribution to perpetual securities holders	(17,229)	(18,198)	(17,229)	(18,198)
Balance at end of the period	**405,176**	**302,128**	**405,176**	**302,128**
Non-controlling interest - ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the period	**-**	**102,306**	**-**	**-**
Amount reserved for distribution to perpetual securities holders	-	467	-	-
Distribution to non-controlling interest - perpetual securities holders	-	(2,773)	-	-
Redemption of non-controlling interest - perpetual securities	-	(100,000)	-	-
Balance at end of the period	**-**	**-**	**-**	**-**
Non-controlling interest	**56,605**	**-**	**-**	**-**
Total	**2,675,676**	**2,765,278**	**2,613,071**	**2,755,479**

1(d)(i) Statements of Movements in Unitholders' funds (cont'd)

	Group		Trust	
	2H2024 S$'000	2H2023 S$'000	2H2024 S$'000	2H2023 S$'000
Unitholders' Funds				
Balance at beginning of the period	**2,346,860**	**2,584,644**	**2,347,347**	**2,584,587**
Operations				
Total loss for the period attributable to Unitholders and perpetual securities holders	(113,715)	(45,196)	(149,221)	(56,862)
Amount reserved for distribution to perpetual securities holders	(11,203)	(9,174)	(11,203)	(9,174)
Net decrease in net assets resulting from operations	**(124,918)**	**(54,370)**	**(160,424)**	**(66,036)**
Movement in foreign currency translation reserve	(29,019)	(1,924)	-	-
Unitholders' transactions				
Issuance of new Units pursuant to:				
- Management fees paid in Units	7,111	8,031	7,111	8,031
- Preferential Offering	88,200	-	88,200	-
- Unit Buy-Back	(4,971)	(2,720)	(4,971)	(2,720)
- Acquisition fees paid in Units	7,552	-	7,552	-
- Consideration Units for the acquisition of subsidiaries	12,082	-	12,082	-
Equity costs pursuant to:				
- Private Placement	-	259	-	259
- Preferential Offering	(166)	593	(166)	593
- Perpetual Securities	(2,596)	-	(2,596)	-
- Unit Buy-Back	(9)	(5)	(9)	(5)
Distributions paid to Unitholders	(86,231)	(71,358)	(86,231)	(71,358)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**20,972**	**(65,200)**	**20,972**	**(65,200)**
Balance at end of the period	**2,213,895**	**2,463,150**	**2,207,895**	**2,453,351**
Perpetual Securities Holders' Funds				
Balance at beginning of the period	**302,105**	**302,105**	**302,105**	**302,105**
Issue of perpetual securities	100,000	-	100,000	-
Amount reserved for distribution to perpetual securities holders	11,203	9,174	11,203	9,174
Distribution to perpetual securities holders	(8,132)	(9,151)	(8,132)	(9,151)
Balance at end of the period	**405,176**	**302,128**	**405,176**	**302,128**
Non-controlling interest	**56,605**	**-**	**-**	**-**
Total	**2,675,676**	**2,765,278**	**2,613,071**	**2,755,479**

1(d)(ii) Details of any changes in the number of issued units

		Trust			
	Note	2H2024 Units	2H2023 Units	FY2024 Units	FY2023 Units
Issued units at beginning of the period		**7,685,403,710**	**7,672,834,541**	**7,689,164,004**	**6,719,187,987**
Issuance of new Units pursuant to:					
- Management fees paid in units		25,402,277	26,026,963	48,562,583	49,534,207
- Distribution Reinvestment Plan		-	-	-	14,827,791
- Private Placement		-	-	-	454,545,000
- Preferential Offering	(1)	289,180,327	-	289,180,327	460,766,519
- Unit Buy-Back	(2)	(19,000,000)	(9,697,500)	(45,920,600)	(9,697,500)
- Consideration Units for the acquisition of subsidiaries	(3)	39,612,274	-	39,612,274	-
- Acquisition fees paid in units	(4)	28,565,627	-	28,565,627	-
Issued units at end of the period		**8,049,164,215**	**7,689,164,004**	**8,049,164,215**	**7,689,164,004**

Notes:

(1) The new units were issued on 11 November 2024 at an issue price of S$0.3050 per unit.
(2) During FY2024, ESR-REIT repurchased a total of 45,920,600 units by way of market repurchases and all units repurchased have been cancelled as at 31 December 2024.
(3) The new units were issued on 29 November 2024 at an issue price of S$0.3050 per unit.
(4) The acquisition fees paid in units that were issued on 23 December 2024 comprised (i) 16,376,146 new units issued at an issue price of S$0.2616 per unit in relation to the acquisition of a 51.0% interest in 20 Tuas South Avenue 14; and (ii) 12,189,481 new units issued at an issue price of S$0.2681 per unit in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

The total number of issued units, excluding treasury units, as at the end of the current and the comparative financial period are disclosed in Section 1(d)(ii). There were no treasury units acquired since the date of listing of ESR-REIT on 25 July 2006.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

ESR-REIT repurchased a total of 45,920,600 units in FY2024 which have been cancelled as at 31 December 2024.

2 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 the auditors.

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group in the preparation of these financial statements for the current financial period are the same as those applied by the Group in its audited annual financial statements for the financial year ended 31 December 2023, except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual period beginning on 1 January 2024. The adoption of these standards did not have any effect on the financial performance or position of the Group.

5 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.

Please refer to item 4 above.

6 Earnings per unit ("EPU") and distributable amount available per unit for the period

			Group			
		Note	2H2024	2H2023	FY2024	FY2023
EPU						
Total loss after income tax before distribution for the period	(S$'000)		(124,918)	(54,370)	(148,056)	(85,647)
Weighted average number of units	('000)		7,783,672	7,683,293	7,735,329	7,450,132
Basic and diluted EPU	(cents)	(a)	(1.605)	(0.708)	(1.914)	(1.150)
Distributable amount available per unit						
Total amount available for distribution for the period	(S$'000)		77,809	91,224	164,064	192,698
Applicable number of units	('000)		7,804,313	7,689,164	7,742,520	7,515,523
Distributable amount available per unit	(cents)	(b)	0.997	1.186	2.119	2.564

Notes:

(a) The basic EPU was calculated using total return after income tax before distribution for the period and the weighted average number of units in issue during the period. The basic and diluted EPU were the same as there were no dilutive instruments in issue during the period.

(b) Distributable amount available per unit was calculated using the total amount available for distribution and the number of units entitled to such distributable amount for the period.

7 Net asset value ("NAV") / Net tangible asset ("NTA") per unit based on units issued at the end of the period

		Group		Trust	
	Note	**31-12-24**	**31-12-23**	**31-12-24**	**31-12-23**
NAV / NTA per unit (cents)	(a)	**27.5**	**32.0**	**27.4**	**31.9**

Note:

(a) NAV / NTA per unit was calculated based on the number of units issued as at the end of the respective periods.

8 Review of the performance

The review of the performance is set out in Section 1(a) – Statement of Total Return and Distribution Statements and Section 1(b) – Statements of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

10 Commentary on 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 reporting period and the next 12 months.

(a) Market Outlook

The global economy remained resilient in 2024, despite experiencing one of the most sustained inflation-driven episode of monetary tightening in recent history. According to the United Nations World Economic Situation Prospects 2025 ("WESP") report, global economic growth is forecasted at 2.8% for 2025 and 2.9% for 2026. The subdued positive forecast for the near term is supported by continued disinflation and monetary easing to boost aggregate demand. However, ongoing conflicts and rising geopolitical tensions could aggravate challenges on the supply side[1].

Singapore

Singapore's economy grew by 4.3% year-on-year ("**y-o-y**") in 4Q2024[2]. The growth in manufacturing sector peaked in 3Q2024 at 11.1% before narrowing to 4.2% in 4Q2024. The growth in the 2H2024 was mainly driven by the electronics and transport engineering sectors.

The growth in the manufacturing, electronics and transport engineering sectors drove ongoing negotiations with prospective tenants in those fields to fill up space and backfill vacancies, albeit landlords providing more incentives to secure tenants.

While the logistics segment remained resilient in occupancy and rental rates, the recent consolidation of third-party logistics companies may lead to growing occupier resistance. They are expected to take calibrated approaches in their expansion plans[3].

Across the different industrial asset classes from Business Park to Logistics, landlords are increasingly offering higher incentives such as fit-out contributions or rent rebates to attract and retain tenants. The risk of higher vacancy rates, particularly in the Business Park sector is expected to weigh on its rents.

The New Economy sectors are expected to continue to be the standout performers in the industrial market. With growth in demand for consumer electronics devices and artificial intelligence applications, the electronics cluster being supported by the semiconductors segment is expected to push demand for manufacturing spaces. This is expected to benefit third-party logistics companies supporting these sectors. While rental reversions for the logistics sector are projected to stay positive, rental growth rates are likely to moderate to single-digit percentages, compared to the high double-digit percentages seen in the past two years due to the low base effect of the rents entered in the COVID-19 period and increase in space supply.

Australia

The GDP for Australia continues to experience a period of weak growth, observing an annual growth of 0.8% in 3Q2024 which is the slowest pace of growth since the early 1990s. The decline in real disposable incomes and ongoing effect of restrictive financial conditions due to sticky inflation continue to weigh on consumption[4].

The industrial sector growth has started to ease in the recent quarters after outperforming over the past two years, characterised by record-high rental growth and low vacancies. While total take-up in FY2024 registered at slightly above 3.0 million sqm, which was below the levels recorded between FY2021 and FY2023, it remains 37% higher than the pre-pandemic average. This highlights the reset in demand at higher levels given more pronounced drivers of demand such as e-commerce.

[1] Based on World Economic Situation and Prospects 2025 released by United Nations on 9 January 2025
[2] Based on Advanced GDP Estimates for Fourth Quarter 2024 by Ministry of Trade and Industry (MTI) on 2 January 2025
[3] Based on CBRE Research 2024
[4] Based on Cushman & Wakefield Logistics and Industrial Research 2024

Rental growth remains bifurcated across different states, with strong prime rents growing by 6.4% in FY2024, with Brisbane seeing a particularly robust increase of 8.7% as compared to the previous year. Meanwhile, rental growth in the Sydney and Melbourne markets came in at 5.0% and 5.4% respectively. Incentives have continued to play a greater role in rental negotiations as owners compete aggressively to secure tenants, ranging from 10.0% to 20.0%.

Softening leasing demand, coupled with high supply levels expected over the next few years, is likely to increase vacancy rates to between 3% and 4% in FY2025. The rate of rental growth will likely moderate from the double-digit positive figures recorded in the past two years to approximately 5.0% in FY2025.

Japan

Japan's economy is recovering moderately despite some areas of weakness. The Bank of Japan expects to see growth as the virtuous cycle of income and spending gradually strengthens[5].

In 3Q2024, the vacancy rate for Large Multi-Tenant (LMT) logistics facilities in Greater Tokyo climbed by 0.4 pp quarter-on-quarter ("**q-o-q**") to reach 10.1%, which was driven by 183,000 tsubo of new supply that was launched at 50% occupancy and prolonged lease-up periods for existing spaces. Despite this, demand remains strong, with effective rents increasing by 0.2% q-o-q to JPY 4,500 per tsubo[6].

In other regions, the vacancy rate for LMT in Greater Nagoya dropped by 0.9 pp q-o-q to 13.7%. With no new supply available in 4Q2024, significant vacancies were filled in existing properties. Middle and large spaces have been filled by logistics operators and manufacturers, showing strong interest in both existing and pipeline properties and reflecting a downward trend in vacancy rate. Prime locations with limited vacancies continue to attract tenants willing to pay a premium for specific cargo needs.

While logistics companies and e-commerce operators remain the primary drivers of logistics spaces take-up, there is growing increasing interest from manufacturing industries and firms handling diverse cargo such as automobile, semiconductors, construction materials, machinery and food across Japan.

Conclusion

Despite a reduction in inflation pressures, improvements in labour market conditions, and monetary easing in the latter half of 2024, the global economy continues to face uncertainties. These include the unpredictability of the incoming Trump Administration and the potential economic impact of its proposed tariffs. Such unpredictability, coupled with the potential return of inflation, is expected to continue affecting economic sentiments, trade, financial markets, interest rates and overall economic activities in many countries. Protectionist global macroeconomic policies may pose risks to trade flows and global economic growth, leaving export-oriented countries like Singapore particularly vulnerable.

The outlook for real estate demand, rental growth, and operating costs remains cautiously optimistic. Growth in the New Economy sectors is expected to moderate, with manufacturing and supply chain activities continuing to drive demand. Positive rental reversions are anticipated to persist, albeit at a slower growth pace.

[5] Based on Summary of Opinions at the Monetary Policy Meeting on December 18 and 19, 2024 by the Bank of Japan dated 27 December 2024
[6] Based on CBRE Q3 2024 MarketView Japan Logistics

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: **75th distribution for the period from 11 November 2024 to 31 December 2024**

(Distribution for the period from 1 July 2024 to 10 November 2024 of 0.722 cents per unit has been paid on 8 January 2025.)

For Units trading under the main ESR-REIT counter

Distribution period	**11 November 2024 to 31 December 2024**
Distribution rate	**0.275 cents taxable income per unit**
Record date	**5 February 2025**
Payment date	**14 March 2025**

For Consideration Units trading under the temporary ESR-REIT A counter

Distribution period	**29 November 2024 to 31 December 2024**
Distribution rate	**0.195 cents taxable income per unit**
Record date	**5 February 2025**
Payment date	**14 March 2025**

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Record date: 5 February 2025

Date payable: 14 March 2025

The Manager has determined that the DRP **will not apply** to the distribution for the period from 11 November 2024 to 31 December 2024.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	**72nd distribution for the period from 1 July 2023 to 31 December 2023**
Distribution Type:	Taxable income / Capital distribution
Distribution Rate:	1.186 cents per unit comprising: (a) Taxable income distribution 1.030 cents per unit (b) Capital distribution 0.156 cents per unit
Par value of units:	Not meaningful
Tax Rate:	Taxable income distribution The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets). Capital distribution The distribution out of capital is not a taxable distribution to the Unitholders.

12 If no distribution has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT general mandate from the Unitholders.

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

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

15 Use of proceeds raised from offerings pursuant to Chapter 8 of the Listing Manual

a) Gross proceeds of S$149.6 million raised pursuant to the private placement of 268,818,000 new units completed on 18 May 2021 and the pro rata and non-renounceable preferential offering of 124,071,569 new units completed on 26 August 2021 (together, the "2021 Equity Fund Raising") has been fully utilised in the following manner:

Intended Use of Proceeds	Amount Allocated (S$ million)	Aggregate Amount Utilised To Date (S$ million)	Remaining Proceeds Pending Utilisation (S$ million)
To partially finance the total acquisition costs for 46A Tanjong Penjuru	71.8	71.8	-
To partially finance the proposed asset enhancements at 16 Tai Seng Street and 7000 Ang Mo Kio Avenue 5	43.3	43.3	-
To repay existing indebtedness	31.0	31.0	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2021 equity fund raising	3.5	3.5	-
Total	**149.6**	**149.6**	**-**

The use of proceeds from the 2021 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2021 Equity Fund Raising allocated to such use as set out in the announcement dated 6 May 2021 titled "Launch of Equity Fund Raising to raise Gross Proceeds of up to approximately S$150.0 million".

b) Gross proceeds of S$299.7 million raised pursuant to the private placement of 454,545,000 new units completed on 27 February 2023 and the pro rata and non-renounceable preferential offering of 460,766,519 new units completed on 28 April 2023 (together, the "2023 Equity Fund Raising") has been used in the following manner:

Intended Use of Proceeds	Amount Allocated [(1)] (S$ million)	Aggregate Amount Utilised To Date (S$ million)	Remaining Proceeds Pending Utilisation (S$ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-REIT	295.0	4.5	290.5
To pay for fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the 2023 Equity Fund Raising	4.7	4.7	-
Total	**299.7**	**9.2**	**290.5**

Note:

(1) The difference in the amount allocated for the use of proceeds in the above table and the announcement dated 16 February 2023 titled "Launch of Equity Fund Raising to raise Gross Proceeds of not less than approximately S$300.0 million" is due to lower fees and expenses incurred by ESR-REIT in connection with the 2023 Equity Fund Raising. The unutilised proceeds, amounting to approximately S$2.3 million, that was allocated for fees and expenses in connection with the 2023 Equity Fund Raising has been reallocated to be used to fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-REIT.

Save as disclosed in Note (1) above, the use of proceeds from the 2023 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2023 Equity Fund Raising allocated to such use as set out in the announcement dated 16 February 2023 titled "Launch of Equity Fund Raising to raise Gross Proceeds of not less than approximately S$300.0 million".

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	Group		Fav/ (Unfav)
	FY2024 S$'000	FY2023 S$'000	%
Gross revenue			
Singapore	305,737	323,760	(5.6)
Australia	54,869	54,983	(0.2)
Japan	9,898	7,607	30.1
	370,504	386,350	(4.1)
Net Property Income			
Singapore	209,406	223,412	(6.3)
Australia	43,943	43,517	1.0
Japan	8,305	6,230	33.3
	261,654	273,159	(4.2)

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.

Please refer to 1(a) Statement of Total Return on pages 7 to 8 for performance review.

18 Breakdown of revenue

	FY2024 S$'000	FY2023 S$'000	Fav/ (Unfav) %
(a) Gross revenue reported for first half year	180,906	196,845	(8.1)
(b) Total loss after tax before distribution for first half year	(12,504)	(19,817)	36.9
(c) Gross revenue reported for second half year	189,598	189,505	0.0
(d) Total loss after tax before distribution for second half year	(95,110)	(43,848)	(116.9)

19 Breakdown of the total distributions for the financial year ended 31 December 2024

	FY2024 S$'000	FY2023 S$'000
01-01-2024 to 30-06-2024	86,231	-
01-07-2023 to 31-12-2023	91,193	-
27-02-2023 to 30-06-2023	-	71,358
01-01-2023 to 26-02-2023	-	30,150
01-07-2022 to 31-12-2022	-	103,476
Total distributions to Unitholders	177,424	204,984

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

Pursuant to Rule 704(13) of the Listing Manual, the Board of Directors of ESR-REIT Management (S) Limited (the "Company"), as manager of ESR-REIT, confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or the Chief Executive Officer or substantial Unitholders of ESR-REIT.

Investment Properties Portfolio Statement

Investment Properties Portfolio Statement

Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Singapore										
Business Park Properties [1]										
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	32[5]	16 International Business Park Singapore 609929	100	100	27,700	26,400	1.25	1.07
750 - 750E CHAI CHEE ROAD	Leasehold	60/43	6/6[6]	750 to 750E Chai Chee Road Singapore 469000	73	79	162,500	193,000	7.34	7.84
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43[7]	6/8 Changi Business Park Avenue 1 Singapore 486017	71	61	332,000	368,000	15.00	14.94
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43[7]	2/4 Changi Business Park Avenue 1 Singapore 486015	100	100	115,000	155,000	5.19	6.29
Total Business Park Properties							**637,200**	**742,400**	**28.78**	**30.14**

Investment Properties Portfolio Statements

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Singapore											
High-Specs Industrial Properties [2]											
	21/23 UBI ROAD 1	Leasehold	30+30	32[8]	21/23 Ubi Road 1 Singapore 408724/408725	93	94	40,000	34,200	1.81	1.39
	11 CHANG CHARN ROAD	Leasehold	99	32[9]	11 Chang Charn Road Singapore 159640	63	68	33,800	27,700	1.53	1.12
	12 ANG MO KIO STREET 65	Leasehold	30+30	26[10]	12 Ang Mo Kio Street 65 Singapore 569060	92	92	32,600	32,600	1.47	1.32
	16 TAI SENG STREET	Leasehold	30+30	43[11]	16 Tai Seng Street Singapore 534138	82	82	94,800	93,700	4.28	3.80
	30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	25[12]	30 Marsiling Industrial Estate Road 8 Singapore 739193	78	100	49,200	50,400	2.22	2.05
	19 TAI SENG AVENUE	Leasehold	30+30	43[13]	19 Tai Seng Avenue Singapore 534054	95	100	51,800	51,600	2.34	2.09
@	21B SENOKO LOOP	Leasehold	30+30	28[14]	21B Senoko Loop Singapore 758171	100	100	58,000	58,000	2.62	2.35
#	7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	32[15]	7000 Ang Mo Kio Avenue 5 Singapore 569877	82	82	371,600	363,400	16.78	14.75
*	20 & 20A TUAS SOUTH AVENUE 14	Leasehold	30+30	43[16]	20 & 20A Tuas South Avenue 14, Singapore 637312	100	–	868,600	–	39.23	–
	Total High-Specs Industrial Properties							**1,600,400**	**711,600**	**72.28**	**28.87**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 $'000	31-12-23 $'000	31-12-24 %	31-12-23 %
Singapore										
Logistics Properties [3]										
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	7[17]	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701	100	100	6,600	7,400	0.30	0.30
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30[18]	25 Changi South Ave 2 Singapore 486594	100	100	13,000	13,000	0.59	0.53
160 KALLANG WAY	Leasehold	30+30	8[19]	160 Kallang Way Singapore 349246	15	13	21,200	22,300	0.96	0.91
24 JURONG PORT ROAD	Leasehold	30+12	12[20]	24 Jurong Port Road Singapore 619097	96	96	70,300	79,000	3.18	3.21
15 GREENWICH DRIVE	Leasehold	30	17[21]	15 Greenwich Drive Singapore 534022	100	100	89,000	88,700	4.02	3.60
46A TANJONG PENJURU	Leasehold	30+14	25[22]	46A Tanjong Penjuru Singapore 609040	80	74	109,000	109,000	4.92	4.43
30 PIONEER ROAD	Leasehold	30	12[23]	30 Pioneer Road Singapore 628502	100	100	34,000	36,600	1.54	1.49
Balance carried forward							**343,100**	**356,000**	**15.51**	**14.47**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Singapore										
Logistics Properties [3] (cont'd)										
Balance brought forward							**343,100**	**356,000**	**15.51**	**14.47**
COMMODITY HUB	Leasehold	29	11[24]	24 Penjuru Road Singapore 609128	91	98	227,700	244,700	10.29	9.93
COLD CENTRE	Leasehold	30+30	41[25]	2 Fishery Port Road Singapore 619746	–	–	40,000	103,500	1.81	4.20
SCHENKER MEGAHUB	Leasehold	30+30	40[26]	51 Alps Avenue Singapore 498783	100	100	100,000	96,700	4.52	3.93
CHANGI DISTRICENTRE 1	Leasehold	30+30	41[27]	5 Changi South Lane Singapore 486045	92	92	96,000	93,600	4.34	3.80
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	28[28]	22 Loyang Lane Singapore 508931	100	100	12,500	12,500	0.56	0.51
GUL LOGISCENTRE	Leasehold	30	9[29]	15 Gul Way Singapore 629193	100	100	24,200	28,500	1.09	1.16
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	19[30]	1 Greenwich Drive, Tampines LogisPark Singapore 533565	100	100	163,000	165,000	7.36	6.70
Total Logistics Properties							**1,006,500**	**1,100,500**	**45.48**	**44.70**

Investment Properties Portfolio Statements

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
						31-12-24 %	31-12-23 %	31-12-24 $'000	31-12-23 $'000	31-12-24 %	31-12-23 %
	Singapore										
	General Industrial Properties [4]										
	30 TEBAN GARDENS CRESCENT	Leasehold	10+22	14[31]	30 Teban Gardens Crescent Singapore 608927	71	77	23,800	26,200	1.08	1.06
	128 JOO SENG ROAD	Leasehold	30+30	27[32]	128 Joo Seng Road Singapore 368356	96	96	14,000	12,600	0.63	0.51
	130 JOO SENG ROAD	Leasehold	30+30	27[33]	130 Joo Seng Road Singapore 368357	94	88	17,800	16,400	0.80	0.67
	136 JOO SENG ROAD	Leasehold	30+30	26[34]	136 Joo Seng Road Singapore 368360	100	98	13,700	13,400	0.62	0.54
^	79 TUAS SOUTH STREET 5	Leasehold	30+30	35[35]	79 Tuas South Street 5 Singapore 637604	100	100	8,722	9,700	0.39	0.39
	31 TUAS AVENUE 11	Leasehold	30+30	29[36]	31 Tuas Avenue 11 Singapore 639105	100	100	11,300	11,700	0.51	0.48
	1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	36/ 41[37]	1/2 Changi North Street 2 Singapore 498808/498775	100	100	23,300	23,200	1.05	0.94
	9 TUAS VIEW CRESCENT	Leasehold	30+30	34[38]	9 Tuas View Crescent Singapore 637612	100	100	11,300	11,100	0.51	0.45
	Balance carried forward							**123,922**	**124,300**	**5.59**	**5.04**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 $'000	31-12-23 $'000	31-12-24 %	31-12-23 %
Singapore										
General Industrial Properties [4] (cont'd)										
Balance brought forward							**123,922**	**124,300**	**5.59**	**5.04**
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30[39]	31 Changi South Avenue 2 Singapore 486478	100	100	12,800	13,700	0.58	0.56
54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	31[40]	54 Serangoon North Avenue 4 Singapore 555854	73	99	18,500	18,500	0.84	0.75
60 TUAS SOUTH STREET 1	Leasehold	30	10[41]	60 Tuas South Street 1 Singapore 639925	100	100	3,600	3,800	0.16	0.15
5/7 GUL STREET 1	Leasehold	29.5	13[42]	5/7 Gul Street 1 Singapore 629318/629320	63	63	9,300	10,400	0.42	0.42
28 WOODLANDS LOOP	Leasehold	30+30	31[43]	28 Woodlands Loop Singapore 738308	100	100	20,000	18,300	0.90	0.74
25 PIONEER CRESCENT	Leasehold	30+28	42[44]	25 Pioneer Crescent Singapore 628554	100	100	17,800	16,800	0.80	0.68
Balance carried forward							**205,922**	**205,800**	**9.29**	**8.34**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Singapore										
General Industrial Properties [4] (cont'd)										
Balance brought forward							**205,922**	**205,800**	**9.29**	**8.34**
11 WOODLANDS WALK	Leasehold	30+30	31[45]	11 Woodlands Walk Singapore 738265	–	100	17,600	18,000	0.79	0.73
43 TUAS VIEW CIRCUIT	Leasehold	30	13[46]	43 Tuas View Circuit Singapore 637360	100	100	15,600	16,000	0.70	0.65
13 JALAN TERUSAN	Leasehold	28	10[47]	13 Jalan Terusan Singapore 619293	100	100	17,700	19,500	0.80	0.79
160A GUL CIRCLE	Leasehold	27	16[48]	160A Gul Circle Singapore 629618	100	100	13,000	13,400	0.59	0.54
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	34[49]	3 Tuas South Avenue 4 Singapore 637610	100	100	47,200	46,000	2.13	1.87
8 TUAS SOUTH LANE	Leasehold	30+16	29[50]	8 Tuas South Lane Singapore 637302	93	93	98,800	98,300	4.46	3.99
120 PIONEER ROAD	Leasehold	30+28	30[51]	120 Pioneer Road Singapore 639597	86	82	34,100	33,700	1.54	1.37
Balance carried forward							**449,922**	**450,700**	**20.30**	**18.28**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Singapore										
General Industrial Properties [4] (cont'd)										
Balance brought forward							**449,922**	**450,700**	**20.30**	**18.28**
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	29/29[52]	511/513 Yishun Industrial Park A Singapore 768768/768736	100	100	24,400	25,200	1.10	1.02
86/88 INTERNATIONAL ROAD	Leasehold	30+30	30[53]	86/88 International Road Singapore 629176/629177	100	100	42,800	41,900	1.93	1.70
11 UBI ROAD 1	Leasehold	30+30/ 21+30	31[54]	11 Ubi Road 1 Singapore 408723	100	100	82,100	79,000	3.71	3.21
29 TAI SENG STREET	Leasehold	30+30	42[55]	29 Tai Seng Street Singapore 534120	100	100	28,100	35,400	1.27	1.44
11 LORONG 3 TOA PAYOH	Leasehold	60	4[56]	11 Lorong 3 Toa Payoh Singapore 319579	69	58	28,600	35,100	1.29	1.43
+ 81 TUAS BAY DRIVE	Leasehold	60	–	81 Tuas Bay Drive Singapore 637308	–	100	–	29,700	–	1.21
Total General Industrial Properties							**655,922**	**697,000**	**29.60**	**28.29**
Total Singapore investment properties							***3,900,022***	***3,251,500***	***176.14***	***132.00***

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 $'000	31-12-23 $'000	31-12-24 %	31-12-23 %
Australia										
Logistics Properties [3]										
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	–	127 Orchard Road, Chester Hill, New South Wales, Australia	100	100	68,245	79,838	3.08	3.24
16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	–	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	100	31,622	33,086	1.43	1.34
203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	203 Viking Drive, Wacol, Queensland, Australia	100	100	28,655	28,771	1.29	1.17
223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	223 Viking Drive, Wacol, Queensland, Australia	100	100	14,412	14,565	0.65	0.59
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	76-90 Link Drive, Campbellfield, Victoria, Australia	100	100	16,362	16,723	0.74	0.68
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	100	37,132	39,020	1.68	1.58
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	–	41-51 Mills Road, Braeside, Victoria, Australia	100	100	38,574	43,336	1.74	1.76
Balance carried forward							**235,002**	**255,339**	**10.61**	**10.36**

Investment Properties Portfolio Statements

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Australia											
Logistics Properties [3] (cont'd)											
Balance brought forward								**235,002**	**255,339**	**10.61**	**10.36**
	151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	–	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	100	22,551	22,837	1.02	0.93
	41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	–	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	100	15,938	16,004	0.72	0.65
	16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	16-24 William Angliss Drive, Laverton, North Victoria, Australia	100	100	26,027	25,624	1.18	1.04
	217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	217-225 Boundary Road, Laverton North, Victoria, Australia	100	100	32,978	35,963	1.49	1.46
+	182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	–	182-198 Maidstone Street, Altona, Victoria, Australia	–	100	–	54,844	–	2.23
	196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	196 Viking Drive, Wacol, Queensland, Australia	100	100	21,533	20,094	0.97	0.82
	11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	–	11-19 Kellar Street, Berrinba, Queensland, Australia	100	100	15,061	15,734	0.68	0.64
	47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	–	47 Logistics Place, Larapinta, Queensland, Australia	100	100	15,849	16,318	0.72	0.66
	Balance carried forward							**384,939**	**462,757**	**17.39**	**18.79**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Australia										
Logistics Properties [3] (cont'd)										
Balance brought forward							**384,939**	**462,757**	**17.39**	**18.79**
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	38[57]	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia	100	100	51,290	55,293	2.32	2.24
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	35[58]	8 Curlew Street, Port of Brisbane, Queensland, Australia	100	100	42,092	44,954	1.90	1.83
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	35[59]	53 Peregrine Drive, Port of Brisbane, Queensland, Australia	100	100	24,818	30,389	1.12	1.23
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	35[60]	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland	100	100	47,221	76,602	2.13	3.11
Total Logistics Properties							**550,360**	**669,995**	**24.86**	**27.20**
Total Australia investment properties							**550,360**	**669,995**	**24.86**	**27.20**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate 31-12-24 %	Occupancy rate 31-12-23 %	Independent valuation 31-12-24 $'000	Independent valuation 31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Japan										
Logistics Properties [3]										
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	–	2464-11 and others, Ota, Sakura-shi, Chiba-ken	100	100	161,755	173,445	7.31	7.04
ESR YATOMI KISOSAKI DISTRIBUTION CENTRE	Freehold	Freehold	–	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie	93	–	337,436	–	15.24	–
Total Japan investment properties							**499,191**	**173,445**	**22.55**	**7.04**
Total Group's investment properties							**4,949,573**	**4,094,940**	**223.55**	**166.24**

	31-12-24 $'000	31-12-23 $'000	Percentage of net assets attributable to Unitholders 31-12-24 %	Percentage of net assets attributable to Unitholders 31-12-23 %
Trust				
Investment properties, at valuation	1,162,322	1,160,200	52.64	47.29
Other assets and liabilities (net)	1,450,749	1,595,279	65.71	65.02
Net assets of the Trust	2,613,071	2,755,479	118.35	112.31
Perpetual securities holders' funds	(405,176)	(302,128)	(18.35)	(12.31)
Net assets attributable to Unitholders' Funds	2,207,895	2,453,351	100.00	100.00
Group				
Investment properties, at valuation	4,949,573	4,094,940	223.55	166.24
Other assets and liabilities (net)	(2,273,897)	(1,329,662)	(102.69)	(53.97)
Net assets of the Group	2,675,676	2,765,278	120.86	112.27
Perpetual securities holders' funds	(405,176)	(302,128)	(18.30)	(12.27)
Non-controlling interest	(56,605)	–	(2.56)	–
Net assets attributable to Unitholders' Funds	2,213,895	2,463,150	100.00	100.00

Investment Properties Portfolio Statements

	Independent Valuation	
	31-12-24	**31-12-23**
	$'000	$'000
As disclosed in the Statement of Financial Position:		
Trust		
Investment properties (non-current)	1,287,655	1,292,290
Investment properties held for divestment	9,732	–
Less: Right-of-use assets	(135,065)	(132,090)
Total investment properties, at valuation	**1,162,322**	**1,160,200**
Group		
Investment properties (non-current)	5,548,674	4,686,985
Investment properties held for divestment	9,732	–
Less: Right-of-use assets	(608,833)	(592,045)
Total investment properties, at valuation	**4,949,573**	**4,094,940**

Investment Properties Portfolio Statements

Notes

(1) Business Parks are clusters of buildings and offices typically dedicated to business activities relating to high-technology, research and development (R&D) value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.

(2) High-Specs Industrial properties are mixed-use industrial buildings with a high proportion of space that can be allocated for office use. These buildings typically have facilities such as air-conditioned units and sufficient floorboard, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.

(3) Logistics properties are typically equipped with high floor loading and also have a high floor-to-ceiling height. Such buildings can be either single-storey or multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.

(4) General Industrial properties can be single or multi-storey facilities dedicated to general industrial, manufacturing or factory activities. Such spaces also have a low percentage of the usable space which can be set aside for office use.

(5) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.

(6) Viva Trust holds the remainder of a 60 year lease commencing from 1 April 1971 for Plot 1: Lot 8134N Mukim 27 and 43 year lease commencing from 1 March 1988 for Plot 2: Lot 7837V Mukim 27.

(7) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 February 2008.

(8) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.

(9) ESR-REIT holds the remainder of a 99 year lease commencing from 1 January 1958.

(10) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.

(11) ESR-REIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.

(12) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.

(13) Viva Trust holds the remainder of a 30+30 year lease commencing from 11 September 2007.

(14) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.

(15) 7000 AMK LLP holds the remainder of a 32+30 year lease commencing from 30 January 1995.

(16) Tuas South Avenue Pte. Ltd. holds the remainder of a 30+30 year lease commencing from 22 June 2008.

(17) ESR-REIT holds the remainder of a 30 year lease commencing from 16 December 2001.

(18) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.

(19) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 February 1973.

(20) ESR-REIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.

(21) ESR-REIT holds the remainder of a 30 year lease commencing from 16 December 2011.

(22) ESR-REIT holds the remainder of a 30+14 year lease commencing from 1 May 2006.

(23) Viva Trust holds the remainder of a 30 year lease commencing from 16 February 2007.

(24) ALOG Trust holds the remainder of a 29 year lease commencing from 19 August 2006.

(25) ALOG Trust holds the remainder of a 30+30 year lease commencing from 20 December 2005.

(26) ALOG Trust holds the remainder of a 30+30 year lease commencing from 1 June 2005.

Investment Properties Portfolio Statements

Notes (cont'd)

(27) ALOG Trust holds the remainder of a 30+30 year lease commencing from 16 August 2005.

(28) ALOG Trust holds the remainder of a 30+16 year lease commencing from 1 February 2007.

(29) ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2003.

(30) ALOG Trust holds the remainder of a 30 year lease commencing from 16 June 2014.

(31) ESR-REIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.

(32) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.

(33) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.

(34) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.

(35) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.

(36) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.

(37) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.

(38) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.

(39) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.

(40) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.

(41) ESR-REIT holds the remainder of a 30 year lease commencing from 16 March 2005.

(42) ESR-REIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.

(43) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.

(44) ESR-REIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.

(45) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.

(46) ESR-REIT holds the remainder of a 30 year lease commencing from 1 February 2008.

(47) ESR-REIT holds the remainder of a 28 year lease commencing from 25 March 2007.

(48) ESR-REIT holds the remainder of a 27 year lease commencing from 30 September 2013.

(49) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 May 1999.

(50) ESR-REIT holds the remainder of a 30+16 year lease commencing from 1 April 2008.

(51) ESR-REIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.

(52) ESR-REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.

(53) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.

(54) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 September 1995 for Plot 1 and 21+30 year lease commencing from 1 September 2004 for Plot 2.

(55) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.

Investment Properties Portfolio Statements

Notes (cont'd)

(56) Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.

(57) Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.

(58) LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.

(59) Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.

(60) LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.

\+ Property divested during the financial period
\# Property is on 100% basis which includes a 20% non-controlling interest
* Property is on 100% basis which includes a 49% non-controlling interest
^ Property classified as held for divestment as at reporting date
@ Property classified as high-specification property upon completion of redevelopment in January 2024

Investment properties comprise a diversified portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multi-tenancy and the tenancies range from 0.2 year to 19.0 years for single tenancy and from 0.1 year to 13.5 years for multi-tenancy.

Notes to the Financial Statements Announcement

1. Material accounting policy information

1.1 Basis of preparation

The condensed financial statements for the half year and full year ended 31 December 2024 have been prepared in accordance with FRS 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* applicable to annual and interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "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 recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since its last annual financial statements for the financial year ended 31 December 2023.

1.2 Basis of measurement

The condensed financial statements are prepared on the historical cost basis, except for investment properties (including right-of-use assets and investment properties held for divestment), investments at fair value through profit or loss, amount due to non-controlling interest and derivative financial instruments, which are measured at fair value.

As at 31 December 2024, the current liabilities of the Group exceeded its current assets by S$91.0 million. This is primarily due to the classification of term loan of S$30.2 million as current liabilities as they are maturing within the next 12 months from 31 December 2024. Notwithstanding the net current liabilities position, based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

1.3 Functional and presentation currency

The condensed financial statements are presented in Singapore dollars ("S$"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

1.4 Changes in accounting policies

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 January 2024. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

2. Significant accounting judgements and estimates

The preparation of condensed financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the financial year ended 31 December 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

Information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the condensed financial statements are included in Note 13.

3. Investment properties

	Group		Trust	
	31-12-24 S$'000	**31-12-23** S$'000	**31-12-24** S$'000	**31-12-23** S$'000
Investment properties				
At beginning of the year	4,094,940	4,616,047	1,160,200	1,419,465
Additions through acquisition of subsidiaries[1]	849,294	-	-	-
Acquisition of investment property[2]	336,035	-	-	-
Capital expenditure incurred	32,362	87,483	25,611	40,434
Disposal of investment properties	(90,572)	(425,382)	-	(258,137)
Change in fair value during the year[3]	(219,017)	(161,448)	(23,489)	(41,562)
Effect of movement in exchange rates	(53,469)	(21,760)	-	-
At end of the year	4,949,573	4,094,940	1,162,322	1,160,200
Investment properties (non-current)	4,940,851	4,094,940	1,153,600	1,160,200
Investment property held for divestment (current)	8,722	-	8,722	-
	4,949,573	4,094,940	1,162,322	1,160,200
Right-of-use assets				
At beginning of the year	592,045	543,948	132,090	159,125
Re-measurement due to change in lease rates	(8,100)	77,792	4,471	3,275
Recognition due to additions through acquisition of subsidiaries	37,289	-	-	-
Decognition due to disposal of investment properties	-	(36,405)	-	(28,676)
Change in fair value due to accretion of interest	31,469	32,176	6,964	8,004
Change in fair value due to lease payment	(23,290)	(23,491)	(8,181)	(9,360)
Change in fair value due to interest and payment borne by tenants[4]	(279)	(369)	(279)	(278)
Effect of movement in exchange rates	(20,301)	(1,606)	-	-
At end of the year	608,833	592,045	135,065	132,090
Right-of-use assets (non-current)	607,823	592,045	134,055	132,090
Right-of-use asset attributable to investment property held for divestment (current)	1,010	-	1,010	-
	608,833	592,045	135,065	132,090
Investment properties (including right-of-use assets) (non-current)	5,548,674	4,686,985	1,287,655	1,292,290
Investment property held for divestment (including right-of-use asset) (current)	9,732	-	9,732	-
Investment properties (including right-of-use assets)	5,558,406	4,686,985	1,297,387	1,292,290

3. Investment properties (cont'd)

(1) The additions through the acquisition of subsidiaries included acquisition fee of S$4.3 million paid to the Manager.

(2) The acquisition costs of the investment property included acquisition fee of S$3.3 million paid to the Manager.

(3) The fair value loss of S$219.0 million (2023: S$161.4 million), together with an adjustment for the effect of lease incentives and marketing fee amortisation of S$1.2 million (2023: S$5.4 million), aggregate to S$220.2 million (2023: S$166.8 million) as disclosed in the Statement of Total Return.

(4) The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and payments borne by tenants of S$0.3 million (2023: S$0.4 million).

Information on the fair value assessment of investment properties are disclosed in Note 13.

As at 31 December 2024, S$40.0 million (2023: S$58.0 million) of investment property is under redevelopment.

Security

As at 31 December 2024, three investment properties with a total carrying value of S$1,367.8 million (2023: S$173.4 million) are pledged as securities to secure bank loans (see Note 5).

4. Investments at fair value through profit or loss

	Group		Trust	
	31-12-24	**31-12-23**	**31-12-24**	**31-12-23**
	S$'000	S$'000	S$'000	S$'000
At the beginning of the year	300,347	342,665	75,910	77,320
Changes in fair values during the year	(26,796)	(39,839)	(4,343)	(1,410)
Effect of movement in exchange rate	(11,975)	(2,479)	-	-
At the end of the year	261,576	300,347	71,567	75,910

The Group's investments in property funds comprise a 10.0% interest in EALP, a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund.

The Group has determined that it neither has significant influence in nor control over the property funds as it does not have the ability to direct the relevant activities nor participate in the property funds' financial and operating policy decisions. These investments are classified as financial assets measured at fair value through profit or loss.

5. Interest-bearing borrowings

	Group		Trust	
	31-12-24	**31-12-23**	**31-12-24**	**31-12-23**
	S$'000	S$'000	S$'000	S$'000
Current liabilities				
Unsecured SGD loans	-	163,300	-	163,300
Secured Japanese Yen ("JPY") loans	30,275	-	-	-
Unamortised debt transaction costs	(41)	(212)	-	(212)
	30,234	**163,088**	**-**	**163,088**
Non-current liabilities				
Secured SGD loans	341,500	-	-	-
Unsecured SGD loans	941,390	745,000	941,390	745,000
Unsecured Australian dollar ("AUD") loans	348,010	369,072	51,290	54,394
Secured JPY loans	288,045	97,755	-	-
Unsecured JPY loans	195,490	66,101	195,490	66,101
Unsecured SGD fixed rate notes	125,000	125,000	125,000	125,000
Unamortised debt transaction costs	(15,669)	(10,129)	(7,671)	(6,330)
	2,223,766	**1,392,799**	**1,305,499**	**984,165**
Total interest-bearing borrowings	**2,254,000**	**1,555,887**	**1,305,499**	**1,147,253**

As at 31 December 2024, the Group has in place the following borrowings:

(i) unsecured 5-year fixed rate notes of S$125 million (the “Series 007 Notes”) issued under its S$750 million Multicurrency Debt Issuance Programme (the “MTN Programme”) in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.

(ii) unsecured club loan facility of S$320 million from UOB, Maybank, RHB and HSBC consisting of:

- Facility A: S$160 million term loan facility maturing in March 2026 at an interest margin plus Singapore Overnight Rate Average (“SORA”); and
- Facility B: S$160 million revolving credit facility maturing in March 2025 at an interest margin plus SORA.

(iii) unsecured sustainability-linked revolving credit facility of S$200 million from CIMB, Maybank, RHB, SMBC Singapore and HSBC maturing in April 2026 at an interest margin plus SORA.

(iv) unsecured sustainability-linked term loan facility of S$225 million from CIMB, Maybank, RHB, SMBC Singapore and HSBC maturing in November 2028 at an interest margin plus SORA.

(v) unsecured loan facility of A$68.5 million from RHB consisting of:

- Facility A: A$60.5 million term loan facility maturing in May 2027 at an interest margin plus Bank Bill Swap Bid Rate (“BBSY Bid”); and
- Facility B: A$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.

(vi) unsecured loan and bank guarantee facility of A$25 million from ANZ maturing in April 2027 at an interest margin plus BBSY Bid.

5. Interest-bearing borrowings (cont'd)

(vii) unsecured loan facility of S$835 million and A$365 million from a syndicate of six banks comprising DBS and its Australia Branch, Maybank, SMBC Singapore, HSBC, OCBC and ANZ consisting of:

- Facility A: S$185 million term loan facility which has been fully repaid and cancelled;
- Facility B: S$200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
- Facility C: S$200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
- Facility D: S$250 million revolving credit facility which has been fully repaid and cancelled;
- Facility E: A$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
- Facility F: A$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.

(viii) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus Tokyo Interbank Offered Rate ("TIBOR").

(ix) unsecured club loan facility of JPY15.5 billion from Maybank and Mizuho Bank maturing in November 2028 at an interest margin plus Tokyo Overnight Average Rate ("TONA").

(x) secured loan facility of S$341.5 million from a syndicate of five banks comprising CIMB, DBS, Maybank, RHB and SMBC Singapore consisting of:

- Facility A: S$232.9 million term loan facility maturing in November 2029 at an interest margin plus SORA; and
- Facility B (Green Loan): S$108.6 million term loan facility maturing in November 2029 at an interest margin plus SORA.

The secured loan facility is secured on the following:

- a floating charge over the investment property with a carrying amount of S$868.6 million (2023: Nil);
- assignment of insurance policies on the above investment property;
- assignment of the property management agreements, guarantees, sale and tenancy agreements in relation to the above investment property;
- charge over certain bank accounts of a subsidiary;
- a debenture incorporating a fixed charge over book debts, bank accounts, uncalled capital and goodwill and plant and machinery in connection with the above investment property, an assignment over the insurances taken out by a subsidiary that are not in respect of the above investment property, and floating charge over generally all of the present and future assets of a subsidiary;
- assignment of loan agreements; and
- fixed charge over the shares of a subsidiary.

5. Interest-bearing borrowings (cont'd)

(xi) secured club loan facility of JPY10.5 billion from MUFG and SMBC consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate; and
- Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

The secured loan facility is secured on the following:

- investment property with a carrying amount of S$161.8 million (2023: S$173.4 million);
- a pledge over the trust beneficial interest in the above investment property;
- a conditional pledge over the insurance claims relating to the above investment property; and
- a pledge over the specified shares of certain subsidiaries.

(xii) secured club loan facility of JPY26.3 billion from SMBC consisting of:

- Term loan facility of JPY20.3 billion maturing in October 2028 at a fixed interest rate;
- Consumption tax bridging loan facility of JPY3.5 billion maturing in October 2025 at an interest margin plus TIBOR; and
- Specified bond of JPY2.5 billion maturing in October 2029 at a fixed interest rate.

The secured loan facility is secured on the following:

- investment property with a carrying amount of S$337.4 million (2023: Nil);
- a pledge over the trust beneficial interest in the above investment property;
- a conditional pledge over the insurance claims relating to the above investment property; and
- a pledge over the specified shares of certain subsidiaries.

As at 31 December 2024, the total amounts outstanding under the MTN Programme, the term loan and the revolving credit facilities were S$125.0 million, S$1,988.3 million and S$156.4 million, respectively.

6. Liabilities directly attributable to investment property held for divestment

	Group		Trust	
	31-12-24	**31-12-23**	**31-12-24**	**31-12-23**
	S$'000	S$'000	S$'000	S$'000
Lease liabilities	1,010	-	1,010	-

7. Gross revenue

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	S$'000	S$'000	S$'000	S$'000
Property rental income	174,882	172,836	341,186	355,160
Other income	14,716	16,669	29,318	31,190
	189,598	189,505	370,504	386,350

8. Property expenses

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	S$'000	S$'000	S$'000	S$'000
Property Manager's fees paid and payable in:				
- cash	7,039	7,251	13,510	14,083
- Units	1,487	1,520	2,940	3,200
	8,526	8,771	16,450	17,283
Property tax	16,730	16,577	33,433	32,802
Repair and maintenance expenses	11,556	11,279	21,745	23,140
Other property operating expenses	18,971	20,548	37,222	39,966
	55,783	57,175	108,850	113,191

9. Management fees

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	S$'000	S$'000	S$'000	S$'000
Base fees paid and payable in:				
- cash	4,689	4,734	9,264	9,572
- Units	5,757	5,824	11,460	12,352
	10,446	10,558	20,724	21,924

10. Trust expenses

	Group		Group	
	2H2024 S$'000	2H2023 S$'000	FY2024 S$'000	FY2023 S$'000
Auditor's remuneration				
- audit fees	325	206	662	555
- non-audit fees	20	89	239	245
Trustee's fees	414	542	905	1,188
Valuation fees	120	146	240	350
Professional fees	1,016	1,047	1,838	2,203
Other expenses[(1)]	2,124	711	3,790	1,807
	4,019	2,741	7,674	6,348

(1) Other expenses comprise investor relations costs, compliance costs, listing fees, non-claimable input GST and other non-property related expenses. The increase in FY2024 was mainly due to higher non-claimable input GST as the De Minimis rule under the GST Act was not satisfied.

11. Borrowing costs, net

	Group		Group	
	2H2024 S$'000	2H2023 S$'000	FY2024 S$'000	FY2023 S$'000
Finance income:				
- interest income	360	583	979	1,087
- financial derivatives	2,790	7,270	8,321	14,564
Finance costs paid and payable:				
- bank loans	(34,849)	(38,886)	(69,065)	(81,015)
- fixed rate notes	(1,638)	(1,638)	(3,259)	(3,943)
- loan from non-controlling interests	(410)	-	(643)	-
Amortisation of transaction costs relating to debt facilities	(2,776)	(3,056)	(5,218)	(6,706)
	(36,523)	(35,727)	(68,885)	(76,013)

12. Related parties

For the purposes of these condensed financial statements, parties are considered to be related to the Group if the Manager or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect subsidiaries of a substantial Unitholder of the Trust.

Other than as disclosed elsewhere in the condensed financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	S$'000	S$'000	S$'000	S$'000
ESR-REIT Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	3,861	4,014	7,728	8,122
- in units	5,757	5,824	11,460	12,352
Acquisition fees paid and payable in units	7,552	-	7,552	-
Development management fees paid and payable	19	517	77	1,857
Divestment fees paid in cash	175	1,944	465	2,162
ESR Property Services Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property and lease management fees paid and payable				
- in cash	3,226	3,125	6,215	6,318
- in units	1,487	1,520	2,940	3,200
Lease marketing services commission paid and payable	2,796	3,625	6,152	5,602
Project management fees paid and payable	126	216	266	822
Site staff cost recovery	724	651	1,455	1,240
Property tax service fees paid and payable in cash	3	-	3	-
Perpetual (Asia) Limited (the "Trustee")				
Trustee fees paid and payable	296	214	543	431
ESR Group Limited and its subsidiaries [(1)]				
Investment management fees paid and payable	334	358	696	732
Asset management fees paid and payable	828	728	1,536	1,459
Property management fees paid and payable	853	750	1,727	1,556
Lease marketing services commission paid and payable	270	333	270	1,071
Acquisition of LSLV Project 5 Pte. Ltd. [(2)]	222,415	-	222,415	-
Acquisition of ESR Yatomi Kisosaki Distribution Centre	330,600	-	330,600	-
Rental support received in relation to ESR Sakura Distribution Centre [(3)]	-	729	-	1,840
Rental support received and receivable in relation to ESR Yatomi Kisosaki Distribution Centre [(4)]	217	-	217	-
TSMP Law Corporation				
Legal fees paid and payable	-	-	220	-

(1) Excluding the Manager and ESR Property Services Pte Ltd.
(2) Includes the 20,595,881 LOGOS Consideration Units issued to LOGOS Units No. 1 Ltd and the 19,016,393 Ivanhoe Consideration Units issued to Ivanhoe Cambridge Asia Inc., at an issue price of S$0.305 per Unit on 29 November 2024, as partial consideration for the acquisition of 20 Tuas South Avenue 14.
(3) Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.
(4) Pertains to rental support received and receivable from Kisosaki TMK in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

13. Fair value measurement

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a real estate team that reports directly to the Chief Executive Officer of the Manager, and has an overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable input and valuation adjustments. If third party information is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Manager's Board of Directors.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable input for the asset or liability.

If the input used to measure the fair value of an asset or a liability are categorised in 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 entire measurement (with Level 3 being the lowest).

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the current financial year, investment properties which have been reclassified as held for divestment were measured in accordance with Level 2 fair value hierarchy.

13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value

The table below shows an analysis of each class of assets and liabilities of the Group and the Trust measured at fair value as at the end of the reporting period:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
As at 31 December 2024				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	9,732	5,548,674	5,558,406
Financial assets				
Investments at fair value through profit or loss	–	–	261,576	261,576
Derivative financial instruments	–	3,212	–	3,212
	–	12,944	5,810,250	5,823,194
Financial Liabilities				
Derivative financial instruments	–	(4,281)	–	(4,281)
Amount due to non-controlling interest	–	–	(72,366)	(72,366)
	–	(4,281)	(72,366)	(76,647)
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	4,686,985	4,686,985
Financial assets				
Investments at fair value through profit or loss	–	–	300,347	300,347
Derivative financial instruments	–	8,501	–	8,501
	–	8,501	4,987,332	4,995,833
Financial Liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
Amount due to non-controlling interest	–	–	(70,928)	(70,928)
	–	(2,856)	(70,928)	(73,784)

13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Trust				
As at 31 December 2024				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	9,732	1,287,655	1,297,387
Financial assets				
Investment at fair value through profit or loss	–	–	71,567	71,567
Derivative financial instruments	–	1,571	–	1,571
	–	11,303	1,359,222	1,370,525
Financial Liabilities				
Derivative financial instruments	–	(3,840)	–	(3,840)
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	1,292,290	1,292,290
Financial assets				
Investment at fair value through profit or loss	–	–	75,910	75,910
Derivative financial instruments	–	3,260	–	3,260
	–	3,260	1,368,200	1,371,460
Financial Liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)

13. Fair value measurement (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment properties held for divestment

The fair value of investment properties held for divestment are based on contracted selling price of the subject property with unrelated third parties in arm's length transactions.

Financial derivatives

The fair values of derivative financial instruments such as interest rate swaps and forward foreign currency exchange contracts are based on valuation statements from financial institutions that are the counterparties of the transactions. The fair value of interest rate swaps is calculated by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. The fair values of forward foreign currency exchange contracts are determined using actively quoted forward foreign currency exchange rates at the reporting date.

(d) Level 3 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Amount due to non-controlling interests

The fair value of the amount due to non-controlling interests is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 13(d).

Investment properties held directly or through joint venture

Investment properties are stated at fair value based on valuations as at the reporting date. Any change in the fair value is recorded in profit or loss.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In determining the fair values, the valuers have used valuation methods including direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

13. Fair value measurement (cont'd)

(d) Level 3 fair value measurements (cont'd)

Investment properties held directly or through joint venture (cont'd)

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The residual value approach uses the discounted cash flows method and the capitalisation approach as the starting point to determine the gross development value before deducting the remaining development costs.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs in Level 3 fair value measurement used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties held directly or through joint venture		
Discounted cash flows method, direct comparison method, capitalisation approach and residual value approach	• Market rental growth ranges from 1.35% to 4.84% (2023: 1.80% to 6.30%) per annum.	The estimated fair value would increase/(decrease) if: • expected market rental growth were higher/(lower);
	• Adjusted price (psm) of S$1,818 (2023: S$1,756)	• the adjusted price psm were higher/(lower);
	• Discount rates of 3.60% to 9.75% (2023: 3.90% to 10.50%)	• the discount rates were lower/(higher);
	• Capitalisation rates of 3.80% to 7.75% (2023: 4.10% to 7.50%)	• the capitalisation rates were lower/(higher); or
	• Terminal yield rates of 3.90% to 8.00% (2023: 4.20% to 7.75%)	• the terminal yield rates were lower/(higher).

13. Fair value measurement (cont'd)

(d) Level 3 fair value measurements (cont'd)

Investment properties held directly or through joint venture (cont'd)

Key unobservable inputs correspond to:

- Market rental growth, adjusted price psm, capitalisation and terminal yield rates derived from specialised publications from the industrial market and recent sales in the industrial sector.

- Discount rates, based on the risk-free rates derived from government-issued bonds, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 3.

Investments at fair value through profit or loss

The fair value of the investments at fair value through profit or loss, which are unquoted equity investments in property funds, is determined based on the Group's share of the net assets of the property funds with reference to the fair value of the underlying investment properties of the funds. The fair value of these underlying investment properties is determined based on significant unobservable inputs. Accordingly, the fair value of the investments is categorised under Level 3 of the fair value hierarchy.

The following table shows the key unobservable Inputs used in the valuation model:

Type	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment properties held by property funds		
Discounted cash flows method and capitalisation approach	• Discount rate of 7.00% to 7.50% (2023: 6.50% to 7.50%)	The estimated fair value would increase/(decrease) if: • the discount rates were lower/(higher);
	• Capitalisation rates from 5.00% to 6.25% (2023: 4.50% to 8.00%)	• the capitalisation rates were lower/(higher); or
	• Terminal yield rates from 5.25% to 6.75% (2023: 4.75% to 8.25%)	• the terminal yield rates were lower/(higher).

13. Fair value measurement (cont'd)

(e) Classification of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts shown in the Statement of Financial Position, are as follows:

	Note	Financial assets at amortised cost S$'000	Fair value through profit or loss S$'000	Financial liabilities at amortised cost S$'000	Total carrying amount S$'000	Fair value S$'000
Group						
As at 31 December 2024						
Investments at fair value through profit or loss	4	–	261,576	–	261,576	261,576
Trade and other receivables*		26,880	–	–	26,880	26,880
Cash and bank balances		83,945	–	–	83,945	83,945
Loans and borrowings	5	–	–	(2,254,000)	(2,254,000)	(2,251,130)
Trade and other payables^		–	–	(152,767)	(152,767)	(152,767)
Amount due to non-controlling interests		–	(72,366)	(219,255)	(291,621)	(291,621)
Derivative financial instruments (net)		–	(1,069)	–	(1,069)	(1,069)
		110,825	188,141	(2,626,022)	(2,327,056)	(2,324,186)
As at 31 December 2023						
Investments at fair value through profit or loss	4	–	300,347	–	300,347	300,347
Trade and other receivables*		23,765	–	–	23,765	23,765
Cash and bank balances		41,985	–	–	41,985	41,985
Loans and borrowings	5	–	–	(1,555,887)	(1,555,887)	(1,546,672)
Trade and other payables^		–	–	(102,198)	(102,198)	(102,198)
Amount due to non-controlling interest		–	(70,928)	–	(70,928)	(70,928)
Derivative financial instruments (net)		–	5,645	–	5,645	5,645
		65,750	235,064	(1,658,085)	(1,357,271)	(1,348,056)

13. Fair value measurement (cont'd)

(e) Classification of financial instruments (cont'd)

	Note	Financial assets at amortised cost S$'000	Fair value through profit or loss S$'000	Financial liabilities at amortised cost S$'000	Total carrying amount S$'000	Fair value S$'000
Trust						
As at 31 December 2024						
Loans to subsidiaries		798,887	–	–	798,887	798,887
Investment at fair value through profit or loss	4	–	71,567	–	71,567	71,567
Trade and other receivables*		45,113	–	–	45,113	45,113
Cash and bank balances		8,834	–	–	8,834	8,834
Loans and borrowings	5	–	–	(1,305,499)	(1,305,499)	(1,302,629)
Trade and other payables^		–	–	(56,618)	(56,618)	(56,618)
Derivative financial instruments (net)		–	(2,269)	–	(2,269)	(2,269)
		852,834	69,298	(1,362,117)	(439,985)	(437,115)
As at 31 December 2023						
Loans to subsidiaries		667,506	–	–	667,506	667,506
Investment at fair value through profit or loss	4	–	75,910	–	75,910	75,910
Trade and other receivables*		49,097	–	–	49,097	49,097
Cash and bank balances		10,131	–	–	10,131	10,131
Loans and borrowings	5	–	–	(1,147,253)	(1,147,253)	(1,138,038)
Trade and other payables^		–	–	(46,059)	(46,059)	(46,059)
Derivative financial instruments (net)		–	404	–	404	404
		726,734	76,314	(1,193,312)	(390,264)	(381,049)

* Excludes prepayments, GST receivable and capitalised cost.
^ Excludes rent received in advance and GST payable.

14. Segment reporting

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by 3 countries: Singapore, Australia and Japan. All geographical locations are in the business of investing in industrial properties, which is the only business segment of the Group.

The Manager assesses the performance of the geographical segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments as treasury activities are centrally managed by the Group.

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore S$'000	Australia S$'000	Japan S$'000	Total S$'000
Segment Results				
For the year ended 31 December 2024				
Gross revenue	305,737	54,869	9,898	370,504
Property expenses	(96,331)	(10,926)	(1,593)	(108,850)
Net property income	209,406	43,943	8,305	261,654
Share of results of joint venture	2,842	–	–	2,842
Income from investments at fair value through profit or loss	–	7,803	–	7,803
Change in fair value of investments at fair value through profit or loss	–	(26,796)	–	(26,796)
Change in fair value of investment properties	(198,573)	(33,938)	12,331	(220,180)
Change in fair value of right-of-use of leasehold land	1,195	6,984	–	8,179
Finance costs on lease liabilities for leasehold land	(11,940)	(19,529)	–	(31,469)
	2,930	(21,533)	20,636	2,033
Unallocated amounts:				
- Interest income				9,300
- Borrowing costs				(78,185)
- Change in fair value of financial derivatives				(6,559)
- Foreign exchange gain				5,935
- Management fees				(20,724)
- Trust expenses				(7,674)
Total loss for the period before tax				(95,874)
Income tax expense				(11,740)
Total loss for the period after tax				(107,614)
Segment Assets and Liabilities				
As at 31 December 2024				
Segment assets				
Investment properties (including right-of-use assets and investment property held for divestment)	4,171,239	887,976	499,191	5,558,406
Investment in joint venture	39,806	–	–	39,806
Investments at fair value through profit or loss	–	261,576	–	261,576
Others	85,619	8,716	50,065	144,400
	4,296,664	1,158,268	549,256	6,004,188
Unallocated assets [(1)]				3,212
Consolidated total assets				6,007,400
Segment liabilities	720,882	343,194	9,367	1,073,443
Unallocated liabilities [(2)]				2,258,281
Consolidated total liabilities				3,331,724

14. Segment reporting (cont'd)

	Singapore S$'000	Australia S$'000	Japan S$'000	Total S$'000
Segment Results				
For the year ended 31 December 2023				
Gross revenue	323,760	54,983	7,607	386,350
Property expenses	(100,348)	(11,466)	(1,377)	(113,191)
Net property income	223,412	43,517	6,230	273,159
Share of results of joint venture	3,876	–	–	3,876
Income from investments at fair value through profit or loss	–	9,215	–	9,215
Change in fair value of investments at fair value through profit or loss	–	(39,839)	–	(39,839)
Change in fair value of investment properties	(186,268)	13,891	5,559	(166,818)
Change in fair value of right-of-use of leasehold land	710	7,975	–	8,685
Finance costs on lease liabilities for leasehold land	(12,636)	(19,540)	–	(32,176)
	29,094	15,219	11,789	56,102
Unallocated amounts:				
- Interest income				15,651
- Borrowing costs				(91,664)
- Change in fair value of financial derivatives				(16,346)
- Foreign exchange loss				(1,240)
- Management fees				(21,924)
- Trust expenses				(6,348)
Total loss for the period before tax				(65,769)
Income tax expense				2,104
Total loss for the period after tax				(63,665)
Segment Assets and Liabilities				
As at 31 December 2023				
Segment assets				
Investment properties (including right-of-use assets)	3,489,570	1,023,970	173,445	4,686,985
Investment in joint venture	41,233	–	–	41,233
Investments at fair value through profit of loss	–	300,347	–	300,347
Others	49,137	9,480	10,626	69,243
	3,579,940	1,333,797	184,071	5,097,808
Unallocated assets [(1)]				8,501
Consolidated total assets				5,106,309
Segment liabilities	419,843	358,344	4,101	782,288
Unallocated liabilities [(2)]				1,558,743
Consolidated total liabilities				2,341,031

[(1)] Unallocated assets consist of derivative financial assets.

[(2)] Unallocated liabilities consist of derivative financial liabilities and interest-bearing borrowings.

15. Financial ratios

	31.12.2024 %	31.12.2023 %
Expenses to weighted average net assets [(1)]		
- including performance component of management fees	1.04	0.99
- excluding performance component of management fees	1.04	0.99
Portfolio turnover rate [(2)]	3.41	15.37

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs and income tax expense.

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

16. Commitments

(a) Commitments

In October 2023, the Group entered into a Deed of Income Support in connection with the divestment of a property where it will provide net property income support ("NPI Support") to the purchaser of the property. The NPI Support is for a period of 36 months from 16 October 2023 and has an upper limit of S$8.6 million per annum. Based on the Manager's estimate, the remaining NPI Support to be paid to the purchaser as at the reporting date is approximately S$2.9 million (31 December 2023: S$4.8 million).

(b) Capital commitments

As at the reporting date, the Group has the following capital commitments:

- S$9.8 million (31 December 2023: S$33.4 million) of capital commitments in respect of redevelopment works, asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements. These projects are targeted to be completed by 2025.

- A$7.05 million (31 December 2023: A$7.05 million) of capital commitments in respect of the 10.0% interest in EALP, which may be called upon by EALP to finance its activities.

- US$70.0 million (31 December 2023: US$Nil) of capital commitments in respect of the subscription agreement entered into with Japan Income Fund, SCSp, which may be called upon by its managing partner (associé gérant commandité) to finance the activities of Japan Income Fund.

(c) Guarantees

- The Trust has provided unsecured corporate guarantees to banks in respect of interest rate swap contracts entered into by certain subsidiaries with total notional amount of S$254.3 million (31 December 2023: S$269.7 million).

- The Trust has provided unsecured corporate guarantees of S$8.8 million (31 December 2023: S$9.3 million) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024

This announcement may contain forward-looking statements that involve assumptions, 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 occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

BY ORDER OF THE BOARD

ESR-REIT Management (S) Limited
As Manager of ESR-REIT
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132)

Adrian Chui
Chief Executive Officer and Executive Director
24 January 2025

For further enquiries, please contact:

ESR-REIT Management (S) Limited

Lyn Ong
Senior Manager,
Capital Markets and Investor Relations
Tel: +65 6222 3339
Email: lyn.ong@esr-reit.com.sg

Sua Xiu Kai
Manager,
Corporate Communications
Tel: +65 6222 3339
Email: xiukai.sua@esr-reit.com.sg