



**STRATEGICALLY  
ADVANCING**

Annual Report  
**2024**



## ABOUT US

### VISION

To be a leading Real Estate Investment Trust with a portfolio of quality industrial assets.

### MISSION

To deliver stable returns, and long-term capital growth to our Unitholders.

To develop a resilient and balanced portfolio through strategic investment of quality assets, proactive asset management of our properties, and prudent capital and risk management.

To operate with credibility for the benefit of our Unitholders, tenants, employees, partners and other stakeholders within the communities in which we do business.

### ABOUT ESR-REIT

ESR-REIT is a leading New Economy and future-ready Asia-Pacific S-REIT. Listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, ESR-REIT invests in quality income-producing industrial properties in key gateway markets.

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.

ESR-REIT is managed by ESR-REIT Management (S) Limited (the “Manager”) and sponsored by ESR Group Limited (“ESR”). The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-REIT, please visit [www.esr-reit.com.sg](http://www.esr-reit.com.sg).

## CONTENTS

<b>8</b>	Trust Structure
<b>9</b>	Organisation Structure
<b>10</b>	About Our Sponsor
<b>12</b>	Message to Unitholders
<b>18</b>	Year in Brief
<b>20</b>	FY2024 Key Highlights
<b>22</b>	Five-Year Financial Highlights
<b>24</b>	Unit Price Performance
<b>26</b>	Board of Directors
<b>32</b>	Management Team
<b>36</b>	Value Creation
<b>38</b>	Key Trends Underpinning Our Strategy
<b>40</b>	Investor Engagement
<b>45</b>	Operations Review
<b>53</b>	Financial Review
<b>57</b>	Capital Management
<b>60</b>	Property Portfolio Maps and Details
<b>86</b>	Risk Management
<b>92</b>	Corporate Governance
<b>121</b>	Sustainability Report
<b>191</b>	Financials
<b>199</b>	Financial Statements
<b>308</b>	Additional Information
<b>311</b>	Statistics of Unitholders
<b>314</b>	Notice of AGM
	Proxy Form
	Request Form
	Corporate Directory





21B Senoko Loop, Singapore

# A LEADING NEW ECONOMY AND FUTURE-READY ASIA-PACIFIC S-REIT





NUMBER OF  
PROPERTIES

**72**

ACROSS SINGAPORE,  
AUSTRALIA AND JAPAN

SIGNIFICANT NEW ECONOMY  
EXPOSURE OF

**70.2%**

(by rental income)

TOTAL ASSETS

**S\$ 6.0 billion**

As at 31 December 2024

Amid global challenges and macroeconomic uncertainties, ESR-REIT remains steadfast in executing its strategic initiatives to solidify its position as a leading Asia-Pacific S-REIT, focused on the New Economy and future-ready sectors.

Commitment to our **4R Strategy** — (i) portfolio *Rejuvenation*; (ii) capital *Recycling*; (iii) *Recapitalising* balance sheet; and (iv) *Reinforcing* sponsor support, has strengthened our financial foundation and strategically positioned us to navigate these challenges with resilience and confidence.





ESR Yatomi Kisosaki Distribution Centre, Japan

# ENHANCED AND OPTIMISED PORTFOLIO

Aligned with our capital *Recycling* strategy, we successfully acquired two “On-Strategy” assets in Japan and Singapore, significantly enhancing the quality of ESR-REIT’s portfolio. Additionally, we advanced our portfolio *Rejuvenation* strategy to build a resilient and well-balanced portfolio and divested two non-core assets in FY2024 at a premium above valuation, using the proceeds to strengthen our balance sheet. This strategically positions ESR-REIT favourably to reinvest in high-potential New Economy assets.





COMPLETED

**2**

TRANSFORMATIONAL DPU ACCRETIVE  
ACQUISITIONS OF ESR YATOMI KISOSAKI  
DISTRIBUTION CENTRE, JAPAN AND 51%  
OF 20 TUAS SOUTH AVENUE 14, SINGAPORE

COMPLETED

**2**

DIVESTMENTS OF NON-CORE  
ASSETS AT PREMIUM OVER  
VALUATION AS PART OF PORTFOLIO  
REJUVENATION STRATEGY

HEALTHY OCCUPANCY RATE

**92.3%**

POSITIVE RENTAL REVERSION

**+10.3%**





# SOLIDIFYING FINANCIAL AND CAPITAL Foothold

At ESR-REIT, we remain steadfast in our commitment to deliver sustainable value to our Unitholders and investors through strong operational and financial performance, as well as disciplined capital management. By executing strategic initiatives and maintaining a forward-looking approach, we are well-positioned to navigate the evolving global landscape with confidence, ensuring stable returns and long-term growth for our stakeholders.





GROSS REVENUE

**S\$ 370.5** MILLION

NET PROPERTY INCOME

**S\$ 261.7** MILLION

DPU

**2.119** CENTS

FIXED INTEREST  
RATE EXPOSURE

**74.8%**

WEIGHTED AVERAGE  
FIXED DEBT EXPIRY

**2.8** YEARS

DEBT HEADROOM  
AVAILABLE

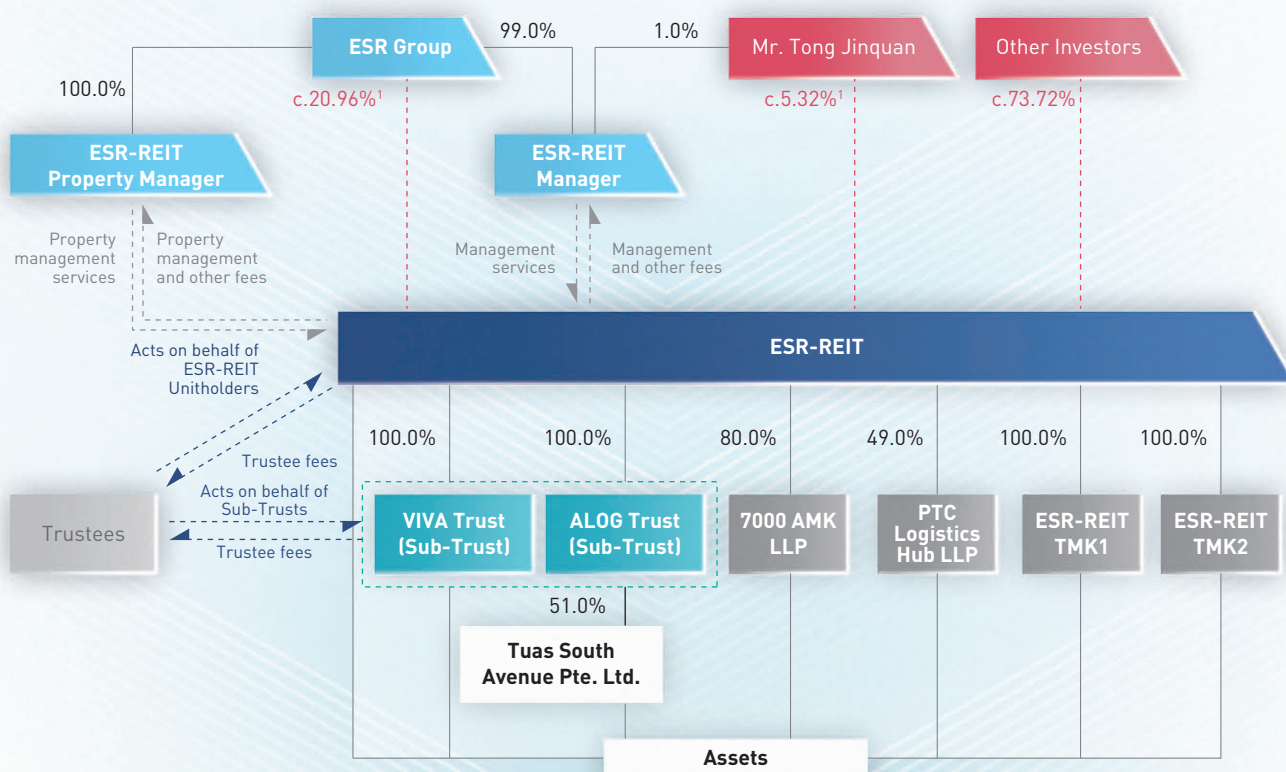
**S\$ 790.2** MILLION

WELL  
SUPPORTED BY

**11** LENDING BANKS



# TRUST STRUCTURE



<sup>1</sup> Includes direct interests and/or deemed interests through holding entities in ESR-REIT. Figures as at 18 March 2025.



# ORGANISATION STRUCTURE





## ABOUT OUR SPONSOR


ESR Group Limited ("ESR") is 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. ESR's 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 where ESR operates and the spaces it develops to thrive for generations to come. ESR Group Limited is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK).

Visit [www.esr.com](http://www.esr.com) for more information.

 <b>FUND MANAGEMENT</b>	 <b>NEW ECONOMY DEVELOPMENT</b>	 <b>INVESTMENT</b>
<p>ESR manages a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for its capital partners.</p>	<p>ESR's New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing.</p>	<p>ESR's investments comprise co-investments into its funds and REITs under management, investments in listed/private held real estate investment vehicles, as well as investment properties (completed and under development).</p>



### Asset-light and Scalable Business Model

<b>APAC's Real Asset Manager</b>	<b>Powered by the New Economy</b>	<b>Full Suite of Investment Solutions</b>	<b>Extensive APAC Footprint with Global Reach</b>
 <p>ESR is ranked as the largest real asset manager in APAC in the 2024 ANREV Fund Manager Survey<sup>1</sup>, in addition to being one of the top 10 global real estate investment managers.</p>	 <p>ESR is a leader in New Economy real assets, offering customers modern solutions for logistics, data centres, and infrastructure and renewables.</p>	 <p>ESR's fully-integrated fund management and development platform and business model generates recurring fees throughout the real asset value chain comprising asset management fees, development fees, acquisition and divestment fees, as well as promote fees.</p>	 <p>ESR's unique platform extends across key APAC markets, supported by strong local teams, a premium brand and robust stakeholder relationships in each of its operating markets.</p>

<sup>1</sup> Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF).



ESR-REIT enjoys a distinct competitive advantage through its affiliation with ESR Group as a Sponsor. This partnership grants us access to their extensive pipeline of New Economy assets and provides crucial financial support for fundraising activities.





# MESSAGE TO UNITHOLDERS



From left to right:

**MR. ADRIAN CHUI**

*Chief Executive Officer and Executive Director*

**MS. STEFANIE YUEN THIO**

*Independent Non-Executive Chairperson*

**Dear Unitholders,**

FY2024 was a year of economic uncertainty. Persistent inflation plagued the first half of the year, raising concerns of higher-for-longer interest rates. However, with inflation rates in the U.S. dipping below 3.0% for the first time in three years in June 2024, this paved the way for the U.S. Federal Reserve to implement three interest rate cuts between September 2024 and December 2024. Despite that, the year ended with greater uncertainty and volatility in the global economy with the return of the Trump administration in the U.S., as the possibility of trade tariffs, regulatory easing and tax cuts brought about renewed concerns of high inflation. In spite of these uncertainties, we remained committed to executing our **4R Strategy** — **Recapitalising** balance sheet, portfolio **Rejuvenation**, capital **Recycling**, and **Reinforcing** Sponsor support.

ESR-REIT has been **Rejuvenating** its portfolio of assets through the divestment of non-core assets as well as undertaking redevelopment and asset enhancement initiatives (“AEIs”), with the objective to improve portfolio and earnings quality. While divestments, ongoing AEIs and early decommissioning of 2 Fishery Port Road in preparation for redevelopment resulted in income loss, the divestment of S\$534.6 million of non-core assets in FY2023 and FY2024 mitigated the impact of declining valuations due to higher capitalisation rates, and the strategic use of the proceeds from the divestments to repay debt shielded ESR-REIT from the perils of high debt financing costs.



In the last quarter of 2024, we capitalised on the opportunity to **Recycle** our capital by acquiring two high-quality New Economy properties, ESR Yatomi Kisosaki Distribution Centre in Japan and a 51% interest in 20 Tuas South Avenue 14 in Singapore. These acquisitions not only strengthened our portfolio but also **Reinforced** Sponsor support as we continue to benefit from a steady pipeline of high-quality properties that are managed by ESR Group. Our ability to navigate persistent inflation, continued high interest rate and macroeconomic uncertainties while continuing the execution of our **4R Strategy** is a testament to the proactive measures we undertook early on to **Recapitalise** ESR-REIT's balance sheet as well as our agility to seize strategic growth opportunities, solidifying ESR-REIT's position as a leading New Economy and future-ready Asia-Pacific S-REIT.

The successful recycling of our capital into ESR Yatomi Kisosaki Distribution Centre and a 51% interest in 20 Tuas South Avenue 14, as well as the completion of the redevelopment of 21B Senoko Loop, are strategic growth initiatives that are expected to contribute meaningfully to ESR-REIT's earnings as we enter FY2025. In addition, the improved portfolio and earnings quality positions us to navigate an increasingly complex business landscape under the Trump administration, where geopolitical uncertainties and evolving macroeconomic policies are expected to intensify.

#### FY2024 Financial Performance

Our financial performance for FY2024 reflects the short-term impact of the initiatives undertaken over the past two financial years to position ESR-REIT for a sustained, long-term earnings growth and enhance resilience against uncertainties in the future.

In FY2024, Gross Revenue stood at S\$370.5 million, a 4.1% decrease from S\$386.4 million in the previous year, while Net Property Income ("NPI") declined by 4.2% to S\$261.7 million, compared to S\$273.2 million in FY2023. The decline in gross revenue and NPI were primarily due to the loss of income from the divestment of non-core assets aggregating S\$440.6 million which were completed across FY2023, as well as the divestment of 182-198 Maidstone Street in Australia (2Q2024) and 81 Tuas Bay Drive in Singapore (4Q2024). Additionally, the decommissioning of 2 Fishery Port Road in preparation for redevelopment further impacted income.

However, this was partially offset by new income streams from the acquisitions of ESR Yatomi Kisosaki Distribution Centre (completed on 15 November 2024) and a 51% interest in 20 Tuas South Avenue 14 (completed on 29 November 2024), alongside contributions from completed AEIs at 7002 Ang Mo Kio Avenue 5 (3Q2023) and the completed redevelopment of 21B Senoko Loop (1Q2024). Given that the newly acquired assets contributed only approximately one month of rental income in FY2024, we expect to see the uptrend in revenue and NPI from FY2025.

The amount available for distribution to Unitholders stood at S\$164.1 million in FY2024, representing a 14.9% decline from S\$192.7 million in FY2023, primarily due to the lower NPI as well as lower distribution of capital gains. Consequently, FY2024 distribution per unit ("DPU") was 2.119 Singapore cents, a 17.4% decrease from 2.564 Singapore cents in FY2023. Apart from the factors mentioned above, the DPU decline also reflects a 3.0% increase in the applicable number of Units to 7,742.5 million, following the equity fundraising in 1H2023 and the preferential offering in 4Q2024.

#### Resilient Portfolio Performance

As at 31 December 2024, ESR-REIT's portfolio consisted of 72 quality and diversified assets (excluding 48 Pandan Road held through a joint venture) across key gateway markets, comprising 52 assets in Singapore, 18 assets in Australia, and 2 assets in Japan, with a total gross floor area ("GFA") of 2.5 million square metres ("sqm"), as well as investments in three property funds in Australia.

We maintained a high portfolio occupancy rate of 92.3% as at 31 December 2024, demonstrating the resilience and continued relevance of our assets in meeting current market demand. In FY2024, ESR-REIT secured a total of 310,834 sqm in leasing transactions, comprising 233,214 sqm of renewals and 77,620 sqm of new leases. The portfolio's weighted average lease expiry ("WALE") increased to 4.2 years, up from 3.4 years in the previous year, further strengthening income visibility and stability.

For FY2024, ESR-REIT's portfolio recorded positive rental reversion of 10.3%, which reflects the strength of our leasing team and the attractiveness of our assets. Notably, the New Economy segments, Logistics (+14.4%) and High-Specifications Industrial (+12.0%), were key drivers of rental growth, underscoring the portfolio's diversified strength and our team's expertise in capturing market opportunities.



### Recycling Capital into Two Transformational Acquisitions of High-Quality New Economy Assets

Entering FY2024 with a stronger balance sheet and lower gearing puts ESR-REIT in a position of strength to explore growth opportunities and intensify its focus on capital **Recycling**. As a result, ESR-REIT completed the acquisition of two quality New Economy assets in FY2024, ESR Yatomi Kisosaki Distribution Centre in Japan and a 51% interest in 20 Tuas South Avenue 14 in Singapore, further strengthening its presence in the New Economy sector.

#### ESR Yatomi Kisosaki Distribution Centre, Japan

Located in Nagoya, Japan, ESR Yatomi Kisosaki Distribution Centre is a modern, four-storey, double-ramp logistics facility spanning 79,096 sqm, with a WALE of 2.3 years as at 31 December 2024. The freehold property, completed on 28 April 2022, holds a CASBEE A Sustainability Rating, one of the highest functional standards for grading green buildings in Japan. The facility is occupied by tenants from the logistics and warehousing, food and beverage, and general and precision engineering sectors. The acquisition was completed in November 2024 and has since begun contributing to ESR-REIT's income stream.

#### 20 Tuas South Avenue 14, Singapore

Situated in close proximity to the Tuas Mega Port, 20 Tuas South Avenue 14 comprises a high-specifications manufacturing facility and ramp-up logistics warehouse which is Green Mark Platinum certified with modern specifications. The property sits on a total land area of 252,733 sqm, has a WALE of 10.7 years as at 31 December 2024, and a remaining land lease tenure of approximately 44 years. Its cutting-edge design and sustainable features position it as a high-quality, future-ready asset. The acquisition was completed in November 2024 and has since begun contributing to ESR-REIT's income stream.

These two "on-strategy" acquisitions are expected to be +3.0% DPU accretive on a pro forma basis and were secured at a 2.3% discount to their respective average valuations. Sourced from the pipeline of assets managed by ESR-REIT's Sponsor, ESR Group, these acquisitions **Reinforce** the Sponsor's commitment to grow ESR-REIT into its flagship New Economy REIT. By judiciously **Recycling** capital from divestments and equity fundraising completed in 4Q2024 into the two strategically aligned, income-generating assets, ESR-REIT has significantly enhanced its portfolio quality, improved earnings visibility, and extended its underlying land lease tenure, marking a key milestone in our **4R Strategy**.

### Portfolio Rejuvenation through Divestments, Redevelopments and AEIs

Our portfolio **Rejuvenation** strategy remains a key component of ESR-REIT's long-term growth, centred on: (i) the divestment of non-core assets; (ii) the redevelopment of older, lower-specification assets into modern, future-ready properties; and (iii) the execution of AEIs to repurpose and upgrade dated assets to meet the evolving needs of the New Economy.

#### Divestment of Non-Core Assets

In FY2024, ESR-REIT continued to progress its portfolio **Rejuvenation** strategy by successfully divesting two non-core assets in Singapore and Australia, at a premium over their respective valuations. These assets were characterised by factors such as: (i) short remaining land leases; (ii) smaller asset sizes; (iii) limited potential for AEI or redevelopment; and/or (iv) outdated property specifications. The properties divested in FY2024 are:

- 182-198 Maidstone Street, Altona, Victoria, Australia
- 81 Tuas Bay Drive, Singapore

Furthering this strategy, ESR-REIT also announced the divestment of 79 Tuas South Street 5, Singapore and 1 Third Lok Yang Road and 4 Fourth Lok Yang Road, Singapore in 1Q2025, at a 1.5% and 3.5% premium above its valuation respectively. With these divestments, the REIT currently has only approximately 13% of its assets with less than 15 years remaining on their land leases. Moving forward, we are targeting the divestment of approximately S\$200 million of non-core assets in FY2025 as part of our continued portfolio **Rejuvenation** efforts.

#### Asset Enhancement Initiatives and Redevelopments

In FY2024, we successfully achieved Temporary Occupation Permit ("TOP") for the Build-to-Suit redevelopment project at 21B Senoko Loop, developed specifically for NTS Singapore Pte Ltd ("NTS Singapore"). This transformation elevated the property from a dated General Industrial facility to a Green Mark Gold certified, High-Specifications Industrial property and is currently leased to NTS Singapore on a triple-net basis for 15 years with built-in annual rental escalations. The redevelopment was completed on time and within budget, delivering a yield on cost of approximately 6.0%.

In addition, significant progress was made on the ongoing AEI at 16 Tai Seng Street, which is approximately 80% completed as at 31 December 2024. This AEI is set to add 2,793 sqm of new GFA, with an estimated yield on cost of around 6.0%. The AEI is expected to be completed in 1H2025, contributing value by modernising the property to meet the dynamic needs of the market.



### Prudent Capital Management Approach Lowers Cost-of-Debt with No Refinancing Risks

In FY2024, alongside our ongoing efforts to **Rejuvenate** our portfolio and pursue strategic acquisitions, we also placed a strong emphasis on capital management as a key pillar of our focus and strategy. Given the prevailing interest rate environment, we proactively navigated the challenges and opportunities presented by fluctuations in borrowing costs. By closely monitoring market conditions, we were able to time the refinancing of our debt effectively, taking advantage of the early signs of declining interest rates. All FY2025 expiring debt has been refinanced, removing any refinancing risk for ESR-REIT in the coming year.

While the impact of these initiatives may not be immediately reflected in our financial results, we anticipate that they will lead to significant cost savings in the near future, as we reduce our cost of debt. These prudent decisions lay the foundation for continued financial stability, enabling ESR-REIT to maintain a flexible and resilient capital structure moving forward.

As at 31 December 2024, ESR-REIT's all-in cost of debt stands at 3.84%, down from 4.03% as at 30 June 2024. This reduction in interest costs is expected to continue, driven by several factors, including: (a) the refinancing of FY2025 expiring debt at margins that are approximately 15 basis points lower, (b) early refinancing of FY2026 expiring debt with no prepayment penalties at potentially lower margins, (c) refinancing of hedges at more favourable rates, and (d) the potential redemption or exchange of the remaining S\$75.3 million of outstanding 6.632% coupon perpetual securities.

ESR-REIT reported gearing of 42.8% as at 31 December 2024, with a MAS Interest Coverage Ratio (ICR) of 2.5x. To manage interest rate risk, 74.8% of ESR-REIT's interest rate exposure is fixed and the debt maturity profile remains well spread, with a weighted average debt expiry of 2.8 years as at 31 December 2024, up from 2.1 years as at 30 June 2024. ESR-REIT's liquidity position continues to remain robust, with S\$790.2 million in debt headroom and access to S\$235.8 million in undrawn, committed revolving credit facilities, supported by a network of 11 lending banks.

In FY2024, ESR-REIT further strengthened its financial position by securing its inaugural sustainability-linked and green loans. This included a S\$200 million sustainability-linked unsecured revolving credit facility in March 2024 and a S\$225 million sustainability-linked unsecured term loan in October 2024, as well as a S\$341.5 million term loan<sup>1</sup> which had a green loan component in November 2024 as part of the acquisition of 51% interest in 20 Tuas South Avenue 14. These financings are aligned with the REIT's commitment to integrate environmental, social, and governance ("ESG") considerations into its capital management strategy. These milestones underscore ESR-REIT's ongoing dedication to sustainability and responsible financial stewardship.

### ESG

ESR-REIT recognises the importance of integrating ESG principles to create long-term value for our Unitholders while contributing positively to the environment and communities we operate in. We have continued to enhance our commitment to sustainability under the guidance and supervision of the Board Sustainability Committee ("BSC") which was set up in FY2024. The BSC is chaired by Mr. George Agethen, a Non-Executive Director of the Board of Directors ("Board"), and includes Ms. Julie Lo Lai Wan, an independent Non-Executive Director of the Board, as well as Mr. Chan Mun Wei, an external sustainability consultant who is an independent third-party member neither from the Board nor affiliated with ESR Group, to provide a diversity of views within the BSC thus enabling fresh insights as well as advise on industry-best ESG practices.

FY2024 marked the implementation of the Decarbonisation Roadmap for the Singapore portfolio, which provides actionable plans and focused targets. We have also embarked on the development of Decarbonisation Roadmaps for our overseas portfolios in Australia and Japan.

<sup>1</sup> The S\$341.5 million term loan was obtained by Tuas South Avenue Pte. Ltd., of which ESR-REIT has a 51% ownership interest.



On the **Environmental** front, ESR-REIT made significant strides in reducing the environmental impact of our portfolio. Notable achievements include an increase in solar capacity for the Singapore portfolio by approximately 12% from 13.8 MWp in FY2023 to 15.5 MWp in FY2024, and green building certification coverage from 10 to 18 properties. We have also implemented a Green Procurement Policy, Green Leases and Green Fit-out Guide to engage suppliers and tenants to adopt sustainable practices in their daily operations.

On the **Social** front, we partnered local organisations to contribute to various community development projects. To promote healthy practices for our employees, we enhanced the variety of our wellness programs and workshops. In FY2024, we recorded 568 hours of staff volunteerism and 36.5 hours of training per employee, outperforming our target of 500 hours and 16 hours respectively.

On the **Governance** front, we remained focused on maintaining a robust corporate governance framework to ensure transparency and accountability. To strengthen sustainability considerations in our governance frameworks, we have established and/or updated relevant policies, including the Sustainability Policy, Sustainability Information and Data Governance Policy, and Renewable Energy Certificates Management Policy in FY2024.

We continue to seek innovative solutions and collaborate with stakeholders to ensure our portfolio complies with the relevant regulatory requirements, adapting to the evolving sustainability landscape.

More details on the REIT's ESG journey can be found in our Sustainability Report on page 121 to 190.

### Outlook

As we enter FY2025, vigilance remains key in navigating the evolving business landscape. While DPU declined in FY2024 primarily due to the loss of income from the divestment of non-core assets and redevelopment works, it is expected to trough, as earnings quality is expected to improve in FY2025, boosted by the full year contribution from the acquisitions of ESR Yatomi Kisosaki Distribution Centre and 51% interest in 20 Tuas South Avenue 14, which only contributed approximately one month of income in FY2024.

Since the implementation of the **4R Strategy** in FY2022, the portfolio's weighted average land lease tenure has increased from 37.4 years in FY2022 to 43.8 years in FY2024, while the proportion of freehold and long-tenure (>30 years) assets has risen substantially from 54.2% in FY2022 to 71.6% in FY2024. The percentage of New Economy assets has also grown from 62.8% in FY2022 to 70.2% in FY2024, reinforcing the portfolio's relevance in a dynamic industrial landscape. These enhancements position ESR-REIT well to navigate market complexities and maintain resilient performance as portfolio **Rejuvenation** efforts begin to yield tangible benefits.

Prudent capital management in FY2024 has also strengthened the REIT's financial position. All 2025 expiring debt has been refinanced at lower margins, and early refinancing of 2026 expiring debt without prepayment penalties is being explored. These proactive measures will enable ESR-REIT to benefit from reduced financing costs and are expected to contribute to improved financial performance in FY2025.

Looking ahead, geopolitical and macroeconomic volatility remain key considerations. The global economy and REIT sector continue to face headwinds from prolonged geopolitical tensions, shifting political dynamics, and tariffs that could impact global trade. Inflation, which showed signs of moderation in the second half of FY2024, remains a critical factor influencing interest rates and operating costs. ESR-REIT will closely monitor these developments and aim to remain agile in adapting to emerging trends.

While approximately 90% of utility expenses are structured on a pass-through basis, mitigating exposure to rising energy costs, inflationary pressures on maintenance and labour costs present ongoing challenges. The REIT remains committed to proactive cost management to preserve margins and sustain operational efficiency.

With the continued execution of the **4R Strategy** to improve asset and earnings quality, ESR-REIT is positioned to navigate market uncertainties, capitalise on growth opportunities, and deliver sustainable long-term value to stakeholders in FY2025 and beyond.



**A Word of Appreciation**

In FY2024, we announced the stepping down of Mr. Trent Iliffe as Non-Executive Director, effective 29 July 2024. On behalf of the Board, we extend our appreciation to Mr. Iliffe for his strategic insights and domain expertise. His guidance has played a pivotal role in driving the REIT's growth and strengthening its market position.

We would also like to express our sincere gratitude to our valued Unitholders, Sponsor, tenants, and partners for their trust and steadfast support. Your confidence in us continues to be the foundation of our success. Additionally, we extend our deepest appreciation to our dedicated employees, whose resilience, commitment, and tenacity have been instrumental in executing our strategic initiatives and delivering long-term value to our Unitholders.

Sincerely yours,

**STEFANIE YUEN THIO**

*Independent Non-Executive Chairperson*

**ADRIAN CHUI**

*Chief Executive Officer and Executive Director*



## YEAR IN BRIEF

### January

- Announced build-to-suit redevelopment at 21B Senoko Loop for NTS Singapore attained TOP status
- Announced signing of new 20-year master lease with PharmaGend Global Medical Services Pte. Ltd. at 3 Tuas South Avenue 4

### February

- Announced results for the financial year ended 31 December 2023: Distribution per Unit ("DPU") dipped 14.7% y-o-y to 2.564 cents mainly due to new units issued for equity fund raising in FY2023 and divestments of non-core assets
- Announced signing of subscription agreement with ESR Japan Income Fund, SCSp, in relation to the investment of US\$70.0 million in ESR Japan Income Fund in conjunction with FY2023 financial results
- Participated in SIAS Corporate Connect Webinar
- Participated in Singapore REITs Day investor conference in Bangkok, Thailand, organised by REITAS, SGX Group and Maybank
- Participated in a non-deal roadshow in Hong Kong, organised by HSBC

### March

- Entered into a S\$200 million sustainability-linked unsecured revolving credit facility, being ESR-REIT's inaugural sustainability-linked loan
- Participated in Citi's 2024 Global Property CEO Conference in Florida, USA
- Participated in a non-deal roadshow in Tokyo, Japan, organised by Mizuho

### April

- Announced divestment of 182-198 Maidstone Street in Australia at 7.4% premium to valuation
- Announced interim business update for financial quarter ended 31 March 2024
- Co-organised with SIAS a Pre-AGM Unitholder dialogue as part of ESR-REIT's regular retail investor engagement initiative
- 15th Annual General Meeting held on 30 April 2024 with all resolutions approved by Unitholders
- Completed divestment of 182-198 Maidstone Street in Australia
- Awarded Best Real Estate Award at SBR National Business Awards 2024 by Singapore Business Review as recognition to ESR-REIT's successful execution of its **4R Strategy**
- Participated as a panellist at the SGX-APREA Global REIT Roundtable conference
- Participated in a beach clean-up at East Coast Park together with residents of Kembangan-Chai Chee as part of ESR-REIT's CSR initiatives

### May

- Participated in the annual REITs Symposium 2024 jointly organised by ShareInvestor, InvestingNote and REITAS
- Participated in Corporate Insight session organised by Phillip Securities to engage with trading representatives
- Participated as a panellist at the "Sustainable Smart Property Strategies for a Higher for Longer Interest Rate Environment" seminar organised by REITAS and Knight Frank Singapore
- Awarded Best Real Estate Manager award at the AsianInvestor Asset Management Award 2024 as recognition to ESR-REIT's execution of its **4R Strategy**
- Participated in Citi's 2024 Macro & Pan-Asia Regional Conference
- Participated in the DBS-REITAS Private Banking Luncheon

### June

- Co-hosted a delegation from the Taiwan Securities and Futures Institute together with REITAS as part of its cross-border engagement and collaboration initiative
- Participated in the HSBC 8th Annual Asia Credit Conference held in Hong Kong

### July

- Announced results for the financial period from 1 January 2024 to 30 June 2024: DPU dipped 18.6% y-o-y to 1.122 cents mainly due to enlarged unit base from equity fund raising exercise in FY2023 and divestment of non-core assets
- Announced proposed acquisitions of two transformative assets from ESR Group — ESR Yatomi Kisosaki Distribution Centre and 51% interest in 20 Tuas South Avenue 14 for total capital outlay of S\$772.6 million

### August

- Issued S\$174.75 million 6.00% subordinated perpetual securities, comprising S\$74.75 million of new securities issued as part of the exchange consideration for the Series 006 perpetual securities and S\$100.0 million of additional new securities
- Announced divestment of 81 Tuas Bay Drive at 16.7% premium to valuation
- Participated as presenter and panellist at the REITs Investment Forum 2024 organised by The Edge Singapore
- Participated in a non-deal roadshow in Kuala Lumpur, Malaysia, organised by RHB
- Participated in a non-deal roadshow in Hong Kong, organised by HSBC
- Participated in a non-deal roadshow in Bangkok, Thailand, organised by Maybank

### September

- Announced that Sustainable Fitch affirms ESR-REIT's inaugural sustainability-linked loan targets with "Good" rating
- Announced grand opening of NTS Singapore's new regional hub at ESR-REIT's newly redeveloped 21B Senoko Loop
- Participated in the Bank of America 2024 Global Real Estate Conference in New York, USA
- Participated in a non-deal roadshow in London, United Kingdom, organised by HSBC

### October

- Held Extraordinary General Meeting on 9 October 2024 and received more than 99% approval from Unitholders in relation to the proposed acquisitions of ESR Yatomi Kisosaki Distribution Centre and 51% interest in 20 Tuas South Avenue 14
- Launched preferential offering on the basis of 4 preferential offering units for every 100 existing units to raise gross proceeds of up to approximately S\$94.0 million as part of the financing for the acquisitions of ESR Yatomi Kisosaki Distribution Centre, and 51% interest in 20 Tuas South Avenue 14
- Entered into S\$225 million unsecured sustainability-linked term loan facility and JPY15.5 billion unsecured term loan facility
- Entered into JPY22.8 billion onshore secured term loan facility
- Announced interim business update for financial quarter ended 30 September 2024
- Completed divestment of 81 Tuas Bay Drive
- Participated as keynote presenter at the 2024 International Asset Management Forum II held in Taipei City, organised by the Securities Investment Trust & Consulting Association of the R.O.C.
- Participated in Singapore REITs Day investor conference in Kuala Lumpur, Malaysia, organised by REITAS, SGX Group and Maybank
- Hosted a property site visit for South Korean investors, organised by SGX Group

### November

- Completed acquisition of ESR Yatomi Kisosaki Distribution Centre
- Completed acquisition of 51% interest in 20 Tuas South Avenue 14
- Entered into S\$341.5 million term loan<sup>1</sup> with a green loan component
- Participated as panellist at the 19th Asia Bond Markets Summit — ASEAN Edition, organised by The Asset




### December

- Announced rebranding and change of name to ESR-REIT
- Participated in the UBS Global Real Estate CEO/CFO Conference

<sup>1</sup> The S\$341.5 million term loan was obtained by Tuas South Avenue Pte. Ltd., of which ESR-REIT has a 51% ownership interest.



# FY2024 KEY HIGHLIGHTS

<b>RESILIENT PORTFOLIO PERFORMANCE AMIDST VOLATILE MACROECONOMIC CONDITIONS</b> 	<b>REJUVENATION TO ENHANCE PORTFOLIO QUALITY</b> 	<b>RECYCLING CAPITAL TO UNLOCK VALUE</b> 
<b>Gross Revenue</b> <b>\$370.5 million</b>	<b>Completed Build-to-Suit Redevelopment</b> <b>21B Senoko Loop</b> 15-year lease secured with NTS Singapore with built-in annual rental escalations	<b>Completed transformational DPU accretive acquisitions of two “On-Strategy” assets to improve portfolio and earnings quality:</b> <b>ESR Yatomi Kisosaki Distribution Centre, Japan</b>  <b>51% interest in 20 Tuas South Avenue 14, Singapore</b>
<b>Net Property Income</b> <b>\$261.7 million</b>	<b>Ongoing Asset Enhancement Initiative:</b> <b>16 Tai Seng Street</b>	<b>Total acquisition capital outlay</b> <b>\$772.6 million</b>
<b>Distribution per Unit</b> <b>2.119 cents</b> <small>for FY2024</small>	<b>Divestment of Two Non-core Assets at Premium to Valuation</b> <b>182–198 Maidstone Street, Victoria, Australia</b>  <b>81 Tuas Bay Drive, Singapore</b>	<b>Acquisitions acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuations</b>
<b>Positive Rental Reversion</b> <b>+10.3%</b>	<b>Identified c.\$200 million of non-core assets to be divested in FY2025</b>	<b>Acquisitions demonstrated ESR-REIT’s access to Sponsor’s pipeline and Sponsor’s strong support to grow ESR-REIT</b>
<b>High Rental Collection</b> <b>c.98.2%</b> <small>of total receivables</small>		
<b>Occupancy</b> <b>92.3%</b> <small>consistently above market average</small>		
<b>Assets under Management</b> <b>\$5.3 billion<sup>1</sup></b> <small>as at 31 December 2024</small>		

<sup>1</sup> Consists of the total value of investment properties (excluding right-of-use of leasehold land), investments in joint venture and property funds.

## RECAPITALISED BALANCE SHEET FOR FUTURE GROWTH CATALYSTS



### Gearing

**42.8%**

### High fixed rate hedge of

**74.8%**

### Cost of debt

**3.84%**  
per annum

**S\$235.8**  
**million**

of committed undrawn revolving  
credit facility available for  
refinancing

### Well supported by

**11** lending banks

### Debt headroom of

**S\$790.2**  
**million<sup>2</sup>**

**FY2025 expiring loans  
refinanced ahead of time  
at lower margins**

**Entered into inaugural  
Sustainability-Linked and  
Green Loans in FY2024**

## CONTINUED ESG COMMITMENTS



New Board Sustainability Committee to provide strategic oversight on ESG policies and implementation

### Environmental

- Implementation of the Decarbonisation Roadmap for the Singapore portfolio with actionable plans and focused targets
- Embarked on the development of Decarbonisation Roadmaps for overseas portfolios in Australia and Japan

### Newly Certified Green Buildings: Upgraded

- ESR BizPark @ Changi (Hotel) — Upgraded to BCA Green Mark Platinum from Gold
- 30 Marsiling Industrial Estate Road 8 — Upgraded to BCA Green Mark Platinum from Certified

### BCA Green Mark “Platinum” Building

- 20A Tuas South Avenue 14

### BCA Green Mark “Positive Energy” Building

- 120 Pioneer Road
- 13 Jalan Terusan
- 5 & 7 Gul Street 1
- 160A Gul Circle

### BCA Green Mark “Super Low Energy” Building

- 128 Joo Seng Road
- 8 Tuas South Lane

### Solar Harvesting Programme:

- Target set to reach a total solar power capacity of 30 MWp for the Singapore portfolio by FY2030
- Solar power capacity for the Singapore portfolio reached 15.5 MWp in FY2024 with the commissioning of the new solar photovoltaic panels installation at 51 Alps Avenue

### Green Building Certifications

Total of 18 properties with green building certification (increased from 10 in FY2023):

- Singapore (Green Mark and LEED) — 15 properties
- Australia (Green Star) — 1 property
- Japan (CASBEE) — 2 properties

### Social

- Achieved 568 hours of staff volunteerism hours in FY2024
- Participated in Beach Cleanup Initiative at East Coast Park, together with Kembangan-Chai Chee Community Centre and PAssionWave
- Participated in SG Her Empowerment (SHE) Annual Fund-Raising Party
- Provided enrichment lessons for underprivileged youths from Kembangan-Chai Chee, in conjunction with our tenants at ESR Bizpark @ Chai Chee, Artlette Art Studio and The Music Works
- Continued the Lunch Time Rescue Vegetable Distribution initiative twice a month on a rotational basis
- Achieved 84.2% employee satisfaction rate with 93.9% response rate in the annual employee satisfaction survey
- Enhanced Tenant Engagement via a Responder Plus Programme held in conjunction with SCDF to raise awareness on First-Aid and Emergency Preparedness

### Governance

- Achieved GRESB score of 2 Star (73 points), an improvement from FY2023 (66 points)
- Updated Sustainability Policy, and established new Sustainability Information and Data Governance Policy, and Renewable Energy Certificates Management Policy
- Zero material incidents of non-compliance with socio-economic or environmental laws

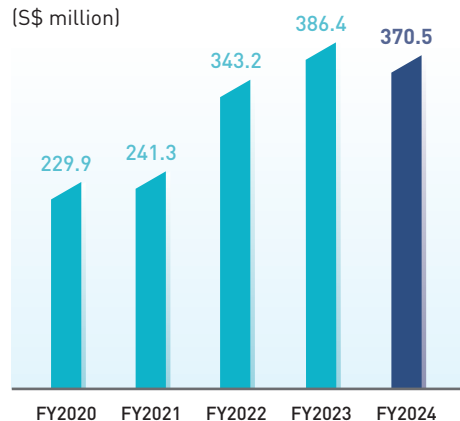
<sup>2</sup> Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector which imposes a minimum interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.



## FIVE-YEAR FINANCIAL HIGHLIGHTS

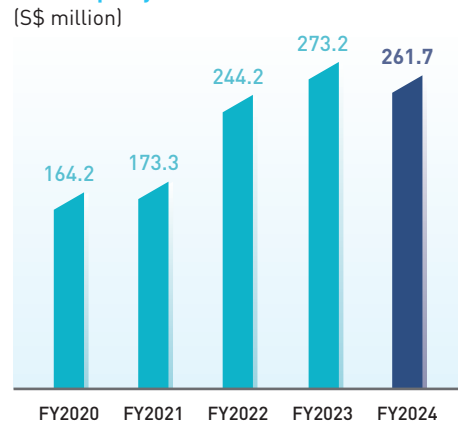
### Gross Revenue

(S\$ million)



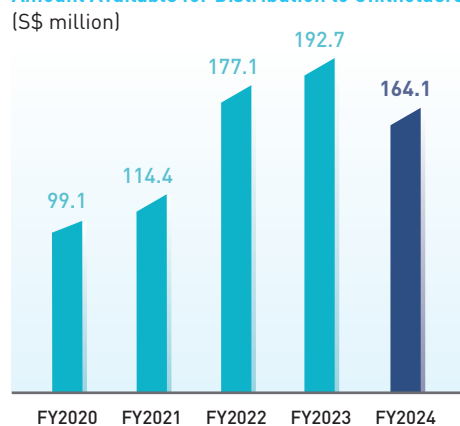
### Net Property Income

(S\$ million)



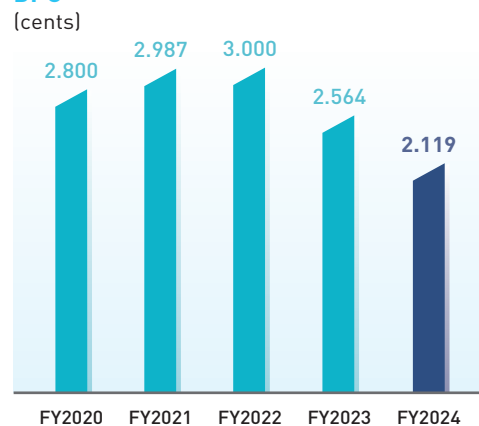
### Amount Available for Distribution to Unitholders

(S\$ million)



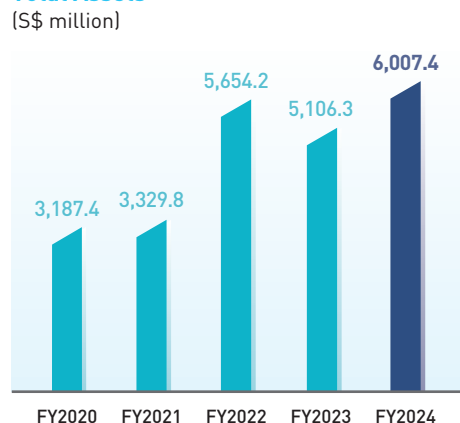
### DPU

(cents)



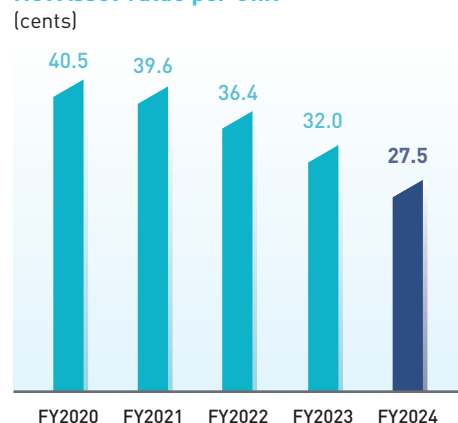
### Total Assets

(S\$ million)



### Net Asset Value per Unit

(cents)



	FY2020	FY2021	FY2022	FY2023	FY2024
<b>For the Financial Year</b>					
Gross Revenue (S\$ million)	229.9	241.3	343.2	386.4	<b>370.5</b>
Net Property Income (S\$ million)	164.2	173.3	244.2	273.2	<b>261.7</b>
Total Assets (S\$ million)	3,187.4	3,329.8	5,654.2	5,106.3	<b>6,007.4</b>
Amount Available for Distribution to Unitholders (S\$ million)	99.1	114.4	177.1	192.7	<b>164.1</b>
DPU (cents)	2.800	2.987	3.000	2.564	<b>2.119</b>
Net Asset Value per Unit (cents)	40.5	39.6	36.4	32.0	<b>27.5</b>
<b>Financial Position</b>					
Total Assets (S\$ million)	3,187.4	3,329.8	5,654.2	5,106.3	<b>6,007.4</b>
Total Net Borrowings (S\$ million)	1,178.6	1,190.9	2,076.1	1,555.9	<b>2,254.0</b>
Unitholders' Funds (S\$ million)	1,447.0	1,598.0	2,444.7	2,463.2	<b>2,213.9</b>
<b>Key Financial Ratios</b>					
Debt to Total Assets (%)	41.5	40.0	41.8	35.7	<b>42.8</b>
Weighted Average All-in Cost of Debt (p.a.) (%)	3.5	3.3	3.7	3.9	<b>3.8</b>
Interest Coverage Ratio (times) <sup>1</sup>	2.6	3.0	2.8	2.5	<b>2.5</b>
<b>Capital Management</b>					
Total Loan Facilities Available (S\$ million)	1,305.0	1,462.4	2,413.4	1,847.1	<b>2,505.5</b>
Gross Borrowings (S\$ million)	1,186.0	1,199.5	2,093.0	1,566.2	<b>2,269.7</b>
Perpetual Securities Issued (S\$ million)	150.0	150.0	400.0	300.0	<b>400.0</b>
Units in Issue (million)	3,576.4	4,030.3	6,719.2	7,689.2	<b>8,049.2</b>
Market Capitalisation (S\$ million) <sup>2</sup>	1,412.7	1,934.5	2,486.1	2,460.5	<b>2,052.5</b>
<b>Trading Statistics for the Financial Year</b>					
Opening Price (S\$)	0.535	0.405	0.480	0.370	<b>0.320</b>
Highest Price (S\$)	0.560	0.510	0.485	0.385	<b>0.325</b>
Lowest Price (S\$)	0.240	0.375	0.320	0.250	<b>0.250</b>
Closing Price (S\$)	0.395	0.480	0.370	0.320	<b>0.255</b>
Volume Weighted Average Price (S\$)	0.372	0.446	0.397	0.318	<b>0.286</b>
Total Volume Traded (million Units)	3,588.4	2,461.1	2,543.8	2,696.1	<b>2,916.5</b>
Average Trading Volume per Day (million Units)	14.4	9.8	10.2	10.9	<b>11.6</b>
<b>Total Return (%)<sup>3</sup></b>	<b>-19.81</b>	<b>30.00</b>	<b>-16.85</b>	<b>-6.49</b>	<b>-13.69</b>

- 1 Computed 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. Interest expense includes amortisation of debt-related transaction costs and distributions on perpetual securities, but excludes finance costs on lease liabilities under FRS 116.
- 2 Computed based on closing price and Units in issue at the end of the financial year.
- 3 Performance is calculated on the change in unit price over the year, based on the closing price of the last day of the preceding year and the closing price of the current year, including the assumption that distributions paid were reinvested at the closing price on the ex-distribution date.



# UNIT PRICE PERFORMANCE

## TRADING PERFORMANCE IN FY2024

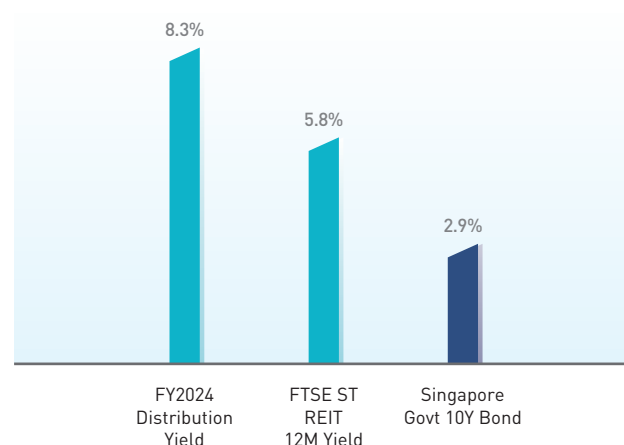
In FY2024, global economies continued to grapple with heightened macroeconomic uncertainties and market volatilities, driven by persistent inflation, geopolitical tensions, and concerns over a “higher-for-longer” interest rate environment. These factors had a direct impact on the Singapore REIT industry, influencing capital costs, asset valuations, and investor sentiment. According to the Ministry of Trade and Industry, the Singapore economy expanded by 4.4% in 2024 and is forecasted to grow at 1.0-3.0% in 2025<sup>1</sup>.

ESR-REIT's closing unit price was S\$0.255 as at 31 December 2024, with one year volume weighted average price of S\$0.286 as at 31 December 2024. ESR-REIT's market capitalisation was approximately S\$2.1 billion as at 31 December 2024, as compared to S\$2.4 billion as at 31 December 2023. Additionally, average daily traded volume for FY2024 increased slightly to 11.6 million Units from 10.9 million Units in FY2023.

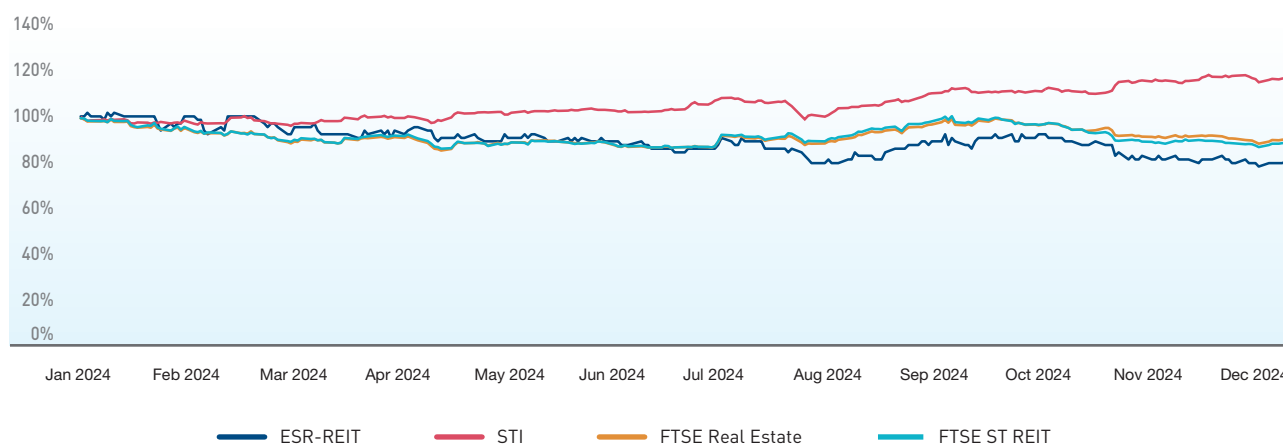
Distribution per Unit (“DPU”) for FY2024 was 2.119 cents, translating to a distribution yield of approximately 8.3% based on the closing unit price of S\$0.255 as at 31 December 2024.

## Attractive Yield (%)

(As at 31 December 2024)



## Comparative Trading Performance FY2024

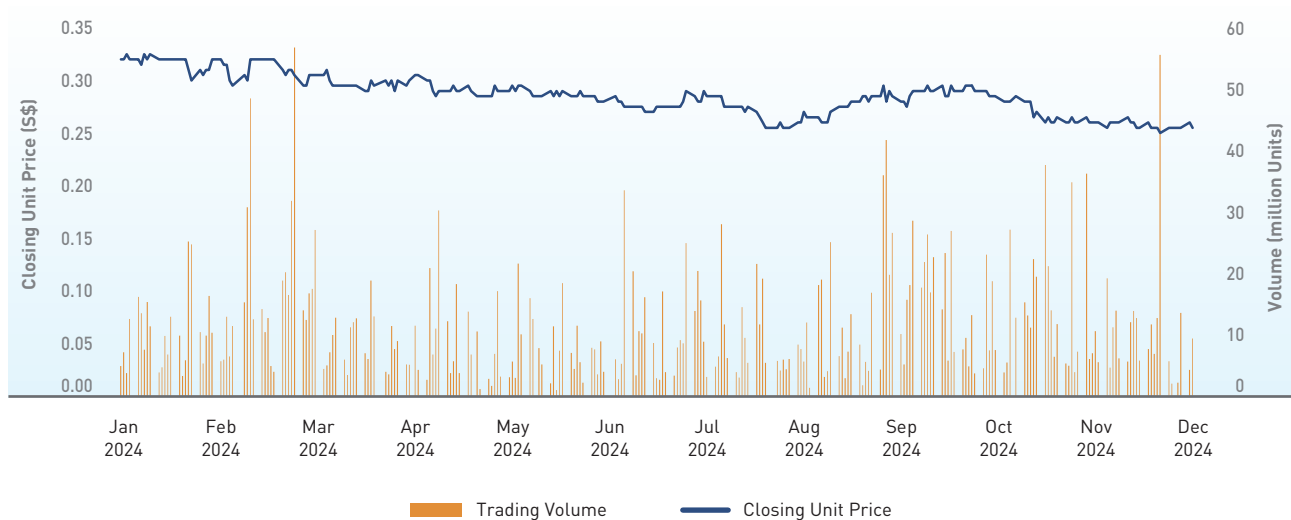


## Trading Data Across Five Years

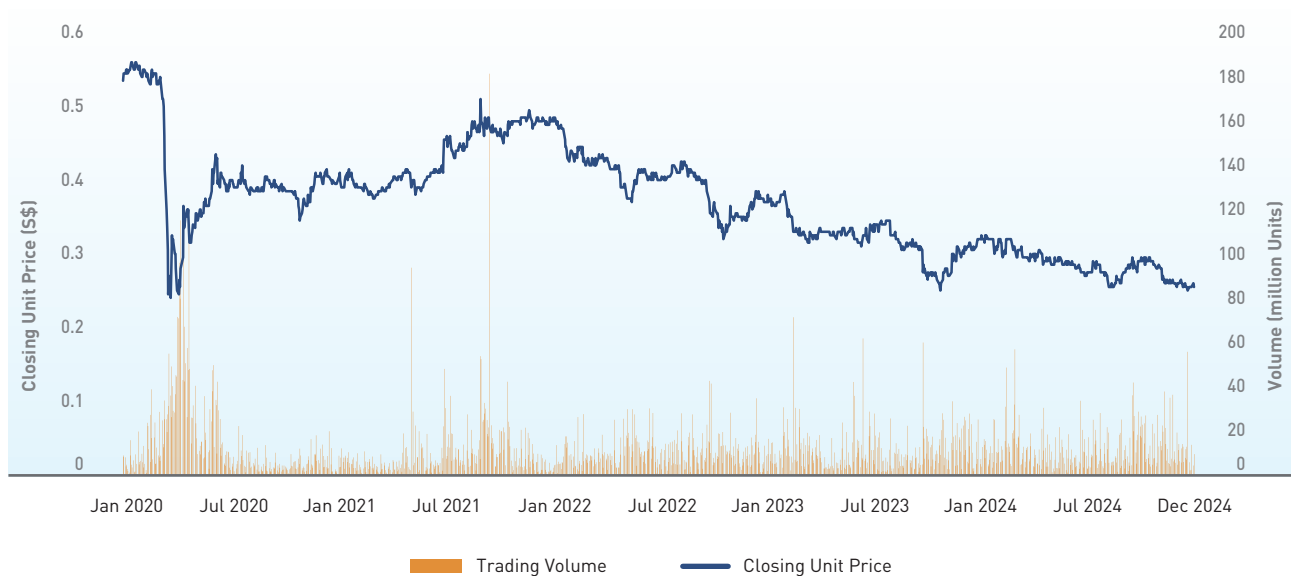
	2024	2023	2022	2021	2020
Opening Price on First Trading Day of Year (S\$)	0.320	0.370	0.480	0.405	0.535
Closing Price on Last Trading Day of Year (S\$)	0.255	0.320	0.370	0.480	0.395
Highest (S\$)	0.325	0.385	0.485	0.510	0.560
Lowest (S\$)	0.250	0.250	0.320	0.375	0.240
Volume Weighted Average Price (S\$)	0.286	0.318	0.397	0.446	0.372
Total Trading Volume (million Units)	2,916.5	2,696.1	2,543.8	2,461.1	3,588.4
Average Daily Trading Volume (million Units)	11.6	10.9	10.2	9.8	14.4

<sup>1</sup> Ministry of Trade and Industry Singapore. 14 February 2025, MTI Maintains 2025 GDP Growth Forecast at '1.0 to 3.0 Per Cent' <https://www.mti.gov.sg/Newsroom/Press-Releases/2025/02/MTI-Maintains-2025-GDP-Growth-at-1-to-3-Per-Cent>

### Monthly Trading Performance in FY2024



### 5-Year Trading Performance



### Constituent of Key Indices (weightage in descending order)

- iEdge S-REIT Index
- iEdge S-REIT Index (Total Return)
- iEdge S-REIT Index (Net Total Return)
- iEdge S-REIT Leaders SGD Index (Price Return)
- Solactive Logistics REIT Index GTR
- Solactive Logistics REIT Index PR
- Bloomberg REIT & Real Estate APAC ex Japan Large, Mid & Small Cap Price Ret Idx
- Bloomberg Singapore Large, Mid & Small Cap Price Return Index
- WisdomTree Global ex-US Real Estate Index
- Solactive ISS ESG Asia ex Japan Small Cap Index NTR
- EPRA NAREIT Asia Total Return Index USD
- FTSE ASEAN All-Share Index
- Bloomberg REIT & Real Estate DM Large, Mid & Small Cap Price Return Index
- FTSE EPRA Nareit Global REITs TR Index
- FTSE EPRA Nareit Developed 100% Hedged to USD Total Return Index
- Invesco FTSE RAFI DevMrkts ex-U.S. S-M ETF INAV Index
- Morningstar Global Markets REIT NR GBP
- Morningstar Global Markets REIT GR GBP
- Bloomberg Developed Markets ex North America Small Cap Price Return Index
- Bloomberg Developed Markets ex US Small Cap Price Return Index
- Vanguard FTSE Pacific ETF INAV
- Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index NTR
- Bloomberg World ex US Small Cap Price Total Return Index USD
- Bloomberg APAC Developed Markets Large, Mid & Small Cap Price Return Index
- Bloomberg Developed Markets Small Cap Price Return Index
- Bloomberg Asia ex Japan Large, Mid & Small Cap Price Return Index
- Solactive GBS Developed Markets Small Cap CAD Index NTR
- Bloomberg World Small Cap Price Return Index
- Bloomberg World All-Cap Equal Weight PR Index
- Bloomberg Asia Large, Mid & Small Cap Price Return Index



## BOARD OF DIRECTORS



**MS. STEFANIE YUEN THIO**

Independent Non-Executive Chairperson



**MR. RONALD LIM**

Independent Non-Executive Director



**MR. NAGARAJ SIVARAM**

Independent Non-Executive Director



**DR. JULIE LO LAI WAN**

Independent Non-Executive Director



**MR. LOI POK YEN**

Independent Non-Executive Director



**MR. GEORGE AGETHEN**

Non-Executive Director



**MR. STUART GIBSON**

Non-Executive Director



**MR. SHEN JINCHU, JEFFREY**

Non-Executive Director



**MR. ADRIAN CHUI**

Chief Executive Officer and  
Executive Director

## Ms. Stefanie Yuen Thio, 55

### Independent Non-Executive Chairperson

Date of first appointment as a Director: **29 March 2019**

Date of appointment as Chairperson: **1 July 2021**

Length of service as a Director (as at 28 February 2025):  
**5 years 11 months**

#### Board Committees Served On:

- Nominating and Remuneration Committee (Member)
- Audit, Risk Management and Compliance Committee (Member)

#### Description:

Ms. Stefanie 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 (MAS) 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. On February 2025, she was appointed as Singapore's Alternate Representative to the ASEAN Intergovernmental Commission on Human Rights.

#### Academic & Professional Qualifications:

- Bachelor of Law, National University of Singapore
- Advocate and Solicitor of The Supreme Court of Singapore

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- TSMP Law Corporation
- SG Her Empowerment Limited
- ASEAN Intergovernmental Commission on Human Rights (AICHR)

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Singapore Medical Group Limited
- Acrophyte Hospitality Trust Management Pte. Ltd. and Acrophyte Hospitality Business Trust Management Pte. Ltd., the managers of Acrophyte Hospitality Trust

## Mr. Ronald Lim, 78

### Independent Non-Executive Director

Date of first appointment as a Director: **8 January 2019**

Length of service as a Director (as at 28 February 2025):  
**6 years 1 month**

#### Board Committees Served On:

- Nominating and Remuneration Committee (Chairperson)
- Investment Committee (Member)

#### Description:

Mr. Ronald 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.

#### Academic & Professional Qualifications:

- Bachelor of Social Science, University of Singapore (currently known as the National University of Singapore)

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- The HEAD Foundation Limited

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Hiap Hoe Limited

1 Present (as at 31 December 2024) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2022 to 31 December 2024).

2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.



# BOARD OF DIRECTORS

## Mr. Nagaraj Sivaram, 65

### Independent Non-Executive Director

Date of first appointment as a Director: 3 June 2022

Length of service as a Director (as at 28 February 2025):

2 years 8 months

#### Board Committees Served On:

- Audit, Risk Management and Compliance Committee (Chairperson)

#### Description:

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.

#### Academic & Professional Qualifications:

- Bachelor of Commerce, University of Bombay
- FCA — Chartered Accountant (ICAEW & ISCA)

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- British and Malayan Holdings Limited
- Frasers Hospitality Asset Management Pte. Ltd. and Frasers Hospitality Trust Management Pte. Ltd., the managers of Frasers Hospitality Real Estate Investment Trust
- Thakral Corporation Ltd

#### Present Principal Commitments<sup>2</sup>:

- Nil

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- G. K. Goh Holdings Limited

## Dr. Julie Lo Lai Wan, 63

### Independent Non-Executive Director

Date of first appointment as a Director: 1 November 2022

Length of service as a Director (as at 28 February 2025):

2 years 3 months

#### Board Committees Served On:

- Investment Committee (Member)
- Board Sustainability Committee (Member)

#### Description:

Dr. Lo is the General Counsel of the 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 the 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 of Synapxe, 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.

#### Academic & Professional Qualifications:

- Doctor of Business Administration, University of South Australia
- Master of Laws (Corporate & Commercial), The London School of Economics & Political Science, London University
- Bachelor of Laws, University College London, London University
- Admitted to practise law in Singapore
- Admitted to practise law in New York
- Admitted to practise law in England & Wales

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- National Healthcare Group — General Counsel
- The Singapore Scout Association

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

1 Present (as at 31 December 2024) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2022 to 31 December 2024).

2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

## Mr. Loi Pok Yen, 55

### Independent Non-Executive Director

Date of first appointment as a Director: **15 May 2023**

Length of service as a Director (as at 28 February 2025):  
**1 year 9 months**

#### Board Committees Served On:

- Investment Committee (Chairperson)
- Audit, Risk Management and Compliance Committee (Member)

#### Description:

Mr. Loi Pok Yen 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\$1.4bn 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 was instrumental in transforming the CWT Group into a global enterprise. In 2013, he was named EY Entrepreneur of the Year — Logistics Winner.

#### Academic & Professional Qualifications:

- Bachelor's degree in Business Administration (Hons), National University of Singapore

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- C&P Holdings Pte Ltd (and subsidiaries)
- Penjuru Capital Pte Ltd (and subsidiaries)
- Cache Family Pte Ltd (a single family office)

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

## Mr. George Agethen, 48

### Non-Executive Director

Date of first appointment as a Director: **15 May 2023**

Length of service as a Director (as at 28 February 2025):  
**1 year 9 months**

#### Board Committees Served On:

- Board Sustainability Committee (Chairperson)

#### Description:

Mr. Agethen is the Managing Director for Real Estate (APAC and LATAM) for Caisse de dépôt et placement du Québec ("CDPQ"), a global investment group with net assets of 452 billion Canadian dollars. He oversees the investment and asset management strategies for the real estate portfolio in the APAC and LATAM regions. 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.

#### Academic & Professional Qualifications:

- Bachelor of Commerce, University of New South Wales
- Bachelor of Laws, University of New South Wales
- Master of Commerce, University of New South Wales
- Legal Practitioner of the Supreme Court of New South Wales

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- CDPQ (and various subsidiaries of this entity)
- Asia Pacific Real Assets Association Limited

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

1 Present (as at 31 December 2024) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2022 to 31 December 2024).

2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.



# BOARD OF DIRECTORS

## Mr. Stuart Gibson, 61

### Non-Executive Director

Date of first appointment as a Director: **30 August 2023**  
Length of service as a Director (as at 28 February 2025):  
**1 year 5 months**

#### Board Committees Served On:

- Nominating and Remuneration Committee (Member)
- Investment Committee (Member)

#### Description:

Mr. Stuart Gibson is currently an executive director, co-founder and co-CEO of ESR Group Limited ("ESR"), the Sponsor of ESR-REIT. He was also the co-founder and CEO of the Redwood group from July 2006 until 2016. Mr. Gibson has been the co-CEO of ESR since January 2016. He is responsible for overseeing ESR's overall operations and business development.

Mr. Gibson is also a director of various subsidiaries of ESR. He has been an independent director of SYLA Technologies Co., Ltd. (listed on Nasdaq) since July 2023.

Mr. Gibson has over 29 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 a 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.

#### Academic & Professional Qualifications:

- Ordinary National Certificate from BTEC (Major in Built Environment Studies), Glasgow School of Building
- City & Guilds (Major in Building Technologies), David Dale College

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- ESR Group Limited
- SYLA Technologies Co., Ltd.

#### Present Principal Commitments<sup>2</sup>:

- ESR Group Limited (and various subsidiaries of this entity)

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

## Mr. Shen Jinchu, Jeffrey, 52

### Non-Executive Director

Date of first appointment as a Director: **8 November 2023**  
Length of service as a Director (as at 28 February 2025):  
**1 year 3 months**

#### Board Committees Served On:

- Nominating and Remuneration Committee (Member)
- Investment Committee (Member)

#### Description:

Mr. Shen is currently an executive director, co-founder and co-CEO of ESR Group Limited ("ESR"), the Sponsor of ESR-REIT. He 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 is also a director of various subsidiaries of ESR. He was appointed as a non-executive director of ESR Trust Management (Suntec) Limited (manager of Suntec Real Estate Investment Trust which is listed in Singapore) since November 2023.

Mr. Shen has over 25 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.

#### Academic & Professional Qualifications:

- Bachelor of Technical Economics, Shanghai Jiaotong University in China
- Master of Business Administration, Donghua University in China

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- ESR Group Limited
- ESR Trust Management (Suntec) Limited, manager of Suntec Real Estate Investment Trust

#### Present Principal Commitments<sup>2</sup>:

- ESR Group Limited (and various subsidiaries of this entity)

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

1 Present (as at 31 December 2024) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2022 to 31 December 2024).

2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

## Mr. Adrian Chui, 49

### Chief Executive Officer and Executive Director

Date of first appointment as a Director: **24 March 2017**

Length of service as a Director (as at 28 February 2025):

**7 years 11 months**

#### Board Committees Served On:

- Nil

#### Description:

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.

#### Academic & Professional Qualifications:

- Bachelor of Business, Nanyang Technological University, Singapore

#### Present Directorships/Chairmanships in Listed Companies<sup>1</sup>:

- Nil

#### Present Principal Commitments<sup>2</sup>:

- 7000 AMK LLP
- PTC Logistics Hub LLP
- Tuas South Avenue Pte. Ltd.

#### Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years<sup>1</sup>:

- Nil

1 Present (as at 31 December 2024) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2022 to 31 December 2024).

2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.



# MANAGEMENT TEAM



From left to right:

**Mr. Calvin Chia**

Head of Asset Management

**Ms. Irene Phua**

Head of Human Resources  
and Corporate Services

**Ms. Nancy Tan**

Head of Investment

**Ms. Karen Lee**

Deputy Chief Executive Officer

**Mr. Adrian Chui**

Chief Executive Officer and  
Executive Director

**Mr. Don Kok**

Chief Financial Officer

**Ms. Charlene-Jayne Chang**

Head of Capital Markets and  
Investor Relations

**Mr. Chan Wei Chie**

General Manager

## Mr. Adrian Chui

### Chief Executive Officer (“CEO”) and Executive Director

Mr. Adrian Chui joined the 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 and directions 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.

Mr. Chui holds a Bachelor of Business from Nanyang Technological University, Singapore.

## Ms. Karen Lee

### Deputy Chief Executive Officer

Ms. Karen Lee joined the Manager in May 2022 as Deputy CEO, following the completion of the merger between ESR-REIT and ARA LOGOS Logistics Trust. She is responsible for executing ESR-REIT’s growth strategy.

Prior to joining the Manager, Ms. Lee was CEO of the Manager of ARA LOGOS Logistics Trust 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 (now known as Capitaland Ascendas REIT Management 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. She is also an Ordinary Member of the Singapore Institute of Directors since July 2024 and an Accredited Director since November 2024.

# MANAGEMENT TEAM

## Mr. Don Kok

### Chief Financial Officer (“CFO”)

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 more than 20 years of experience in accounting and finance, of which close to 15 years were with listed entities in the real estate and fund management industries. Mr. Kok joined the Manager as Financial Controller in August 2019.

Prior to joining the Manager, Mr. Kok was Vice President of Finance at Ascendas Funds Management (S) Limited (now known as CapitalLand Ascendas REIT Management Limited), the manager of Ascendas REIT, from 2015 to 2019, where he was responsible for the financial reporting and tax matters of Ascendas REIT. Prior to this, Mr. Kok served as Finance Manager at ARA Asset Management Limited for almost 6 years. He started his finance career at PSA Corporation Limited.

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

## Ms. Charlene-Jayne Chang

### Head of Capital Markets and Investor Relations

Ms. Chang joined the 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 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 the 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 Manager, Ms. Chang was a Director of the Commercial Real Estate division at Standard Chartered Bank and has originated and executed major capital markets, loan and treasury 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, Audit and Risk Committee member, Nominating Committee member and Remuneration Committee member of GP Industries Limited.

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

## Mr. Carlvin Chia

### Head of Asset Management

Mr. Chia joined the Manager in May 2022. He 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 Manager, Mr. Chia was Head of Asset Management of ARA LOGOS Logistics Trust Management Limited (“ALOG”) since May 2021. Prior to joining ALOG, Mr. Chia was Vice President, Portfolio Management at Ascendas Funds Management (S) Limited, the manager of Ascendas REIT where he was responsible for driving portfolio strategies and performance of its Business & Science Park portfolio of 27 business park assets in Singapore. Prior to this, he was Co-Head of its Logistics portfolio in Singapore, overseeing the performance of 21 logistics assets. He has also 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 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 jointly 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 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) 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 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 the Trust and the 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 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.

## 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.

# VALUE CREATION

ESR-REIT strategically leverages its competitive strengths to build a resilient and well-balanced portfolio of high-quality assets aligned with evolving market trends and demands. Committed to delivering long-term value to stakeholders, ESR-REIT continuously enhances and strengthens its portfolio while actively exploring new opportunities for growth and value creation. This proactive approach reflects its dedication to market adaptability, portfolio rejuvenation, and sustainable value generation for all stakeholders.

## OUR COMPETITIVE STRENGTHS



### Resilient and Balanced Portfolio

A balanced portfolio with 72 quality income-producing industrial properties aggregating S\$6.0 billion in total assets across four sub-asset classes in key industrial zones across Singapore, Australia and Japan, together with three investment funds. We have reduced diversification risks to our portfolio by sub-sector type, tenants and geography.



### Diversified Tenant Network

An extensive tenant base of 379 tenants creates a tenant network that reduces exposure to any one particular sector.



### Prudent and Balanced Capital and Risk Management

ESR-REIT has a stable and secure income stream supported by prudent capital and risk management strategies. Diversified sources of funding ensure ESR-REIT can tap into alternative pools of capital to optimise Unitholder returns.



### Active Asset Management

Maximising the growth potential of the portfolio is conducted 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.



### Experienced and Professional Management Teams

ESR-REIT's management team comprises real estate and finance professionals with 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.



### Backed by Strong and Committed Sponsor

ESR-REIT is sponsored by ESR Group, Asia-Pacific's #1 real asset manager powered by the New Economy.



### Continued Commitment Towards Sustainability

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

## OUR LONG-TERM STRATEGY

### ESR-REIT'S THREE-PRONGED STRATEGY FOCUSES ON OPTIMISING UNITHOLDER RETURNS WHILE MITIGATING RISKS

#### Active Acquisition and Development Growth

1. Yield-accretive, scalable and value-enhancing acquisition opportunities in Singapore, Australia and Japan
2. Potential pipeline of assets from the Sponsor, ESR Group
3. Exploring opportunities to participate in development projects, either individually or in joint venture with the Sponsor
4. Divest non-core assets and redeploy capital to acquire/develop higher value-adding properties

#### Achieving Organic Growth

1. Focus on asset enhancements to unlock value and attract high value tenants
2. Proactive asset management to maximise returns
3. Enhance tenant quality and base by leveraging on Sponsor's capabilities and networks

#### Exercising Prudent Capital Management

1. Maintain a well-staggered debt maturity profile and long-term debt to total assets target range of 30 to  $\pm 40\%$  to mitigate financial and liquidity risk
2. Exercise prudent capital and risk management
3. Diversify funding sources into alternative pools of capital
4. Broaden and strengthen banking relationships

## OUR ASSETS



### Business Parks

#### Asset Type:

Business Parks which are properties that cater to industries/businesses relating to high-technology, research and development ("R&D") value-added and knowledge-intensive sectors.

#### Tenant Profile:

Companies that engage in a range of activities which are technology and research-oriented industries and non-manufacturing in nature such as technical support, information-communication, product design, R&D, call and service centre and back-end office function.

*Read more on pages 68 to 69*



### High-Specifications Industrial

#### Asset Type:

Mixed-use industrial buildings typically used for higher value industrial activities like testing and certification, R&D, and clean room activities. These buildings have modern facades, air-conditioned units, sufficient floor loading, ceiling height and electrical power capacities to enable both manufacturing and supporting office functions to be carried out concurrently.

#### Tenant Profile:

Companies in technology, R&D and knowledge-intensive sectors involved in light industrial activities such as precision engineering and data centres.

*Read more on pages 70 to 71*



### Logistics

#### Asset Type:

Logistics properties are typically equipped with high floor loading and high floor-to-ceiling heights suitable for tiered storage of cargo.

#### Tenant Profile:

Third-party logistics providers, wholesalers, distributors and import/export companies.

*Read more on pages 76 to 83*



### General Industrial

#### Asset Type:

General industrial buildings can be single or multi-storey facilities dedicated to general and heavy manufacturing or factory activities.

#### Tenant Profile:

Companies that engage in general manufacturing activities.

*Read more on pages 72 to 75*

## OUR ACHIEVEMENTS IN 2024

### Operational Highlights

- Achieved positive rental reversion of 10.3% in FY2024, marking its third consecutive year of double-digit rental reversion
- Achieved high occupancy of 92.3%, consistently above market average
- Completed transformational DPU accretive acquisitions of ESR Yatomi Kisosaki Distribution Centre in Nagoya, Japan, and 51% interest in 20 Tuas South Avenue 14, Singapore
- Ongoing asset enhancement initiatives at 16 Tai Seng Street, Singapore
- Divestment of two non-core assets at premium over valuation:
  - o 182-198 Maidstone Street, Victoria, Australia
  - o 81 Tuas Bay Drive, Singapore
- Identified c.S\$200 million of non-core assets to be divested in FY2025

Read more on pages 45 to 52

### Financial Highlights

- Gross Revenue dipped 4.1% year-on-year to S\$370.5 million
- Net Property Income dipped 4.2% year-on-year to S\$261.7 million
- Amount available for distribution of S\$164.1 million
- Distribution per Unit of 2.119 Singapore cents for FY2024

Read more on pages 53 to 56

### Investor Engagement

- Awarded Best Real Estate Manager award at the AsianInvestor Asset Management Awards 2024
- Awarded Best Real Estate Award at SBR National Business Awards 2024 by Singapore Business Review
- Actively engaged with Securities Investors Association (Singapore) to co-organise multiple webinars and dialogues to engage with Unitholders

Read more on pages 40 to 44

### Capital Management

- Announced ESR-REIT's inaugural sustainability-linked loan via entry into S\$200 million sustainability-linked revolving credit facility
- Issued S\$174.75 million 6.00% subordinated perpetual securities, comprising S\$74.75 million of new securities issued as part of the exchange consideration for the Series 006 perpetual securities and S\$100.0 million of additional new securities
- Launched preferential offering on the basis of 4 preferential offering units for every 100 existing units to raise gross proceeds of up to approximately S\$94.0 million as part of the financing for the acquisitions of ESR Yatomi Kisosaki Distribution Centre, and 51% interest in 20 Tuas South Avenue 14
- Issued 39.6 million new Units ("Consideration Units") at an issue price of S\$0.305 per Unit as partial consideration for the acquisition of 51% interest in 20 Tuas South Avenue 14
- Entered into S\$225 million unsecured sustainability-linked term loan facility and JPY15.5 billion unsecured term loan facility
- Entered into JPY22.8 billion onshore secured term loan facility
- Entered into S\$341.5 million term loan with a green loan<sup>1</sup> component
- Achieved gearing of 42.8% amidst "higher-for-longer" interest rate environment
- Achieved high fixed rate hedge of 74.8%
- Substantial debt headroom of S\$790.2 million available

Read more on pages 57 to 59

### ESG

- New Board Sustainability Committee to provide strategic oversight on ESG policies and implementation
- Decarbonisation Roadmap to be implemented and executed with clear steps, targets, and timeline
- Portfolio has a total of 18 properties with green certifications in portfolio, an increase from 10 in previous year
- Solar capacity for the Singapore portfolio increased approximately 12% from 13.8 MWp in FY2023 to 15.5 MWp in FY2024
- Achieved 568 hours of staff volunteerism hours, exceeding target of 500 hours
- Achieved GRESB score of 2 Star (73 points), an improvement from the score achieved in FY2023 (66 points)

Read more on pages 121 to 190

## OUR PRIORITIES FOR 2025

1. Rejuvenation of portfolio through acquisitions, redevelopments and AELs
2. Continue optimisation of portfolio via divestments of non-core assets and redirecting proceeds to reduce gearing, fund future acquisitions or asset enhancements and redevelopments to improve portfolio returns
3. Carry out selective asset optimisation and improvements to capitalise on the Manager's AEL capabilities to optimise portfolio value
4. Source for income-producing quality assets locally and regionally; with growth consistently supported by the Sponsor
5. Leverage on Sponsor's New Economy pipeline for potential accretive acquisition opportunities
6. Strengthen collaboration with strategic partners to capture growth opportunities in the region
7. Prudent management of capital structure and cost of financing
8. Broadening of banking relationships and alternative pools of capital
9. Proactive marketing and leasing of space to maintain a healthy portfolio occupancy and rental reversion rate
10. Reducing environmental footprint and mobilising resources to create a positive impact on the industrial real estate ecosystem
11. Implementation of Decarbonisation Roadmap to encompass overseas portfolio in Australia and Japan

1 The S\$341.5 million term loan was obtained by Tuas South Avenue Pte. Ltd., of which ESR-REIT has a 51% ownership interest.



## FY2024 KEY TRENDS UNDERPINNING OUR STRATEGY



### EVOLVING NEEDS OF INDUSTRIALISTS

The rapid advancement in technology is expected to remain an important market driver in 2025. Its impact on the digital economy is expected to continue to influence and shape how real estate adapts to support this trend.

The rapid growth and advancement in the artificial intelligence and digital services space has fuelled an increasing demand for the electronics industry and artificial intelligence applications. The electronics cluster, led by growth in the semiconductor segment is expected to see continued demand for manufacturing spaces.

This in turn, is expected to benefit third-party logistics companies supporting the supply chain for these sectors. In addition, sustained demand for logistics and distribution centres continue to be fuelled by ongoing growth of e-commerce and the need for efficient supply chain solutions.



### MANAGING GLOBAL ECONOMIC UNCERTAINTIES

The global economy is set to face greater uncertainties that could significantly influence global economic stability and growth in 2025. In particular, political shifts in the U.S. and new tariffs imposed by the new administration have created much anxiety as everyone waits to see the impact of its policies. While the U.S. economy has shown resilience, these tariffs could affect economic stability by stoking inflation concerns and slowing growth, which in turn affects global supply chains and trade dynamics.

The United Nations projects subdued global economic growth in 2025, reflecting ongoing challenges such as trade tensions, high debt burdens, and geopolitical risk that will continue to cloud economic outlook.

These uncertainties have contributed to the volatile interest rate environment witnessed in recent years, which has significantly impacted the REIT sector given the sector's sensitivity to interest rate fluctuations. Navigating this evolving landscape requires agile financial management to mitigate risks and capture opportunities amid ongoing market volatility.



### SUSTAINABILITY AND CLIMATE CHANGE

Sustainability and climate change have emerged as significant, long-term global trends. These fundamental shifts are reshaping the global economy, industries, and lifestyles.

There is greater emphasis from investors and tenants to seek out energy-efficient buildings that reduce costs and support sustainability goals.

Investment in renewable energy has also been increasing as governments and corporations seek to meet Net Zero targets. Regulatory sustainability frameworks encourage businesses to increase innovation in emission reduction technologies. This has also created a market for green bonds and other similar sustainability-focused investments and financing methods.

As governments, corporations, and individuals push for a cleaner, more sustainable world, one can expect these trends to continue its pace in 2025 and beyond.

### Strategies/Growth Opportunities

ESR-REIT has been strategically rebalancing its portfolio to increase exposure to the New Economy sectors of Logistics and High-Specifications Industrial assets. This approach capitalises on the wave of technology advancements and growing demand for modern industrial spaces driven by the evolving needs of end-users.

To support this transformation, AEs have been undertaken at ESR-REIT's High-Specifications Industrial assets, such as 16 Tai Seng Street and the completed 7002 Ang Mo Kio Avenue 5. These enhancements will equip the buildings with higher specifications, ensuring they are future-ready to cater to the growing needs of the electronics manufacturing sector. In addition, the planned redevelopment of 2 Fishery Port Road is set to deliver turnkey cold storage space solutions, catering to the expanding cold chain sector in Singapore.

Looking ahead, we will continue to pursue AEI opportunities to upgrade and future-proof our assets, ensuring they continue to meet the evolving needs of industrialists.

### Strategies/Growth Opportunities

ESR-REIT's capital management strategy remains nimble and agile, allowing it to respond effectively to interest rate movements and position itself for sustainable growth.

As at 31 December 2024, ESR-REIT's gearing stood at 42.8%, with an ICR of 2.5x, well above the regulatory requirement of 1.5x. ESR-REIT has also successfully reduced its all-in cost of debt to 3.84%, down from 4.03% as of 30 June 2024, with a continued downward trend expected. This is driven by the:

- (a) refinancing of FY2025 expiring debt at approximately 15 bps lower margins,
- (b) early refinancing of FY2026 debt without prepayment penalties,
- (c) refinancing of hedges at lower rates, and
- (d) potential redemption or exchange of the remaining S\$75.3 million 6.632% coupon perpetual securities.

With 74.8% of its interest rate exposure fixed and an extended weighted average debt expiry of 2.8 years as at 31 December 2024 (up from 2.1 years in June 2024), ESR-REIT maintains a well-diversified and disciplined debt maturity profile. Additionally, its strong liquidity position, with S\$790.2 million in debt headroom<sup>1</sup> and S\$235.8 million in committed undrawn revolving credit facilities, is reinforced by a robust banking network of 11 lenders.

By adopting a proactive and strategic approach to capital management, ESR-REIT remains well-positioned to navigate the evolving macroeconomic conditions while continuing to drive long-term growth and value creation.

### Strategies/Growth Opportunities

ESR-REIT has continued to implement ESG initiatives across its portfolio and significant progress has been made on its Decarbonisation Roadmap for the Singapore portfolio. Furthermore, ESR-REIT has also embarked on the development of a Decarbonisation Roadmap for its overseas portfolio in Australia and Japan, reinforcing its commitment to sustainability across all markets.

Notable achievements include an increase in the Singapore portfolio solar capacity by approximately 12% from 13.8 MWp in FY2023 to 15.5 MWp in FY2024, and green building certification coverage from 10 to 18 buildings.

In FY2024, ESR-REIT further strengthened its financial position by securing its inaugural sustainability-linked and green loans. This included a S\$200 million sustainability-linked unsecured revolving credit facility in March 2024 and a S\$225 million sustainability-linked unsecured term loan in October 2024, as well as a S\$341.5 million term loan<sup>2</sup> which had a green loan component in November 2024. By embedding ESG principles into its funding strategy, ESR-REIT is well-positioned to capitalise on emerging growth opportunities while advancing its commitment to sustainable value creation.

<sup>1</sup> Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector which imposes a minimum interest coverage ratio of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.

<sup>2</sup> The S\$341.5 million term loan was obtained by Tuas South Avenue Pte. Ltd., of which ESR-REIT has a 51% ownership interest.

# INVESTOR ENGAGEMENT

ESR-REIT is committed to fostering strong communication channels and maintaining an open, ongoing dialogue with its investment community, which includes existing and potential investors, analysts, media, and key stakeholders. Emphasis is placed on transparency, responsiveness and accuracy in providing timely updates on business strategy, operational developments, and financial performance.

The Investor Relations and Corporate Communications (“IRCC”) Policy reflects the REIT’s commitment to strong governance and best practices in communication. As ESR-REIT continues to expand, transparent and proactive engagement remains a cornerstone of its

approach, ensuring that the investment community gains a comprehensive understanding of its strategic direction and value creation for unitholders.

To facilitate effective communication, the dedicated IRCC team proactively engages with stakeholders through regular one-on-one meetings, presentations, property tours, investor conferences, roadshows, conference calls and dialogues. Access to the senior management team reinforces the commitment to building strong relationships, enhancing market confidence, and supporting the long-term growth of ESR-REIT.

## PRINCIPLES UNDERPINNING THE IRCC FRAMEWORK

### Efficiency

Adopts various communication avenues to convey its messages to the investment community. The Manager is committed to disseminate all material information that would reasonably be required for stakeholders to make an informed decision about an investment in ESR-REIT’s securities in a fair, timely and cost-efficient manner.

### Transparency

Committed to open and transparent communication with the investment community. Promotes investor confidence by ensuring that trades in its securities take place in an informed market.

### Clarity

Committed to communicate with the investment community in a clear language that avoids unnecessary jargon and provides maximum clarity of its messages.

## STRENGTHENING SUSTAINABLE RELATIONSHIPS WITH THE INVESTMENT COMMUNITY

ESR-REIT actively engages with the investment community through regular briefings and meetings following the release of its half-year and full-year financial results. These sessions provide a platform for the Manager to discuss ESR-REIT’s operational and financial performance, long-term strategy, and commitment to delivering value to unitholders. The IRCC team plays a key role in articulating how the REIT cultivates sustainable competitive advantages through strategic initiatives, including portfolio rejuvenation via asset enhancement initiatives, accretive acquisitions, divestments of non-core assets, and capital recycling.

The investor relations (“IR”) website serves as the primary source of corporate information, financial data, distribution details, and key business developments for the investment community. ESR-REIT adheres to a structured disclosure schedule, releasing financial results semi-annually and providing business updates in the first and third quarters. Half-year and full-year financial results are published within 45 and 60 days, respectively, from the end of each reporting period. All financial disclosures and material updates are promptly made available on the IR website following their release on SGXNET, ensuring transparency and timely communication. The IRCC team remains accessible via a designated IR email and hotline, reinforcing the REIT’s commitment to open and effective communication.



Beyond traditional engagement channels, ESR-REIT leverages social media platforms to enhance outreach to investors, media and stakeholders. Information shared on these platforms, which are listed on the IR website, provides additional insights into the REIT's activities. As part of ongoing efforts to strengthen investor relations,

ESR-REIT continually evaluates its disclosure practices, aligning them with global best practices and industry benchmarks, including the 2018 Code of Corporate Governance. This commitment underscores ESR-REIT's dedication to maintaining transparent, proactive, and effective communication with its stakeholders.

### ANALYSTS ENGAGEMENT

The Manager continued to actively engage coverage analysts and the research industry at large to provide timely updates. The Manager also frequently organises property site visits for analysts to showcase ESR-REIT's diversified portfolio.

The REIT is currently covered by seven research houses.

Research Analyst Coverage	Analyst	Contact
<b>CGS International</b>	Lock Mun Yee	munyee.lock@cgsi.com
<b>Citibank</b>	Brandon Lee	brandon2.lee@citi.com
<b>CLSA</b>	Wong Yew Kiang	yew.kiang.wong@clsa.com
<b>DBS</b>	Derek Tan	derektan@db.com.sg
	Dale Lai	dalelai@db.com
<b>Maybank</b>	Krishna Guha	krishna.guha@maybank.com
<b>RHB</b>	Vijay Natarajan	vijay.natarajan@rhbggroup.com
<b>SCCM</b>	Simeon Ang	simeon.ang@sccmasia.com
	Ilvin Cornelis	ilvin.cornelis@sccmasia.com

The full list of research houses and target recommendations are also available on the corporate website.

### INSTITUTIONAL INVESTORS ENGAGEMENT

In FY2024, the IRCC team kept up its institutional engagement via participation in roadshows and conferences, one-on-one meetings with institutional investors and also organised property site visits. Through these engagements the IRCC team was able to provide valuable insights into the REIT's operations, strategies, and address stakeholder concerns amid persistent macroeconomic volatility and its consequent impact on the REIT.

The IRCC team was invited to participate in various conferences both locally and overseas where they had the opportunity to connect with a diverse range of investors. The team's participation in these conferences has proven to be a key factor in expanding the REIT's investor base and enhancing its overall market position. This has not only led to increased trading liquidity but has also unlocked new investor pools.

The REIT's enhanced visibility through its committed investor outreach activities translated into significant support from institutional investors for its growth initiatives and operational strategies, reinforcing confidence in ESR-REIT's long-term vision.

### RETAIL INVESTORS ENGAGEMENT

Retail investors remain a key focus of the Manager's communications and engagement initiatives. ESR-REIT is an active member of the Securities Investors Association (Singapore) ("SIAS") Shareholder Communication Programme, which aims to enhance investor communication with the public. Additionally, ESR-REIT is a member of the REIT Association of Singapore ("REITAS"), reinforcing its commitment to best practices in investor relations.

In FY2024, ESR-REIT continued to strengthen its collaboration with SIAS, hosting several joint events to enhance engagement with retail investors and Unitholders. The year began with ESR-REIT's annual participation in the SIAS Corporate Connect Webinar, where the full-year financial results and performance for FY2023 were presented, alongside key strategic plans for the upcoming year.

Further engagement efforts included two in-person Unitholder dialogues held in April and October 2024. The April session was held as part of the REIT's regular investor engagement calendar following the announcement of its full-year financial results. The October dialogue was organised ahead of the Extraordinary General Meeting ("EGM") relating to the acquisitions of ESR Yatomi Kisosaki Distribution Centre in Japan and a 51% interest in 20 Tuas South Avenue 14 in Singapore. These dialogues provided a valuable platform for direct engagement with Unitholders, offering updates on the REIT's developments and facilitating live Q&A sessions, where management addressed investor queries. These sessions were well received, with close to 100 unitholders participating in an interactive setting. ESR-REIT remains committed to maintaining this collaboration with SIAS to ensure continued engagement with retail investors and Unitholders.

On 9 October 2024, ESR-REIT convened an EGM to seek Unitholders' approval for the proposed acquisitions. As a result of the Manager's comprehensive communication strategy, all resolutions were overwhelmingly approved, with more than 99% "FOR" votes for all resolutions. This strong support underscored the effectiveness of ESR-REIT's proactive engagement efforts, which consistently conveyed the investment merits, strategic rationale, and long-term benefits of the acquisitions.

Earlier in April 2024, ESR-REIT also held its 15th Annual General Meeting ("AGM"), where all resolutions were approved by Unitholders.

Beyond direct engagements, ESR-REIT further expanded its outreach to retail investors in FY2024 by actively participating in various conferences and industry events. The Manager's leadership team played a pivotal role as key opinion leaders in panel discussions, providing investors with deeper insights into the REIT's operational performance, business strategies and market outlook across its core geographies — Singapore, Australia, and Japan.

Among the key events, ESR-REIT participated in the annual REITs Symposium 2024, jointly organised by ShareInvestor, InvestingNote, and REITAS in May 2024. As part of an ESR Group initiative, ESR-REIT participated alongside Suntec REIT. The CEO, Deputy CEO, and members of the IRCC team were present at the ESR-REIT booth to engage with attendees, highlight the REIT's value proposition, and address investor queries. The event attracted over 1,100 participants.

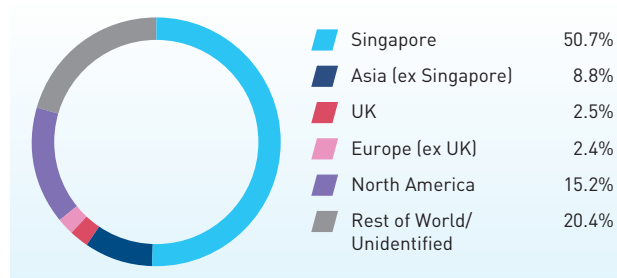
In August 2024, ESR-REIT collaborated with The Edge Singapore through sponsorship and active participation in the REITs Investment Forum titled "Is It Time for REITs Growth?". The event was particularly timely, as stabilising interest rates had renewed investor attention in the REIT sector. During the forum, our CEO, Mr. Adrian Chui, delivered a presentation on "Managing an Industrial Portfolio Through Cycles" and participated in a panel discussion alongside other industry leaders. The event was attended by more than 100 participants and provided a valuable opportunity to engage with investors on key market trends and strategic insights.

Through these sustained engagement efforts, ESR-REIT remains committed to fostering transparent and meaningful interactions with retail investors, reinforcing confidence in its long-term growth strategy.

**Unitholders by Type<sup>1</sup>**



**Unitholders by Geography<sup>1</sup>**



<sup>1</sup> Source: Orient Capital shareholding analysis report as at 31 December 2024.

## ACCOLADES

In FY2024, ESR-REIT received significant industry recognition, winning the Best Real Estate Manager award at the prestigious AsianInvestor Asset Management Awards 2024 and the Best Real Estate Award at the SBR National Business Awards 2024, organised by Singapore Business Review. These accolades acknowledge the successful execution of ESR-REIT's **4R Strategy** and highlight the effectiveness of its communication efforts in keeping the investment community informed of corporate developments, strategic initiatives, and the rationale behind key decisions.



## FY2024 INVESTOR RELATIONS CALENDAR

	Activity	Dates
<b>1<sup>st</sup> Quarter</b>	FY2023 Financial Results Analyst and Media Briefing	1 February 2024
	SIAS Corporate Connect Webinar	13 February 2024
	Maybank-REITAS-SGX S-REIT Day — Bangkok	21 February 2024
	HSBC NDR — Hong Kong	27 February 2024
	Citi's 2024 Global Property CEO Conference — Florida	5 March 2024
	Mizuho NDR — Tokyo	21 March 2024
<b>2<sup>nd</sup> Quarter</b>	APREA SGX Global REIT Roundtable	17 April 2024
	SIAS Unitholders Dialogue	18 April 2024
	1Q2024 Interim Business Update	23 April 2024
	15th Annual General Meeting	30 April 2024
	Phillip Securities Remisier Presentation	9 May 2024
	REITs Symposium 2024	11 May 2024
	DBS — REITAS Private Banking Luncheon	14 May 2024
	Citi's 2024 Macro & Pan-Asia Regional Conference	29 May 2024
<b>3<sup>rd</sup> Quarter</b>	HSBC 8th Annual Credit Conference	25 June 2024
	1H2024 Financial Results Analyst and Media Briefing	31 July 2024
	RHB NDR — Kuala Lumpur	7 August 2024
	HSBC NDR — Hong Kong	13 August 2024
	Maybank NDR — Bangkok	22 August 2024
	The Edge Singapore REITs Investment Forum 2024	26 August 2024
	Bank of America 2024 Global Real Estate Conference — New York	12 September 2024
	HSBC NDR — London	26 September 2024
<b>4<sup>th</sup> Quarter</b>	Maybank-REITAS-SGX S-REIT Day — Kuala Lumpur	1 October 2024
	SIAS Unitholders Dialogue	4 October 2024
	2024 International Asset Management Forum II — Taipei City	7 October 2024
	Extraordinary General Meeting	9 October 2024
	SGX Korean Investors Site Visit	28 October 2024
	3Q2024 Interim Business Update	30 October 2024
	The Asset 19th Asia Bond Markets Summit — Panel Speaker	7 November 2024
	UBS Global Real Estate CEO/CFO Conference	3 December 2024



## FINANCIAL CALENDAR

Activity	FY2024	FY2025 <sup>2</sup>
Payment of Advanced Distribution to Unitholders	–	8 January 2025 <sup>3</sup>
Announcement of Full Year Financial Results	1 February 2024	24 January 2025
Payment of Second Half Distribution to Unitholders	27 March 2024	14 March 2025 <sup>4</sup>
Announcement of First Quarter Interim Business Update	23 April 2024	23 April 2025
Annual General Meeting	30 April 2024	23 April 2025
Announcement of Half Yearly Financial Results	31 July 2024	24 July 2025
Payment of First Half Distribution to Unitholders	17 September 2024	26 September 2025
Extraordinary General Meeting	9 October 2024	–
Announcement of Third Quarter Interim Business Update	30 October 2024	24 October 2025

## INVESTOR COMMUNICATIONS

The Manager is committed to ensuring all investors have equal access to information. In line with its commitment to long term integration of sustainable business practices, investor communications are provided via various electronic methods including:

- **ESR-REIT's Investor Relations website** — <https://esr-reit.listedcompany.com/home.html>
- **Online enquiry** — [https://esr-reit.listedcompany.com/ir\\_contact.html](https://esr-reit.listedcompany.com/ir_contact.html)
- **Subscription to email alerts** — [https://esr-reit.listedcompany.com/email\\_alerts.html](https://esr-reit.listedcompany.com/email_alerts.html)

For further enquiries, please contact:

<b>Investor Relations</b>	<b>Ms. Lyn Ong</b> 5 Temasek Boulevard, #12-09 Suntec Tower Five, Singapore 038985 T: (65) 6827 9504 F: (65) 6827 9339 E: <a href="mailto:ir@esr-reit.com.sg">ir@esr-reit.com.sg</a>
<b>Corporate Communications</b>	<b>Mr. Sua Xiu Kai</b> 5 Temasek Boulevard, #12-09 Suntec Tower Five, Singapore 038985 T: (65) 6827 9553 F: (65) 6827 9339 E: <a href="mailto:enquiries@esr-reit.com.sg">enquiries@esr-reit.com.sg</a>
<b>Unit Registrar</b>	<b>Boardroom Corporate &amp; Advisory Services Pte Ltd</b> 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 T: (65) 6536 5355 E: <a href="mailto:srs.teame@boardroomlimited.com">srs.teame@boardroomlimited.com</a>
<b>Unitholder Depository</b>	<b>The Central Depository (Pte) Limited</b> T: (65) 6535 7511 E: <a href="mailto:asksgx@sgx.com">asksgx@sgx.com</a>

<sup>2</sup> Please note that these dates are indicative and subject to change without prior notice. Please refer to our company announcements made on SGXNET for timely updates.

<sup>3</sup> Pursuant to the preferential offering which was completed on 11 November 2024, an advanced distribution for the period from 1 July 2024 to 10 November 2024 was paid on 8 January 2025.

<sup>4</sup> Pertains to the balance distribution for the period from 11 November 2024 to 31 December 2024.

# OPERATIONS REVIEW

## WE SEEK TO ACTIVELY OPTIMISE THE PORTFOLIO ASSETS TO STAY AHEAD OF INDUSTRY TRENDS AND BE FUTURE-READY

### CREATING VALUE FOR UNITHOLDERS

ESR-REIT remains committed to deliver sustainable returns for our Unitholders.

To create a leading New Economy and Future-Ready Asia-Pacific S-REIT, and to ride on the changes in economic structural trends and continued supply chain disruptions, the Manager has continued its rebalancing efforts to increase its exposure to the New Economy sectors of Logistics and High-Specifications Industrial assets. This has led to strong rental reversions and stable occupancy achieved in our portfolio.

Over the medium to long term, the Manager expects acquisition opportunities across its S\$6.0 billion<sup>1</sup> portfolio of 72 properties, investment in joint venture and three property funds. The overall portfolio optimisation includes the conversion of existing properties into New Economy asset types such as Logistics and High-Specifications Industrial assets to meet industrialists' evolving business needs, as well as the divestment of non-core assets. The Manager's objective for each of the properties in the portfolio is to generate stable income from such properties for the Unitholders of ESR-REIT.

### Completed Transformational Acquisitions

In FY2024, ESR-REIT built on the momentum of the first phase of its **4R Strategy** executed in FY2023, which was focused on portfolio **Rejuvenation** through the divestment of non-core assets and early equity fundraising to strengthen the REIT's balance sheet for strategic growth. With a solid financial foundation in FY2024, the Manager concentrated on **Recycling** capital into high-quality assets aligned with its long-term growth strategy.

In FY2024, ESR-REIT successfully completed two transformational acquisitions from the pipeline of its Sponsor, ESR Group, further **Reinforcing** their support for ESR-REIT:

- 100% trust beneficiary interest in ESR Yatomi Kisosaki Distribution Centre, a modern logistics facility in Nagoya, Japan
- 51% interest in 20 Tuas South Avenue 14, a high-specifications manufacturing facility in Singapore, which also features newly constructed ramp-up logistics warehouses

These strategic acquisitions, with a total outlay of approximately S\$772.6 million, further enhance ESR-REIT's exposure to the New Economy sectors, reinforcing its commitment to long-term, sustainable growth. Both acquisitions were completed in November 2024 and have since commenced income contribution to ESR-REIT.

### ESR Yatomi Kisosaki Distribution Centre, Japan

ESR Yatomi Kisosaki Distribution Centre is a four-storey double ramp modern logistics facility with a total land area of 79,096 square metres ("sqm"), was completed on 28 April 2022, and has a CASBEE A Sustainability Rating, which is one of the highest functional standards for grading green buildings in Japan. The addition of this sizeable freehold asset will allow us to scale up our presence and leverage ESR Japan's on-the-ground expertise for economies of scale. This acquisition not only expands our footprint in a key market but also strengthens our portfolio with a high-quality and sizeable freehold New Economy asset.



ESR Yatomi Kisosaki Distribution Centre, Japan - one of two transformational acquisitions by ESR-REIT in FY2024

<sup>1</sup> As at 31 December 2024.

## OPERATIONS REVIEW

### 20 Tuas South Avenue 14, Singapore

Situated in close proximity to the Tuas Mega Port, 20 Tuas South Avenue 14 comprises a high-specifications manufacturing facility and ramp-up logistics warehouse which is Green Mark Platinum certified with modern specifications. It sits on a total land area of 252,733 sqm, and is a leasehold property with approximately 44 years land lease remaining as at 31 December 2024. The newly acquired asset presents a rare opportunity to acquire a sizeable and modern New Economy asset with a long remaining land lease. Its strategic location will benefit from the increased activity and development in the area, providing us with a quality asset that is well-positioned to capitalise on the growth of the logistics and industrial sectors as port activity increases.



20 Tuas South Avenue 14, Singapore — High-Specifications Industrial asset with Green Mark Platinum certified logistics warehouses acquired in FY2024

These acquisitions will improve ESR-REIT's key portfolio metrics significantly and underscore our dedication to creating a resilient and future-ready green portfolio. We are confident that our **4R Strategy** will drive long-term value for our Unitholders and will continue to execute on our growth strategy effectively with strong support from our Sponsor, ESR Group.

### Divestment Activity

In FY2024, the Manager successfully completed the divestment of two assets aggregating S\$93.9 million as part of its continued efforts to enhance income resilience and redeploy the sale proceeds to pare down debt, fund AEs and future asset acquisitions.

The divestments of 182-198 Maidstone Street, Australia, a single storey conventional warehouse with a single level office component was completed on 30 April 2024 while 81 Tuas Bay Drive, Singapore, a 2-storey ramp-up General Industrial building with ancillary offices was completed on 30 October 2024.

### Real Estate Transactions Completed in FY2024

Property	City/Country	Asset Class	Sale Consideration	Valuation	Seller/Buyer	Completion Date
<b>Acquisitions</b>						
ESR Yatomi Kisosaki Distribution Centre	Nagoya, Japan	Logistics	JPY38,000.0 million	JPY38,910.0 million <sup>a</sup> JPY38,900.0 million <sup>b</sup>	Kisosaki TMK	15 November 2024
20 Tuas South Avenue 14	Singapore	High-Specifications Industrial & Logistics	S\$840.0 million	S\$859.7 million <sup>c</sup> S\$859.0 million <sup>d</sup>	LSAV 1 Portfolio Ltd. and LSLV General Partner	29 November 2024
<b>Divestments</b>						
182-198 Maidstone Street, Altona	Victoria, Australia	Logistics	A\$65.5 million	A\$61.0 million <sup>e</sup>	Fife AREF Altona Pty Limited as trustee for Fife AREF Altona Sub Trust	30 April 2024
81 Tuas Bay Drive	Singapore	General Industrial	S\$35.0 million	S\$30.0 million <sup>f</sup>	Excel Precast Pte Ltd	30 October 2024

a Based on independent valuation conducted by Colliers International Japan KK as at 30 June 2024 using the income capitalisation method and discounted cash flow method.

b Based on independent valuation conducted by CBRE K.K. as at 30 June 2024 using the income capitalisation method and discounted cash flow method.

c Based on independent valuation conducted by Cushman & Wakefield VHS Pte. Ltd. as at 30 June 2024 using the income capitalisation method, discounted cash flow method and where appropriate, the sales comparison method.

d Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2024 using the income capitalisation method and discounted cash flow method.

e Based on independent valuation conducted by Cushman & Wakefield (Valuations) Pty Ltd as at 31 December 2023 using the income capitalisation method and discounted cash flow method.

f Based on independent valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 16 August 2024 using the income capitalisation method and discounted cash flow method.



### Asset Enhancement Initiative and Redevelopment

In FY2024, we successfully achieved Temporary Occupation Permit ("TOP") for the Build-to-Suit redevelopment project at 21B Senoko Loop, developed specifically for NTS Singapore Pte Ltd ("NTS Singapore"). This transformation elevated the property from a dated General Industrial facility to a Green Mark Gold certified, High-Specifications Industrial property and is currently leased to NTS on a triple net basis for 15 years with built-in annual rental escalations. The redevelopment was completed on time and within budget, delivering a yield on cost of approximately 6.0%.

The AEI at 16 Tai Seng Street is currently underway and is expected to complete by 1H2025 with an additional GFA of about 2,793 sqm for approximately S\$32.0 million. The **Rejuvenation** works including façade upgrading, improvement of drop-off points and lift lobbies, addition of new lifts, toilet upgrading and a new covered external linkway connected to Tai Seng MRT station, are expected to elevate tenants' user experience and attract new high-value tenants. The AEI is expected to deliver an estimated yield on cost of up to 6.0% on a stabilised basis.

The above AEIs and redevelopment are aimed at **Rejuvenating** the existing portfolio to unlock value and deliver net asset value growth, particularly in the New Economy portfolio as well as increase the attractiveness and efficiency of its assets to attract high-value tenants.

ESR-REIT will continue to focus on organic growth initiatives by **Rejuvenating** its assets to position them to stay relevant to industrialists' evolving space needs.



Completed redevelopment of 21B Senoko Loop into a Green Mark Gold certified High-Specifications Industrial asset



AEI works at 16 Tai Seng Street, expected to complete in 1H2025

# OPERATIONS REVIEW

## PORTFOLIO VALUATION

ESR-REIT conducted independent valuations of its portfolio in FY2024. These 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., Savills Valuation and Professional Services (S) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, Savills Japan Valuation G.K., and Colliers International Japan KK.

In determining the valuation figures, the valuers have applied the following methodologies including the direct

comparison method, capitalisation approach, discounted cash flows method and residual value approach to arrive at the open market value.

As at 31 December 2024, the total valuation of ESR-REIT's 72 properties was approximately S\$4.95 billion<sup>2</sup>, higher than the previous valuation of S\$4.09 billion as at 31 December 2023. The overall increase was mainly due to the two newly acquired properties, partially offset by the divestment of non-core assets and properties that experienced diminution in value due to shorter remaining land lease tenures and expansion of capitalisation rate.

	Valuation as at 31 Dec 2023 <sup>2</sup> (S\$ million)	Valuation as at 31 Dec 2024 <sup>2</sup> (S\$ million)	Year-on-year Variance (%)
<b>By Asset Class</b>			
Business Park	742.4	637.2	-14.2%
High-Specifications Industrial	653.6 <sup>3</sup>	1,600.4 <sup>3,4</sup>	+144.9%
General Industrial	755.0 <sup>3</sup>	656.9 <sup>3</sup>	-13.0%
Logistics	1,943.9	2,056.1 <sup>5</sup>	+5.8%
<b>By Country</b>			
Singapore Portfolio	3,251.5	3,901.0	+20.0%
Australia Portfolio	670.0	550.4	-17.9%
Japan Portfolio	173.4	499.2	+187.9%
<b>Total Portfolio</b>	<b>4,094.9</b>	<b>4,950.6</b>	<b>+20.9%</b>

## PORTFOLIO REVIEW

As at 31 December 2024, ESR-REIT holds interests in 72 properties, each located in key industrial clusters across the three countries in Singapore, Australia and Japan, with an aggregate gross floor area of approximately 2.5 million sqm.

### Key Portfolio Statistics

	As at 31 December 2023	As at 31 December 2024	Variance (%)
Number of Properties	72	72	0.0%
Gross Floor Area (million sqm)	2.1	2.5	+19.0%
Net Lettable Area (million sqm)	2.1	2.3	+9.5%
Portfolio Valuation (S\$ million)	4,094.9	4,950.6	+20.9%
Portfolio Occupancy (%)	92.8	92.3	-0.5%

- <sup>2</sup> Includes the valuation on a 100% basis of 7000 & 7002 Ang Mo Kio Avenue 5 of which ESR-REIT holds 80% interest and 20 & 20A Tuas South Avenue 14 of which ESR-REIT holds 51% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-REIT holds 49.0% interest.
- <sup>3</sup> 21B Senoko Loop was reclassified from General Industrial to High-Specifications Industrial after its full completion of redevelopment works in January 2024.
- <sup>4</sup> Includes the valuation of logistics warehouses at 20A Tuas South Avenue 14.
- <sup>5</sup> Excludes the valuation of logistics warehouses at 20A Tuas South Avenue 14.

### Portfolio Occupancy

The portfolio occupancy remains stable at 92.3% with the Singapore portfolio and Australia portfolio occupancy above the JTC average and National Occupancy respectively. The Australia portfolio maintained its occupancy at 100.0% as at 31 December 2024.

	1Q2024	2Q2024	3Q2024	4Q2024
Singapore Occupancy (%)	88.5	88.3	88.1	89.8
JTC Average (%)	88.7	89.0	89.0	89.0
Australia Occupancy (%)	100.0	100.0	100.0	100.0
Australia National Occupancy (%)	98.5	98.0	97.5	97.5
Japan Occupancy (%)	100.0	100.0	100.0	95.7
<b>Portfolio Occupancy (%)</b>	<b>91.7</b>	<b>91.4</b>	<b>91.3</b>	<b>92.3</b>

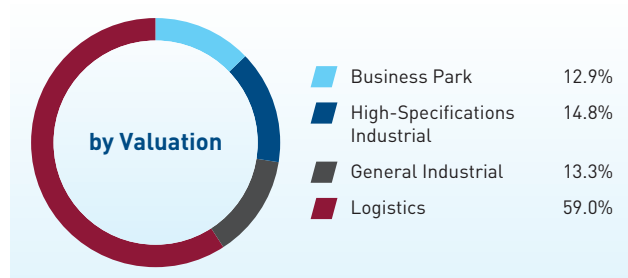
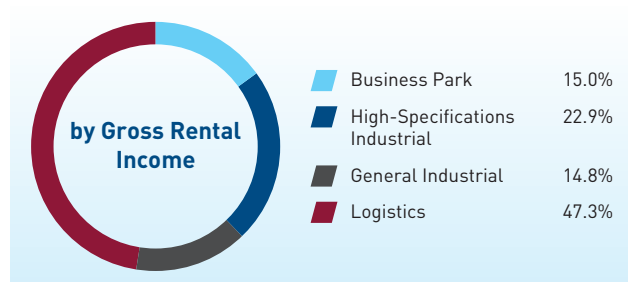
### Well-Diversified Portfolio

ESR-REIT manages a well-diversified portfolio of industrial properties, comprising Business Parks, High-Specifications Industrial, Logistics and General Industrial properties. Collectively, New Economy assets of Logistics and High-Specifications Industrial account for 70.2% of the portfolio by gross rental income<sup>6</sup> and 73.8% by valuation. With limited potential supply in the near future, ESR-REIT is well-positioned to capture the growing demand in the Logistics and High-Specifications Industrial sectors.

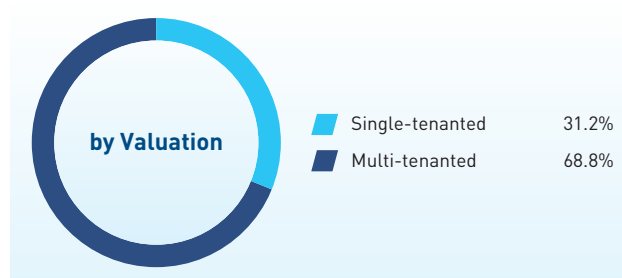
### Breakdown of Single-tenanted and Multi-tenanted Buildings

The Manager aims to achieve a healthy mix of multi-tenanted buildings ("MTB") and single-tenanted buildings ("STB") in the portfolio through proactive asset and lease management strategies. MTBs provide tenant diversification while STBs, with longer leases and built-in rental escalations, generate yield stability. Proactive portfolio rebalancing over the years have increased ESR-REIT's exposure to MTBs and STBs, currently constituting 73.3% and 26.7% of the portfolio respectively based on rental income as at 31 December 2024, and 68.8% and 31.2% of the portfolio respectively based on valuation as at 31 December 2024. This provides potential upside for the contracted rents in MTBs to revert to market rates upon lease expiry.

#### Asset Class



#### Single-tenanted vs Multi-tenanted Buildings



<sup>6</sup> Gross Rental Income is calculated on a straight-line basis.



# OPERATIONS REVIEW

## Portfolio Lease Expiry Profile

In line with its proactive leasing strategy, the Manager engages its tenants ahead of lease expiries to manage vacancy risk. As at 31 December 2024, the lease expiry profile for ESR-REIT remained healthy with a portfolio weighted average lease expiry ("WALE") (by gross rental income) of 4.2 years. For new leases in FY2024, the WALE (by gross rental income) based on the date of commencement was 3.1 years and they accounted for 4.0% of gross rental income for the year. The WALE (by gross rental income) for renewed leases in FY2024 is 3.2 years as at 31 December 2024. No more than 27.2% by gross rental income and 26.0% of the portfolio's total leases by net lettable area ("NLA") will expire in any year over the next five years.

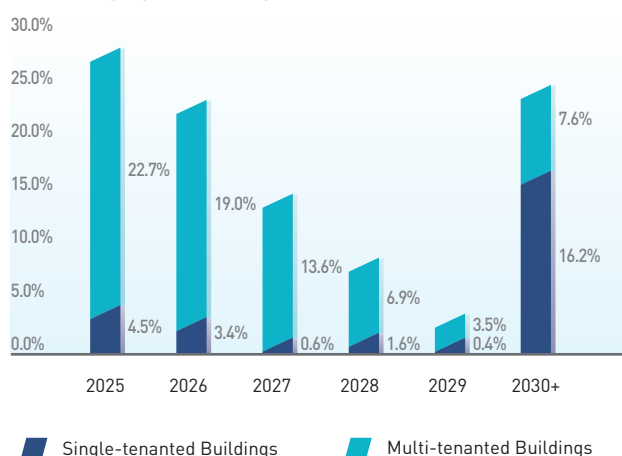
ESR-REIT's leases have either marked-to-market rent reviews at fixed periods or include annual rental escalations throughout the lease term. Some leases are also on a triple-net basis where tenants are responsible for property expenses such as property tax, land rent, insurance, and maintenance. For multi-tenanted buildings in Singapore, lease terms are typically shorter at between one to five years, depending on the approvals obtained by tenants from JTC. For multi-tenanted buildings in Australia and Japan, the lease terms are typically longer at between three to ten years.

## Land Lease Expiry Profile

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 its recent acquisitions of a freehold asset in Japan and the longer leasehold asset in Singapore, as well as the divestment of non-core assets with shorter land leases.

	% of Gross Rental Income	% by NLA
2025	27.2%	26.0%
2026	22.4%	24.5%
2027	14.2%	10.9%
2028	8.5%	10.1%
2029	3.9%	3.8%
2030 and beyond	23.8%	24.7%

## Lease Expiry Profile (by Gross Rental Income)



Land Tenure Expiry	Business Park		High-Specifications Industrial		Logistics		General Industrial		Total	
	No. of Properties	Asset Value (\$m)	No. of Properties	Asset Value (\$m)	No. of Properties	Asset Value (\$m)	No. of Properties	Asset Value (\$m)	No. of Properties	Asset Value (\$m)
0 to 20 years	1	162.5	0	0.0	8	636.0	7	111.6	16	910.1
20.1 to 30 years	0	0.0	3	139.8	3	134.5	7	222.8	13	497.1
30.1 to 40 years	1	27.7	3	445.4	4	165.4	9	263.8	17	902.3
40.1 to 50 years	1	447.0	3	1,015.2 <sup>7</sup>	3	236.0 <sup>8</sup>	3	58.7	10	1,756.9
99 years <sup>9</sup>	0	0.0	0	0.0	16	884.1	0	0.0	16	884.1
<b>Total</b>	<b>3</b>	<b>637.2</b>	<b>9</b>	<b>1,600.4<sup>7</sup></b>	<b>34</b>	<b>2,056.1<sup>8</sup></b>	<b>26</b>	<b>656.9</b>	<b>72</b>	<b>4,950.6</b>

<sup>7</sup> Includes the valuation of logistics warehouses at 20A Tuas South Avenue 14.

<sup>8</sup> Excludes the valuation of logistics warehouses at 20A Tuas South Avenue 14.

<sup>9</sup> For calculation purposes, freehold properties are treated with 99.0 years land lease remaining.

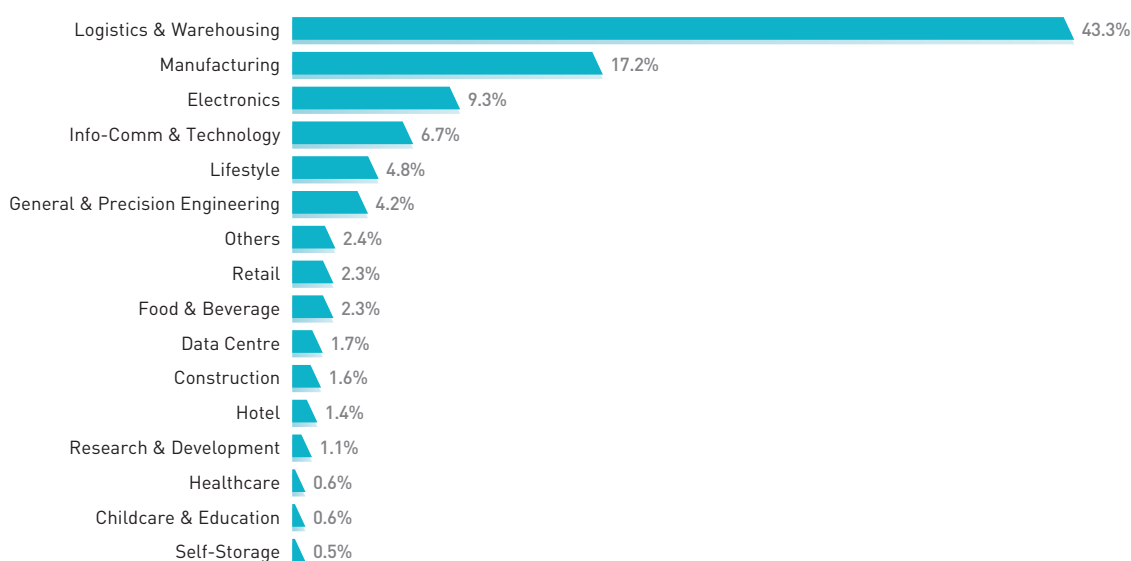
### Portfolio Top 10 Tenants

ESR-REIT's rental income is well-spread across its portfolio of 379 tenants. The top 10 tenants account for 33.1% by gross rental income and 35.0% by net lettable area. New tenants from the newly acquired properties, ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 contributed to the list. The top lease for the new top tenant, REC Solar Pte. Ltd, has appropriate Banker's Guarantees in place to mitigate concentration and credit risk. As at 31 December 2024, excluding REC Solar Pte. Ltd., no single tenant contributed more than 5.0% of the portfolio's total gross rental income. The Manager will continue to diversify its tenant mix across trade sectors to mitigate concentration risk and to enhance portfolio resilience.

Top 10 Tenants	Trade Sector	% of Gross Rental Income
REC Solar Pte. Ltd.	Manufacturing	9.4%
ACFS Port Logistics Pty Ltd	Logistics & Warehousing	4.6%
DHL Supply Chain Singapore Pte Ltd	Logistics & Warehousing	4.0%
ams-OSRAM Asia Pacific Pte. Ltd.	Electronics	3.4%
Schenker Singapore (Pte) Ltd	Logistics & Warehousing	2.7%
Meiban Investment Pte Ltd	Manufacturing	1.9%
ST Engineering Synthesis Pte. Ltd.	Logistics & Warehousing	1.9%
Venture Corporation Limited	Electronics	1.8%
Ceva Logistics Singapore Pte Ltd	Logistics & Warehousing	1.8%
Meiko Trans	Logistics & Warehousing	1.6%

### Portfolio Trade Sector Analysis

ESR-REIT's portfolio is well-diversified across various industries including logistics & warehousing, manufacturing, electronics, info-comm & technology, lifestyle, general & precision engineering amongst others. As at 31 December 2024, logistics & warehousing remained the largest contributor to gross 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 gross rental income. Collectively, the top three largest trade sectors made up roughly 69.8% of the portfolio.



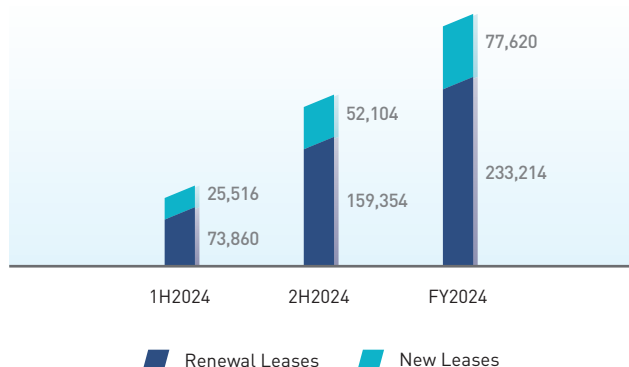
## OPERATIONS REVIEW

### ACTIVE LEASING MANAGEMENT

The Manager works closely with tenants to seek out innovative solutions to fulfil their space needs. The diversity of our portfolio allows us to provide a wide range of space solutions for new leases, lease expansion, and build-to-suit options.

### Breakdown of Renewals and New Leases for FY2024

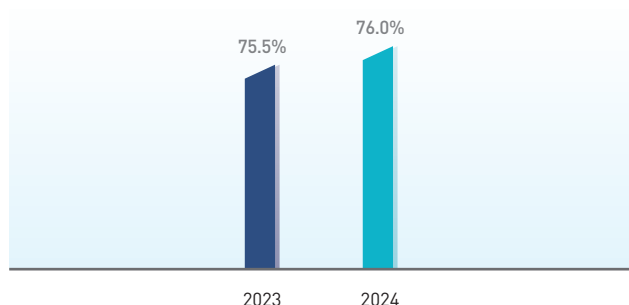
Despite ongoing uncertainties in the business environment and emerging headwinds in the financial markets, the Manager focused on renewals and attracting new tenants. Approximately 310,834 sqm of prime industrial space were leased out during FY2024, of which renewals amounted to 233,214 sqm while new leases accounted for about 77,620 sqm of space in the portfolio. A total of 122 leases were signed in FY2024. The Manager will continue to focus on tenant retention to maintain a stable portfolio occupancy against the backdrop of uncertain macroeconomic conditions.



### Tenant Retention Rate

ESR-REIT achieved a stable tenant retention rate of 76.0% as at 31 December 2024 as compared to 75.5% over the same period last year. This is a testament to our strong relationships with tenants as well as proactive lease management to improve income resilience across our portfolio.

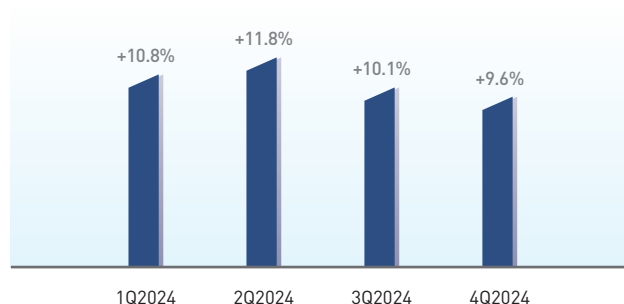
### Tenant Retention



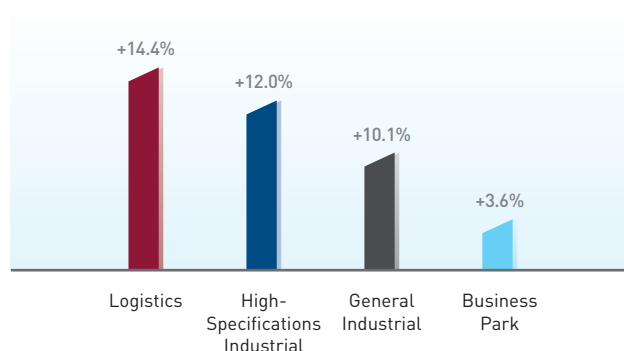
### Rental Reversions for FY2024

Despite continued changes in economic structural trends, ESR-REIT delivered strong portfolio rental reversions in FY2024 at 10.3%, the third consecutive year of positive double-digit rent reversions. The strong rental reversions were broad-based across all four sub-sectors and driven primarily by the New Economy sectors of Logistics (+14.4%) and High-Specifications Industrial (+12.0%).

### Rental Reversion (by Quarters)



### Rental Reversion (by Asset Class)



### INDEPENDENT MARKET STUDY REPORT 2024:

For insights into industrial property market trends and the outlook for ESR-REIT's markets, refer to the Independent Market Study Report 2024, available at <https://esr-reit.listedcompany.com/ar.html>



## FINANCIAL REVIEW

STATEMENT OF NET INCOME AND DISTRIBUTION	FY2024 S\$'000	FY2023 S\$'000	Fav/(Unfav) %
<b>Gross revenue</b>	<b>370,504</b>	386,350	<b>(4.1)</b>
Property expenses	(108,850)	(113,191)	3.8
<b>Net property income ("NPI")</b>	<b>261,654</b>	273,159	<b>(4.2)</b>
Income from investments at fair value through profit or loss	7,803	9,215	(15.3)
Management fees	(20,724)	(21,924)	5.5
Trust expenses	(7,674)	(6,348)	(20.9)
Borrowing costs, net	(68,885)	(76,013)	9.4
Finance costs on lease liabilities for leasehold land	(31,469)	(32,176)	2.2
<b>Net income</b>	<b>140,705</b>	145,913	<b>(3.6)</b>
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)
<b>Amount available for distribution to Unitholders</b>	<b>164,064</b>	192,698	<b>(14.9)</b>
<b>Distribution per Unit ("DPU") (cents)</b>	<b>2.119</b>	2.564	<b>(17.4)</b>

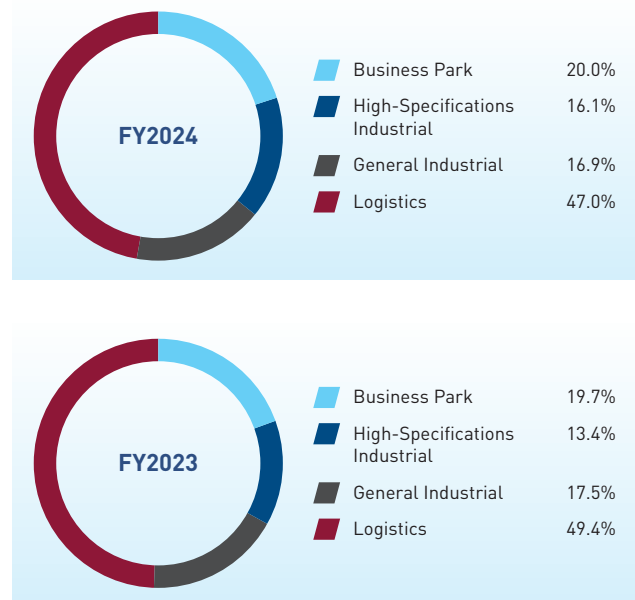
In 2024, gross revenue, NPI and DPU declined primarily due to the divestment of non-core assets, the decommissioning of 2 Fishery Port Road and lower capital gains distribution. The decline was partially offset by ESR-REIT's successful completion of several strategic initiatives over the past two years, including the **Recycling** of divestment proceeds from the divestment of 12 non-core assets in FY2023 and FY2024 into two transformational acquisitions completed in November 2024: ESR Yatomi Kisosaki Distribution Centre in Japan and a 51% interest in 20 Tuas South Avenue 14 in Singapore, and the **Rejuvenation** of its portfolio through the completion of the AEI at 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively. These strategic initiatives significantly enhanced portfolio quality, with full year income contribution commencing from FY2025.

### Gross Revenue

ESR-REIT's gross revenue for FY2024 was S\$370.5 million, a decrease of S\$15.8 million or 4.1% from FY2023. The decrease was mainly due to the loss of income from the divestment of non-core assets aggregating S\$440.6 million in FY2023, 182-198 Maidstone Street located in Australia in 2Q2024 and 81 Tuas Bay Drive located in Singapore in 4Q2024, and the decommissioning of 2 Fishery Port Road. The decrease is partially offset by income contributions from the acquisitions of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 in November 2024, and the completion of AEIs at 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively.

### Gross Revenue by Asset Class

(%)



### Net Property Income

NPI for FY2024 was S\$261.7 million, a decrease of S\$11.5 million or 4.2% from FY2023, in tandem with the lower gross revenue.

### Net Property Income Contribution by Asset Class

(%)



### Net Income

Net Income for FY2024 was S\$140.7 million, a decrease of S\$5.2 million or 3.6% from FY2023 mainly due to the lower NPI. The lower NPI was partially offset by lower borrowing costs, which was S\$7.1 million or 9.4% lower as compared to FY2023, mainly due to interest savings from the repayment of debt using the proceeds from the equity fundraising completed in FY2023, and the divestment of non-core assets completed in FY2023 and FY2024.

The lower distribution income from the Australian property funds was mainly due to higher borrowing costs incurred due to higher base rates while the higher trust expenses for FY2024 was 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 on distributable income.

### Distributions Paid to Unitholders

The amount available for distribution to Unitholders for FY2024 amounted to S\$164.1 million, a decrease of S\$28.6 million or 14.9% from FY2023, which was mainly attributable to the lower net income, as well as the lower distribution of capital gains from the sale of investment properties in prior years.

FY2024 DPU of 2.119 cents was 17.4% lower than the FY2023 DPU of 2.564 cents due to the lower amount available for distribution to Unitholders and a higher number of ESR-REIT units ("Units") in issue subsequent to the equity fundraising completed in FY2023 and FY2024.

Included in the amount available for distribution to Unitholders was approximately S\$0.2 million (DPU of 0.003 cents) of income support in relation to ESR Yatomi Kisosaki Distribution Centre that was received and paid to Unitholders in FY2024.

A breakdown of the half yearly DPU from FY2022 to FY2024 is as follows:

HALF YEARLY DPU	1 Jan to 30 Jun (1H) cents	1 Jul to 31 Dec (2H) cents	Total DPU for the year cents
FY2022	1.460	1.540	3.000
FY2023	1.378	1.186	2.564
FY2024	1.122	0.997	2.119

ESR-REIT's distribution yield as at 31 December 2024 was 8.3% per annum<sup>1</sup>. The REIT has been consistently delivering a yield higher than that of the Singapore Government 10-year SGD bond of 2.9%.

<sup>1</sup> Based on closing price of S\$0.255 as at 31 December 2024.

### Change in the Number of Issued Units

During FY2024, ESR-REIT issued a total of 405,920,811 new Units, arising from Units issued pursuant to the preferential offering, partial payment of management fees in Units, partial consideration paid in Units in relation to the acquisition of a 51% interest in 20 Tuas South Avenue 14, and payment of acquisition fees in Units in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre and the 51% interest in 20 Tuas South Avenue 14. ESR-REIT also repurchased a total of 45,920,600 Units by way of market acquisitions pursuant to the unit buy-back mandate approved by Unitholders. All Units repurchased have been cancelled as at 31 December 2024.

A breakdown of the change in the number of issued Units during FY2024 as compared to FY2023 is as follows:

	FY2024 Number of Units	FY2023 Number of Units
<b>Issued Units at beginning of the year</b>	<b>7,689,164,004</b>	6,719,187,987
Issuance of new Units pursuant to:		
— Management fees paid in Units	48,562,583	49,534,207
— Distribution reinvestment plan	–	14,827,791
— Private placement	–	454,545,000
— Preferential offering	289,180,327	460,766,519
— Unit buy-back	(45,920,600)	(9,697,500)
— Partial consideration paid in Units for the acquisition of subsidiaries	39,612,274	–
— Acquisition fees paid in Units <sup>2</sup>	28,565,627	–
<b>Issued Units at end of the year</b>	<b>8,049,164,215</b>	7,689,164,004

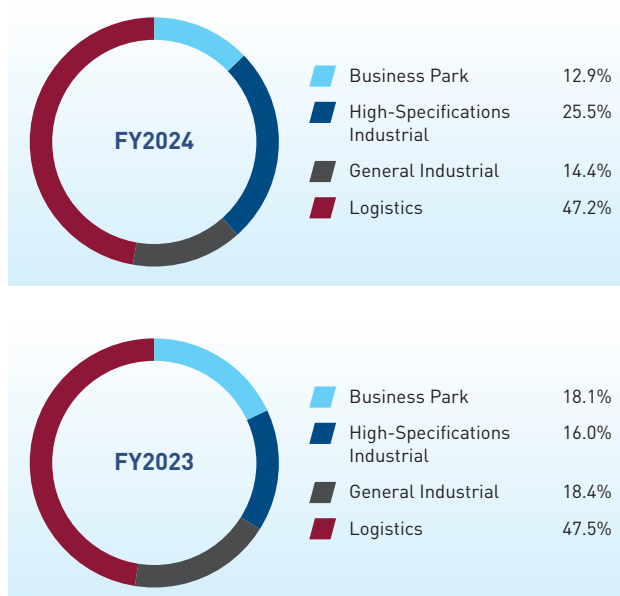
### Valuation of Properties

As at 31 December 2024, the total carrying value of ESR-REIT's investment properties was S\$4.9 billion<sup>3</sup> based on independent external valuations.

During the year, ESR-REIT acquired ESR Yatomi Kisosaki Distribution Centre located in Japan on 15 November 2024 and 20 Tuas South Avenue 14 located in Singapore on 29 November 2024. ESR-REIT also completed the divestment of two properties, namely 182-198 Maidstone Street in Australia and 81 Tuas Bay Drive in Singapore in 2Q2024 and 4Q2024 respectively. As at 31 December 2024, 79 Tuas South Street 5 was reclassified as investment property held for divestment.

### Valuation of Properties

(%)



- 2 The acquisition fees paid in Units during FY2024 comprised (i) 16,376,146 new Units issued on 23 December 2024 at an issue price of S\$0.2616 per Unit in relation to the acquisition of a 51% interest in 20 Tuas South Avenue 14; and (ii) 12,189,481 new Units issued on 23 December 2024 at an issue price of S\$0.2681 per Unit in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.
- 3 Includes the valuation of 7000 & 7002 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-REIT holds 80% interest and the valuation of 20 & 20A Tuas South Avenue 14 on a 100% basis of which ESR-REIT holds 51% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-REIT holds 49% interest.



### Change in Fair Value of Investment Properties

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the valuation of ESR-REIT's investment properties must be conducted at least once every year. Any increase or decrease in fair value is credited or charged to the Statement of Total Return as change in fair value of investment properties. Such fair value changes are not taxable/tax deductible and therefore, have no impact on distributable income.

As at 31 December 2024, independent valuations for investment properties were undertaken 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., Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte. Ltd., Cushman &

Wakefield (Valuations) Pty Ltd, Savills Japan Valuation G.K. and Colliers International Japan KK. In determining the fair value of ESR-REIT's portfolio, the direct comparison method, capitalisation approach, discounted cash flows method and residual value approach were used. The valuation methods used are consistent with that used in prior years.

The change in fair value of investment properties of approximately S\$220.2 million in FY2024 comprised the following:

- fair value loss of S\$219.0 million based on the independent valuations of the investment properties as at 31 December 2024; and
- adjustments for the effect of lease incentives and marketing fee amortisation for FY2024 of S\$1.2 million.

### Net Assets Attributable to Unitholders

	31 December 2024 S\$'000	31 December 2023 S\$'000	Variance %
<b>Total Assets</b>	<b>6,007,400</b>	5,106,309	<b>17.6</b>
<b>Total Liabilities</b>	<b>3,331,724</b>	2,341,031	<b>42.3</b>
<b>Net Assets Attributable to Unitholders</b>	<b>2,213,895</b>	2,463,150	<b>(10.1)</b>
<b>Net Asset Value ("NAV") per Unit (cents)</b>	<b>27.5</b>	32.0	<b>(14.1)</b>

Total assets increased by 17.6% from S\$5.1 billion as at 31 December 2023 to S\$6.0 billion as at 31 December 2024. The increase was mainly due to the acquisition of ESR Yatomi Kisosaki Distribution Centre in Japan and 20 Tuas South Avenue 14 in Singapore, partially offset by the divestment of 182-198 Maidstone Street located in Australia and 81 Tuas Bay Drive located in Singapore.

Total liabilities increased by 42.3%, to S\$3.3 billion as at 31 December 2024 mainly attributable to additional debt drawn to partially fund the acquisition of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14.

Net assets attributable to Unitholders decreased by 10.1% to S\$2.2 billion as at 31 December 2024 as compared to S\$2.5 billion as at 31 December 2023. NAV per Unit as at 31 December 2024 was 27.5 cents as compared to 32.0 cents as at 31 December 2023. The decrease in NAV per Unit was mainly due to the fair valuation loss on investment properties and the depreciation of the Australian dollar against the Singapore dollar between 31 December 2023 and 31 December 2024.

Rental collection for FY2024 has remained healthy with approximately 98% of total receivables collected.

### Accounting Policies

The financial statements of ESR-REIT are prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 'Reporting Framework for Investment Funds' issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, 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.

# CAPITAL MANAGEMENT

ESR-REIT's capital management strategy is centered on maintaining a balanced and resilient capital structure supported by a strong credit profile, to effectively mitigate risks and deliver sustainable value to our stakeholders. We adopt a prudent and disciplined approach, regularly assessing and monitoring key capital metrics to ensure that they remain within both regulatory requirements and our internal risk thresholds. This strategy enables us to adapt to market conditions, such as fluctuating interest rates, while meeting our financial obligations and advancing our strategic growth initiatives. By prioritising prudent capital and risk management, we aim to safeguard our financial stability and support long-term value creation.

## KEY FINANCIAL INDICATORS

	As at 31 December 2024	As at 31 December 2023
Total Gross Debt (S\$ million)	2,269.7	1,566.2
Aggregate Leverage <sup>1</sup> (%)	42.8	35.7
Weighted Average All-in Cost of Debt (%) p.a.	3.84	3.91
Weighted Average Debt Expiry ("WADE") (years)	2.8	2.4
MAS Interest Coverage Ratio <sup>2</sup> (times)	2.5	2.5
Interest Rate Exposure Fixed (%)	74.8	81.6
Weighted Average Fixed Debt Expiry ("WAFDE") (years)	2.0	1.3
Proportion of Unencumbered Investment Properties <sup>3</sup> (%)	72.4	95.8
Debt Headroom <sup>4</sup> (S\$ million)	790.2	1,311.9
Undrawn Available Committed Facilities (S\$ million)	235.8	280.9

ESR-REIT's capital structure remains healthy with aggregate leverage of 42.8% as at 31 December 2024. The aggregate leverage for FY2024 and FY2023 respectively have been disclosed on page 303 of the Financial Statements. Despite the increase in aggregate leverage from FY2023, the REIT's debt headroom of S\$790.2 million ensures that it is more than adequately positioned to pursue new growth avenues, including targeted acquisitions, portfolio enhancements, and redevelopment initiatives. The REIT's balance sheet remains robust and not only supports our ability to act swiftly on strategic opportunities but also ensures we can comfortably manage any upcoming refinancing requirements. As such, the Manager does not expect the higher aggregate leverage to have a material impact on the risk profile of ESR-REIT. On 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector which imposes a minimum interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% applied to all REITs.

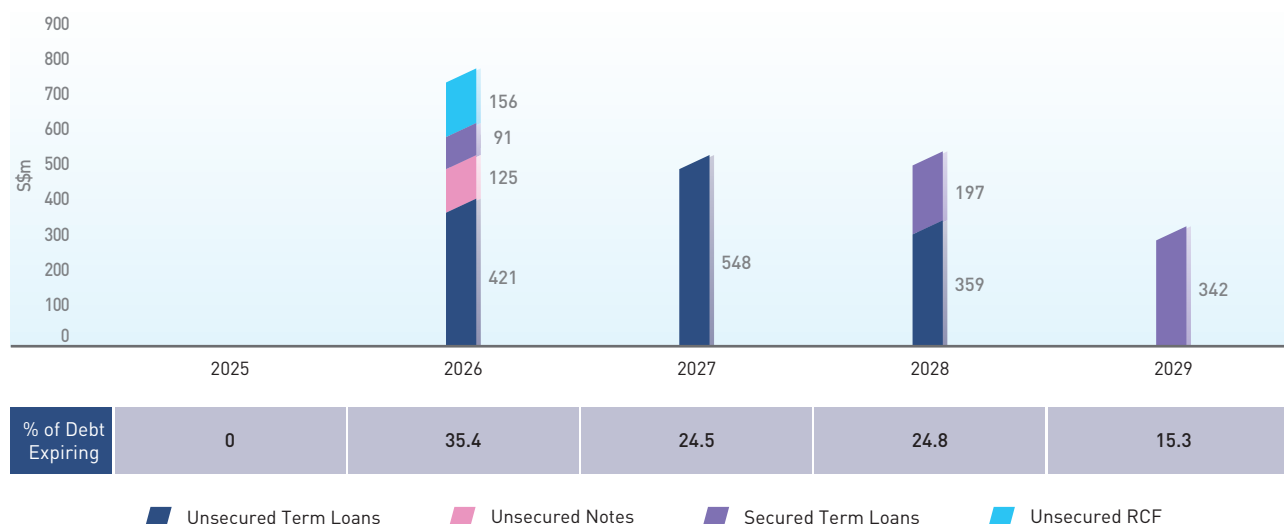
74.8% of ESR-REIT's borrowings have fixed interest rate exposure for a weighted average tenor of 2.0 years, thus allowing the REIT to remain nimble and capitalise on interest rate cuts when they occur while simultaneously minimising the impact of volatility from interest rate movements.

ESR-REIT maintains a well-staggered debt maturity profile, with no more than 35.4% of debt expiring in each year. The weighted average debt expiry is currently at 2.8 years as at 31 December 2024.

ESR-REIT's exposure to derivatives has been disclosed in the Statements of Financial Position of the Financial Statements. The fair value of derivatives for FY2024 as "derivative assets" and "derivative liabilities", was S\$3.2 million and S\$4.3 million respectively. The net fair value of derivatives represented 0.05% of the net assets of ESR-REIT as at 31 December 2024.

- 1 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 Interest expense includes amortisation of debt-related transaction costs and distributions on perpetual securities but excludes finance costs on lease liabilities under FRS 116.
- 3 Excludes ESR-REIT's 49% interest in 48 Pandan Road.
- 4 Assumes aggregate leverage limit of 50%.

### Debt Maturity Profile as at 31 December 2024 <sup>(a)</sup>



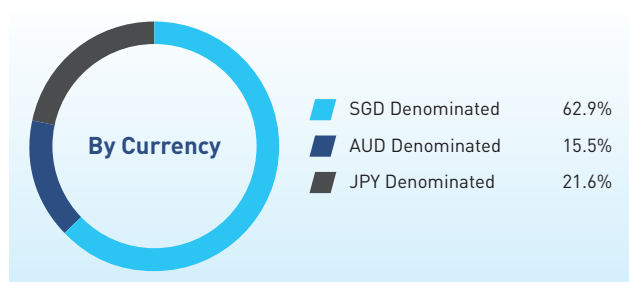
Notes: (a) Presented in SGD with exchange rate of AUD/SGD: 0.89908 and JPY/SGD: 0.00931.

ESR-REIT has no refinancing risk till FY2026. The Manager may potentially early refinance FY2026 expiring debt ahead of expiry, these refinancing have no prepayment penalties and may potentially be at lower margins. Interest savings are expected due to the ESR-REIT's improved credit profile and better asset and earnings quality. In FY2024, ESR-REIT entered into its inaugural sustainability-linked and green loans and will look to increase our commitment to green financing where possible.

As at 31 December 2024, unsecured term loan facilities and unsecured revolving credit facilities make up 65.4% of total debt and secured term loans make up 29.1% of total debt, while MTNs make up the remaining 5.5% of total debt. The Manager will continue to proactively manage capital structure risks and explore alternative sources of funding across the debt and equity capital markets, where available.

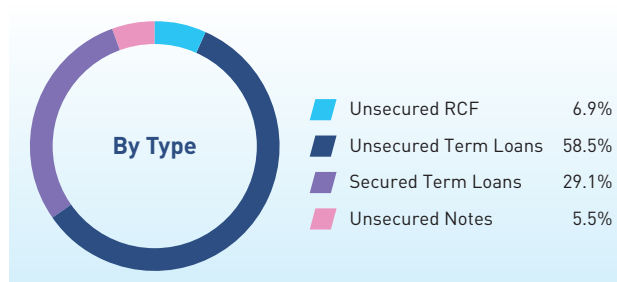
### Debt Breakdown as at 31 Dec 2024 — By Currency

Total Debt of S\$2,269.7 million



### Debt Breakdown as at 31 Dec 2024 — By Type

Total Debt of S\$2,269.7 million





### DIVERSIFIED SOURCES OF FUNDING

In FY2024, ESR-REIT entered into the following bank financings and capital markets transactions:

1. Entry into S\$200.0 million Sustainability-linked Unsecured Revolving Credit Facility
2. Entry into S\$225.0 million Unsecured Sustainability-linked Loan Facility
3. Entry into JPY15.5 billion Offshore Unsecured Term Loan Facility
4. Entry into JPY22.8 billion Onshore Secured Term Loan Facility
5. Entry into S\$341.5 million Secured Term Loan<sup>5</sup> with a Green Loan Component
6. Launched S\$94.0 million preferential offering
7. Issued S\$174.75 million 6.00% subordinated perpetual securities, comprising S\$74.75 million of new securities issued as part of the exchange consideration for the Series 006 perpetual securities and S\$100.0 million of additional new securities

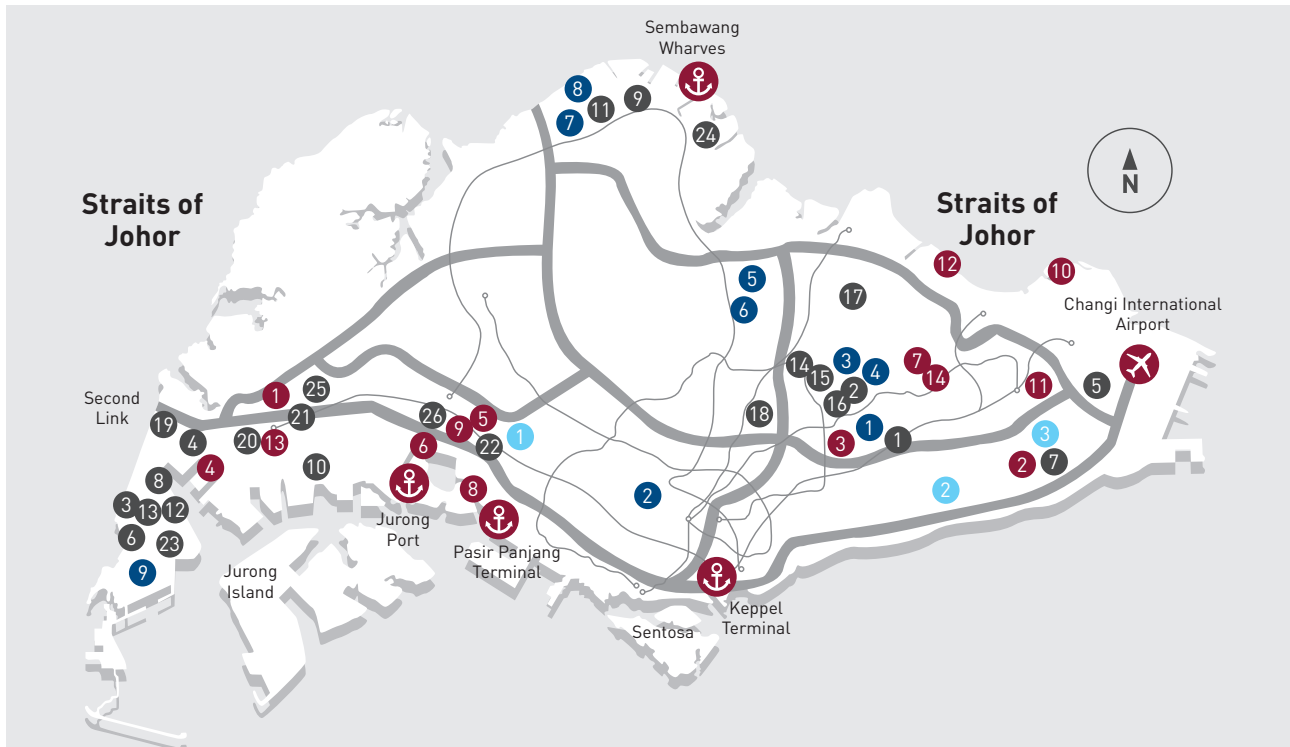
### CASH FLOWS AND HEDGING

ESR-REIT takes a proactive role in monitoring its cash flow position and requirements to ensure sufficient liquidity and adequate funding is available for distribution to its Unitholders, as well as to meet any short-term obligations.

The Manager endeavours to maximise natural currency hedging by using borrowings in local currency when financing its overseas investments, where possible. Currently, the REIT's AUD and JPY denominated borrowings provide a natural hedge for its Australian and Japanese investments respectively. To further mitigate foreign currency exchange risk, the REIT enters into foreign currency exchange forward contracts on a 12-month rolling basis for foreign currency income that is repatriated back to Singapore.

<sup>5</sup> The S\$341.5 million term loan was obtained by Tuas South Avenue Pte. Ltd., of which ESR-REIT has a 51% ownership interest.

# SINGAPORE



## Business Park

- 1 16 International Business Park
- 2 750-750E Chai Chee Road (ESR BizPark @ Chai Chee)
- 3 2, 4, 6 & 8 Changi Business Park (ESR BizPark @ Changi)

## High-Specifications Industrial

- 1 21 & 23 Ubi Road 1
- 2 11 Chang Charn Road
- 3 16 Tai Seng Street
- 4 19 Tai Seng Avenue
- 5 12 Ang Mo Kio Street 65
- 6 7000 & 7002 Ang Mo Kio Avenue 5
- 7 30 Marsiling Industrial Estate Road 8
- 8 21B Senoko Loop
- 9 20 & 20A Tuas South Avenue 14

## Logistics

- 1 1 Third Lok Yang Road and 4 Fourth Lok Yang Road
- 2 25 Changi South Avenue 2
- 3 160 Kallang Way
- 4 30 Pioneer Road

- 5 24 Penjuru Road (Commodity Hub)
- 6 24 Jurong Port Road
- 7 15 Greenwich Drive
- 8 46A Tanjong Penjuru
- 9 2 Fishery Port Road (Cold Centre)
- 10 51 Alps Avenue (Schenker Megahub)
- 11 5 Changi South Lane (Changi DistriCentre 1)
- 12 22 Loyang Lane (Air Market Logistics Centre)
- 13 15 Gul Way (Gul LogisCentre)
- 14 1 Greenwich Drive (DHL Supply Chain Advanced Regional Centre)

## General Industrial

- 1 11 Ubi Road 1
- 2 29 Tai Seng Street
- 3 79 Tuas South Street 5
- 4 31 Tuas Avenue 11
- 5 1 & 2 Changi North Street 2
- 6 9 Tuas View Crescent
- 7 31 Changi South Avenue 2
- 8 60 Tuas South Street 1
- 9 28 Woodlands Loop
- 10 25 Pioneer Crescent

- 11 11 Woodlands Walk
- 12 43 Tuas View Circuit
- 13 3 Tuas South Avenue 4
- 14 128 Joo Seng Road
- 15 130 Joo Seng Road
- 16 136 Joo Seng Road
- 17 54 Serangoon North Avenue 4
- 18 11 Lorong 3 Toa Payoh (Jackson Square)
- 19 120 Pioneer Road
- 20 5 & 7 Gul Street 1
- 21 160A Gul Circle
- 22 30 Teban Gardens Crescent
- 23 8 Tuas South Lane
- 24 511 & 513 Yishun Industrial Park A
- 25 86 & 88 International Road
- 26 13 Jalan Terusan

### Business Park



1 16 International Business Park



2 750-750E Chai Chee Road  
(ESR BizPark @ Chai Chee)



3 2,4,6 & 8 Changi Business Park  
(ESR BizPark @ Changi)

### High-Specifications Industrial



1 21 & 23 Ubi Road 1



2 11 Chang Charn Road



3 16 Tai Seng Street



4 19 Tai Seng Avenue



5 12 Ang Mo Kio Street 65



6 7000 & 7002 Ang Mo Kio Avenue 5



7 30 Marsiling Industrial Estate  
Road 8



8 21B Senoko Loop



9 20 & 20A Tuas South Avenue 14

### Logistics



1 1 Third Lok Yang Road and 4  
Fourth Lok Yang Road



2 25 Changi South Avenue 2



3 160 Kallang Way





4 30 Pioneer Road



5 24 Penjuru Road (Commodity Hub)



6 24 Jurong Port Road



7 15 Greenwich Drive



8 46A Tanjong Penjuru



9 2 Fishery Port Road (Cold Centre)



10 51 Alps Avenue  
(Schenker Megahub)



11 5 Changi South Lane  
(Changi DistriCentre 1)



12 22 Loyang Lane  
(Air Market Logistics Centre)



13 15 Gul Way (Gul LogisCentre)



14 1 Greenwich Drive (DHL Supply  
Chain Advanced Regional Centre)

### General Industrial



1 11 Ubi Road 1



2 29 Tai Seng Street



3 79 Tuas South Street 5





4 31 Tuas Avenue 11



5 1 & 2 Changi North Street 2



6 9 Tuas View Crescent



7 31 Changi South Avenue 2



8 60 Tuas South Street 1



9 28 Woodlands Loop



10 25 Pioneer Crescent



11 11 Woodlands Walk



12 43 Tuas View Circuit



13 3 Tuas South Avenue 4



14 128 Joo Seng Road



15 130 Joo Seng Road



16 136 Joo Seng Road



17 54 Serangoon North Avenue 4



18 11 Lorong 3 Toa Payoh  
(Jackson Square)



19 120 Pioneer Road



20 5 & 7 Gul Street 1



21 160A Gul Circle



22 30 Teban Gardens Crescent



23 8 Tuas South Lane



24 511 & 513 Yishun Industrial Park A



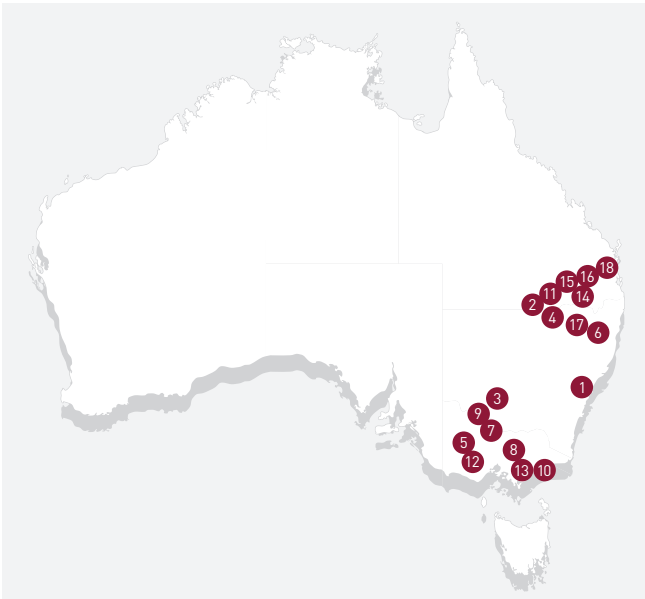
25 86 & 88 International Road



26 13 Jalan Terusan



## AUSTRALIA



### Logistics

- 1 127 Orchard Road, Chester Hill, NSW
- 2 203 Viking Drive, Wacol, QLD
- 3 16-28 Transport Drive, Somerton, VIC
- 4 223 Viking Drive, Wacol, QLD
- 5 217-225 Boundary Road, Laverton North, VIC
- 6 11-19 Kellar Street, Berrinba, QLD
- 7 67-93 National Boulevard, Campbellfield, VIC
- 8 41-51 Mills Road, Braeside, VIC
- 9 76-90 Link Drive, Campbellfield, VIC
- 10 41-45 Hydrive Close, Dandenong South, VIC
- 11 196 Viking Drive, Wacol, QLD
- 12 16-24 William Angliss Drive, Laverton North, VIC
- 13 151-155 Woodlands Drive, Braeside, VIC
- 14 1-5 & 2-6 Bishop Drive, Port of Brisbane, QLD
- 15 8 Curlew Street, Port of Brisbane, QLD
- 16 53 Peregrine Drive, Port of Brisbane, QLD
- 17 47 Logistics Place, Larapinta, QLD
- 18 21 Curlew Street, Port of Brisbane, QLD

## JAPAN



### Logistics

- 1 ESR Sakura Distribution Centre
- 2 ESR Yatomi Kisosaki Distribution Centre

## Australia Logistics



1 127 Orchard Road, Chester Hill, NSW



2 203 Viking Drive, Wacol, QLD



3 16-28 Transport Drive, Somerton, VIC



4 223 Viking Drive, Wacol, QLD



5 217-225 Boundary Road, Laverton North, VIC



6 11-19 Kellar Street, Berrinba, QLD



7 67-93 National Boulevard, Campbellfield, VIC



8 41-51 Mills Road, Braeside, VIC



9 76-90 Link Drive, Campbellfield, VIC



10 41-45 Hydrive Close, Dandenong South, VIC



11 196 Viking Drive, Wacol, QLD



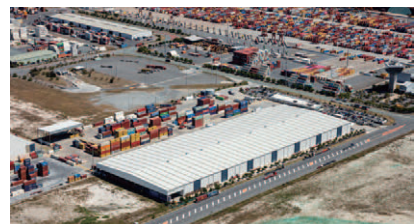
12 16-24 William Angliss Drive, Laverton North, VIC



13 151-155 Woodlands Drive, Braeside, VIC



14 1-5 & 2-6 Bishop Drive, Port of Brisbane, QLD



15 8 Curlew Street, Port of Brisbane, QLD



16 53 Peregrine Drive, Port of Brisbane, QLD



17 47 Logistics Place, Larapinta, QLD



18 21 Curlew Street, Port of Brisbane, QLD

### Japan Logistics



1 ESR Sakura Distribution Centre



2 ESR Yatomi Kisosaki Distribution Centre



# PORTFOLIO DETAILS

## SINGAPORE

### Business Parks

Business Parks are properties that cater to industries/businesses relating to high-technology, 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.



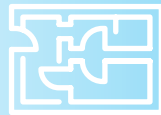
ESR BizPark @ Changi

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	16 International Business Park	Master lease	6,434	6,434	30+30	31 July 2056
2	750 to 750E Chai Chee Road	Multi-tenanted	141,841	105,247	60	31 March 2031
					43	28 February 2031
3	6 & 8 Changi Business Park Avenue 1 (Business Park)	Multi-tenanted	56,911	46,188	30+30	31 January 2068
	2 & 4 Changi Business Park Avenue 1 (Hotel)		15,923	14,578		



No. of  
Properties

3



Gross Floor  
Area (sqm)

221,109



Net Lettable  
Area (sqm)

172,447

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (S\$ million)	Valuation as at 31 December 2024 (S\$ million)
31.6	19 December 2014	30.4	100.0	2.3	27.7
6.3	15 October 2018	322.2	72.5	36.8	162.5
6.2					
43.1	15 October 2018	531.0	77.5	19.2	447.0
				7.0	

# PORTFOLIO DETAILS

## SINGAPORE

### High-Specifications Industrial

High-Specifications Industrial facilities are mixed-use industrial buildings typically used for higher value industrial activities like testing and certification, R&D, and clean room activities. These buildings have modern facades, air-conditioned units and sufficient floor loading, ceiling height and electrical power capacities to enable both manufacturing and office functions to be carried out concurrently.



7002 Ang Mo Kio Avenue 5

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	21 & 23 Ubi Road 1	Multi-tenanted	18,838	13,778	30+30	31 January 2057
2	11 Chang Charn Road	Multi-tenanted	9,062	6,851	99	31 December 2056
3	16 Tai Seng Street	Multi-tenanted	20,036	9,476	30+30	03 July 2067
4	19 Tai Seng Avenue	Multi-tenanted	11,200	9,521	30+30	10 September 2067
5	12 Ang Mo Kio Street 65	Multi-tenanted	16,762	15,508	30+30	15 October 2050
6	7000 & 7002 Ang Mo Kio Avenue 5	Multi-tenanted	124,693	98,773	32+30	29 January 2057
7	30 Marsiling Industrial Estate Road 8	Multi-tenanted	20,238	17,378	30+30	30 November 2049
8	21B Senoko Loop	Master lease	18,623	18,623	30+30	31 January 2053
9	20 Tuas South Avenue 14 (High-Specifications Industrial)	Multi-tenanted	148,484	150,250	30+30	21 June 2068
	20A Tuas South Avenue 14 (Logistics)		102,706	96,813		

1 Area excludes the logistics warehouses located at 20A Tuas South Avenue 14.

2 7000 & 7002 Ang Mo Kio Avenue 5 is presented on 100% basis, which includes a 20% non-controlling interest.

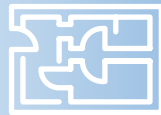
3 20 & 20A Tuas South Avenue 14 is presented on 100% basis, which includes a 49% non-controlling interest and the valuation of logistics warehouses located at 20A Tuas South Avenue 14.





No. of  
Properties

9



Gross Floor  
Area (sqm)

387,936<sup>1</sup>



Net Lettable  
Area (sqm)

340,158<sup>1</sup>

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (S\$ million)	Valuation as at 31 December 2024 (S\$ million)
32.1	25 July 2006	25.0	92.9	3.8	40.0
32.0	31 March 2014	32.0	62.7	1.5	33.8
42.5	29 May 2012	72.9	81.8	2.7	94.8
42.7	15 October 2018	47.5	94.6	3.9	51.8
25.8	13 September 2014	39.8	91.8	3.3	32.6
32.1	13 December 2017	360.2 <sup>2</sup>	81.8	28.7	371.6 <sup>2</sup>
24.9	24 October 2012	39.0	77.6	1.6	49.2
28.1	28 January 2008	61.5	100.0	2.1	58.0
43.5	29 November 2024	840.0 <sup>3</sup>	100.0	3.1	868.6 <sup>3</sup>
			99.3	1.7	

# PORTFOLIO DETAILS

## SINGAPORE

### General Industrial

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

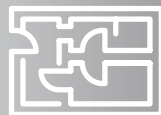


	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	11 Ubi Road 1	Master lease	23,510	23,510	30+30 21+30	31 August 2055
2	29 Tai Seng Street	Multi-tenanted	7,903	1,509	30+30	30 April 2067
3	79 Tuas South Street 5	Master lease	6,312	6,312	30+30	31 January 2060
4	31 Tuas Avenue 11	Master lease	7,021	7,021	30+30	31 March 2054
5	1 Changi North Street 2	Master lease	11,694	11,694	30+30	28 February 2061
	2 Changi North Street 2	Master lease			30+30	22 November 2065
6	9 Tuas View Crescent	Master lease	6,650	6,650	30+30	15 July 2058
7	31 Changi South Avenue 2	Master lease	5,546	5,546	30+30	28 February 2055
8	60 Tuas South Street 1	Master lease	4,150	4,150	30	15 March 2035
9	28 Woodlands Loop	Master lease	12,250	12,250	30+30	15 October 2055
10	25 Pioneer Crescent	Master lease	7,061	7,061	30+28	31 January 2067
11	11 Woodlands Walk	Master lease	8,977	8,977	30+30	15 October 2055
12	43 Tuas View Circuit	Master lease	11,412	11,412	30	31 January 2038
13	3 Tuas South Avenue 4	Master lease	29,449	29,449	30+30	30 April 2059
14	128 Joo Seng Road	Multi-tenanted	8,626	6,841	30+30	30 April 2052
15	130 Joo Seng Road	Multi-tenanted	10,992	8,542	30+30	30 November 2051



No. of  
Properties

26



Gross Floor  
Area (sqm)

414,236



Net Lettable  
Area (sqm)

378,625

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (S\$ million)	Valuation as at 31 December 2024 (S\$ million)
30.7	15 October 2018	83.9	100.0	7.8	82.1
42.3	15 October 2018	32.9	100.0	2.1	28.1
35.1	30 April 2008	10.4	100.0	0.3	9.7
29.3	25 July 2006	8.7	100.0	0.8	11.3
36.2	19 October 2010	22.1	100.0	1.4	23.3
40.9					
33.5	25 July 2006	5.6	100.0	0.7	11.3
30.2	27 July 2007	5.8	100.0	1.0	12.8
10.2	29 June 2011	6.4	100.0	0.6	3.6
30.8	25 July 2006	13.0	100.0	1.7	20.0
42.1	29 March 2012	15.3	100.0	1.4	17.8
30.8	29 October 2012	17.3	0.0	0.7	17.6
13.1	21 September 2012	13.5	100.0	1.8	15.6
34.3	19 March 2013	15.0	100.0	3.0	47.2
27.3	25 June 2007	10.0	96.4	1.4	14.0
26.9	25 July 2006	12.0	93.5	1.6	17.8



# PORTFOLIO DETAILS

## SINGAPORE

### General Industrial (Cont'd)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
16	136 Joo Seng Road	Multi-tenanted	9,413	7,264	30+30	30 September 2050
17	54 Serangoon North Avenue 4	Multi-tenanted	12,937	10,880	30+30	15 June 2056
18	11 Lorong 3 Toa Payoh	Multi-tenanted	38,888	32,496	60	15 May 2029
19	120 Pioneer Road	Multi-tenanted	23,043	20,064	30+28	15 February 2055
20	5 & 7 Gul Street 1	Multi-tenanted	9,185	8,101	29.5	30 September 2037
21	160A Gul Circle	Multi-tenanted	7,997	7,451	27	29 September 2040
22	30 Teban Gardens Crescent	Multi-tenanted	12,962	11,109	10+22	31 May 2039
23	8 Tuas South Lane	Multi-tenanted	72,568	68,330	30+16	31 March 2054
24	513 Yishun Industrial Park A	Multi-tenanted	20,874	18,601	30+30	30 November 2053
	511 Yishun Industrial Park A	Multi-tenanted			29+30	31 May 2054
25	86 & 88 International Road	Multi-tenanted	22,039	22,039	30+30	15 December 2054
26	13 Jalan Terusan	Multi-tenanted	22,777	21,366	28	24 March 2035

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (S\$ million)	Valuation as at 31 December 2024 (S\$ million)
25.8	25 July 2006	10.3	100.0	1.3	13.7
31.5	1 March 2013	21.0	73.5	1.8	18.5
4.4	15 October 2018	60.0	69.2	6.3	28.6
30.1	24 October 2007	31.1	86.5	2.5	34.1
12.8	15 July 2011	14.5	62.7	1.0	9.3
15.7	13 May 2015	19.1	100.0	1.5	13.0
14.4	17 March 2014	41.0	71.1	1.8	23.8
29.3	13 December 2017	106.1	93.4	8.3	98.8
28.9	30 November 2010	32.6	100.0	1.8	24.4
29.4					
30.0	25 July 2006	30.8	100.0	3.4	42.8
10.2	30 January 2013	43.0	100.0	3.1	17.7

## PORTFOLIO DETAILS

### SINGAPORE

#### Logistics

Buildings classified as Logistics properties are typically equipped with high floor loading and high floor-to-ceiling height suitable for tiered storage of cargo. Such buildings are typically multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.



46A Tanjong Penjuru

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	Master lease	10,601	10,601	30	15 December 2031
2	25 Changi South Avenue 2	Master lease	6,782	6,782	30+30	15 October 2054
3	160 Kallang Way	Multi-tenanted	29,971	27,072	30+30	15 February 2033
4	30 Pioneer Road	Master lease	26,115	26,115	30	15 February 2037
5	24 Penjuru Road	Multi-tenanted	213,297	204,446	29	18 August 2035
6	24 Jurong Port Road	Multi-tenanted	75,904	67,647	30+12	28 February 2037
7	15 Greenwich Drive	Multi-tenanted	42,308	42,085	30	15 December 2041
8	46A Tanjong Penjuru	Multi-tenanted	48,652	48,136	30+14	30 April 2050
9	2 Fishery Port Road <sup>2</sup>	N.A.	N.A.	N.A.	30+30	19 December 2065
10	51 Alps Avenue	Master lease	40,873	40,873	30+30	31 May 2065
11	5 Changi South Lane	Multi-tenanted	33,850	32,255	30+30	15 August 2065
12	22 Loyang Lane	Master lease	6,277	6,277	30+16	31 January 2053
13	15 Gul Way	Multi-tenanted	26,420	25,420	30	30 September 2033
14	1 Greenwich Drive	Multi-tenanted	91,905	86,223	30	15 June 2044

<sup>1</sup> Area includes the logistics warehouses located at 20A Tuas South Avenue 14.

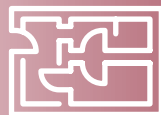
<sup>2</sup> Property has been decommissioned for redevelopment.





No. of  
Properties

14



Gross Floor  
Area (sqm)

755,661<sup>1</sup>



Net Lettable  
Area (sqm)

720,745<sup>1</sup>

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (S\$ million)	Valuation as at 31 December 2024 (S\$ million)
7.0	25 July 2006	12.4	100.0	1.2	6.6
29.8	25 July 2006	7.3	100.0	1.0	13.0
8.1	25 July 2006	23.2	15.2	1.1	21.2
12.1	15 October 2018	54.0	100.0	3.2	34.0
10.6	22 April 2022	260.4	91.4	35.0	227.7
12.2	25 July 2006	96.0	95.5	7.5	70.3
17.0	25 October 2018	95.8	100.0	9.5	89.0
25.3	29 June 2021	112.0	79.8	7.4	109.0
41.0	22 April 2022	126.7	—	—	40.0
40.4	22 April 2022	83.8	100.0	6.5	100.0
40.6	22 April 2022	93.3	91.7	7.3	96.0
28.1	22 April 2022	11.1	100.0	0.9	12.5
8.8	22 April 2022	27.4	100.0	4.4	24.2
19.5	22 April 2022	152.0	100.0	16.6	163.0

# PORTFOLIO DETAILS

## AUSTRALIA

### Logistics

Buildings classified as Logistics properties are typically equipped with high floor loading and high floor-to-ceiling height suitable for tiered storage of cargo. Such buildings are typically single-storey properties.



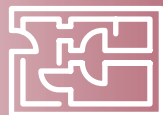
67–93 National Boulevard, Campbellfield, VIC

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	127 Orchard Road, Chester Hill, NSW	Master lease	24,220	24,220	Freehold	—
2	203 Viking Drive, Wacol, QLD	Master lease	13,363	13,363	Freehold	—
3	16–28 Transport Drive, Somerton, VIC	Master lease	21,279	21,279	Freehold	—
4	223 Viking Drive, Wacol, QLD	Master lease	6,246	6,246	Freehold	—
5	217–225 Boundary Road, Laverton North, VIC	Master lease	20,124	20,124	Freehold	—
6	11–19 Kellar Street, Berrinba, QLD	Master lease	7,412	7,412	Freehold	—
7	67–93 National Boulevard, Campbellfield, VIC	Multi-tenanted	22,608	22,608	Freehold	—
8	41–51 Mills Road, Braeside, VIC	Multi-tenanted	32,318	32,318	Freehold	—
9	76–90 Link Drive, Campbellfield, VIC	Master lease	10,441	10,441	Freehold	—
10	41–45 Hydrive Close, Dandenong South, VIC	Master lease	8,781	8,781	Freehold	—
11	196 Viking Drive, Wacol, QLD	Master lease	5,709	5,709	Freehold	—
12	16–24 William Angliss Drive, Laverton North, VIC	Multi-tenanted	16,324	16,324	Freehold	—
13	151–155 Woodlands Drive, Braeside, VIC	Master lease	11,074	11,074	Freehold	—



No. of  
Properties

18



Gross Floor  
Area (sqm)

425,506



Net Lettable  
Area (sqm)

425,506

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (A\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (A\$ million)	Valuation as at 31 December 2024 (A\$ million)
—	22 April 2022	66.5	100.0	4.3	80.5
—	22 April 2022	35.1	100.0	1.9	33.8
—	22 April 2022	39.5	100.0	2.7	37.3
—	22 April 2022	11.8	100.0	1.0	17.0
—	22 April 2022	31.5	100.0	2.4	38.9
—	22 April 2022	16.8	100.0	1.2	17.8
—	22 April 2022	35.5	100.0	2.6	43.8
—	22 April 2022	45.5	100.0	2.6	45.5
—	22 April 2022	17.3	100.0	0.9	19.3
—	22 April 2022	14.5	100.0	1.3	18.8
—	22 April 2022	20.0	100.0	1.3	25.4
—	22 April 2022	25.5	100.0	1.7	30.7
—	22 April 2022	21.3	100.0	1.5	26.6

# PORTFOLIO DETAILS

## AUSTRALIA

### Logistics (Cont'd)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
14	1-5, 2-6 Bishop Drive, Port of Brisbane, QLD	Multi-tenanted	127,354	127,354	54.7	30 June 2059
15	8 Curlew Street, Port of Brisbane, QLD	Master lease	27,157	27,157	46.0	30 June 2059
16	53 Peregrine Drive, Port of Brisbane, QLD	Master lease	51,086	51,086	40.0	30 June 2059
17	47 Logistics Place, Larapinta, QLD	Master lease	7,704	7,704	Freehold	—
18	21 Curlew Street, Port of Brisbane, QLD	Master lease	12,307	12,307	43.0	19 November 2062



Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (A\$ million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (A\$ million)	Valuation as at 31 December 2024 (A\$ million)
34.5	22 April 2022	103.0	100.0	14.2	55.7
34.5	22 April 2022	58.7	100.0	7.7	49.7
34.5	22 April 2022	33.4	100.0	4.0	29.3
—	22 April 2022	19.6	100.0	1.2	18.7
37.9	22 April 2022	68.9	100.0	5.1	60.5

## PORTFOLIO DETAILS

### JAPAN

#### Logistics

Buildings classified as Logistics properties are typically equipped with high floor loading and high floor-to-ceiling height suitable for tiered storage of cargo. Such buildings are typically multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.



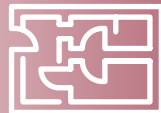
ESR Sakura Distribution Centre, Japan

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	2464-11, Ota, Sakura-city, Chiba (ESR Sakura Distribution Center)	Multi-tenanted	85,424	81,507	Freehold	—
2	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie (ESR Yatomi Kisosaki Distribution Center)	Multi-tenanted	155,332	134,863	Freehold	—



No. of  
Properties

2



Gross Floor  
Area (sqm)

240,756



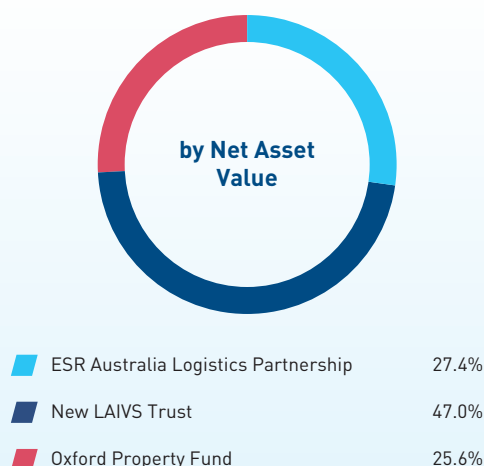
Net Lettable  
Area (sqm)

216,370

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (JPY million)	Occupancy as at 31 December 2024 (%)	Rental Income as at 31 December 2024 (JPY million)	Valuation as at 31 December 2024 (JPY million)
—	31 October 2022	17,800.0	100.0	886.5	18,700.0
—	15 November 2024	38,000.0	93.0	212.0	39,010.0

## PORTFOLIO DETAILS

### OTHER INVESTMENTS



Increasing the exposure to attractive logistics sector, ESR-REIT holds investments in three property funds aggregating A\$308.5 million as at 31 December 2024. Based on the equity interests in the funds, EALP, New LAIVS Fund and OP Fund accounts for 27.4%, 47.0%, and 25.6% of the total property funds investment by net asset value respectively.

### ESR Australia Logistics Partnership (“EALP”)



ESR Australia Logistics Partnership is a private fund managed by ESR Asset Management (Australia) Pty Ltd, an indirect subsidiary of the Sponsor. ESR Queensland Hold Trust and ESR-REIT each holds a 10.0% interest in the total issued units of EALP, with the remaining 80.0% interest in EALP held by a wholly owned subsidiary of GIC (Realty) Private Limited, whose primary business is to hold real estate investments of GIC Private Limited, a global investment firm established in 1981 to manage Singapore’s foreign reserves.

Equity Interest	10.0% (A\$84.4 million)
Number of Properties	33 consisting of: <ul style="list-style-type: none"> <li>• 31 income-producing properties</li> <li>• 2 development sites</li> </ul>
Property Type	Logistics Properties
Land Tenure <sup>1</sup>	29 Freehold Assets 4 Leasehold Assets
Land Area	1,290,025 sqm
Gross Lettable Area	537,983 sqm
Net Asset Value	A\$844.2 million
% of total AUM	1.4%
Cost of Investment	A\$60.5 million

<sup>1</sup> Excluding land and ongoing developments.



### New LAIVS Trust (“New LAIVS Fund”)



New LAIVS Trust, which comprises four prime logistics properties all located in Australia with two assets in New South Wales and two assets in Victoria, is a private fund managed by LOGOS Investment Management Pty Ltd, an indirect subsidiary of LOGOS Property. ESR-REIT through ALOG-LAIV Trust holds a 49.5% interest in the total issued units of New LAIVS Trust.

Equity Interest	49.5% (A\$145.1 million)
Number of Properties	4
Property Type	Distribution Centres
Land Tenure <sup>1</sup>	3 Freehold Assets 1 Leasehold Asset
Land Area	431,310 sqm
Gross Lettable Area	155,891 sqm
Net Asset Value	A\$293.2 million
% of total AUM	2.3%
Cost of Investment	A\$176.0 million

### Oxford Property Fund (“OP Fund”)



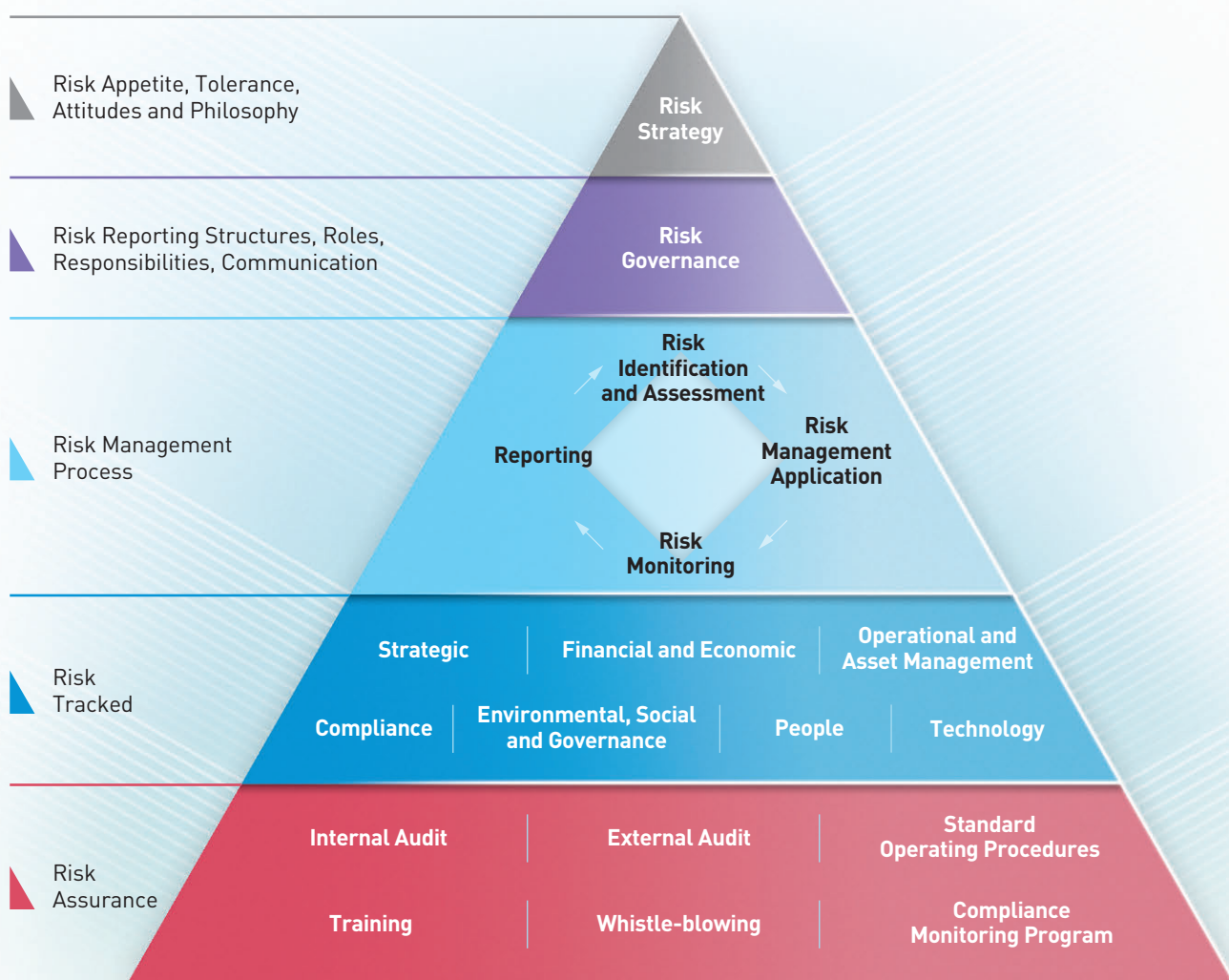
Oxford Property Fund which comprises a prime major complex of 14 temperature controlled cold storage logistics and two ambient buildings in Victoria, Australia, is a private fund managed by LOGOS Investment Management Pty Ltd, an indirect subsidiary of LOGOS Property. ESR-REIT through ALOG-OPAT Trust holds a 40.0% interest in the total issued units of Oxford Property Fund.

Equity Interest	40.0% (A\$79.0 million)
Number of Properties	1
Property Type	Cold Storage
Land Tenure <sup>1</sup>	1 Leasehold Asset
Land Area	229,000 sqm
Gross Lettable Area	123,353 sqm
Net Asset Value	A\$197.5 million
% of total AUM	1.3%
Cost of Investment	A\$119.2 million

# RISK MANAGEMENT

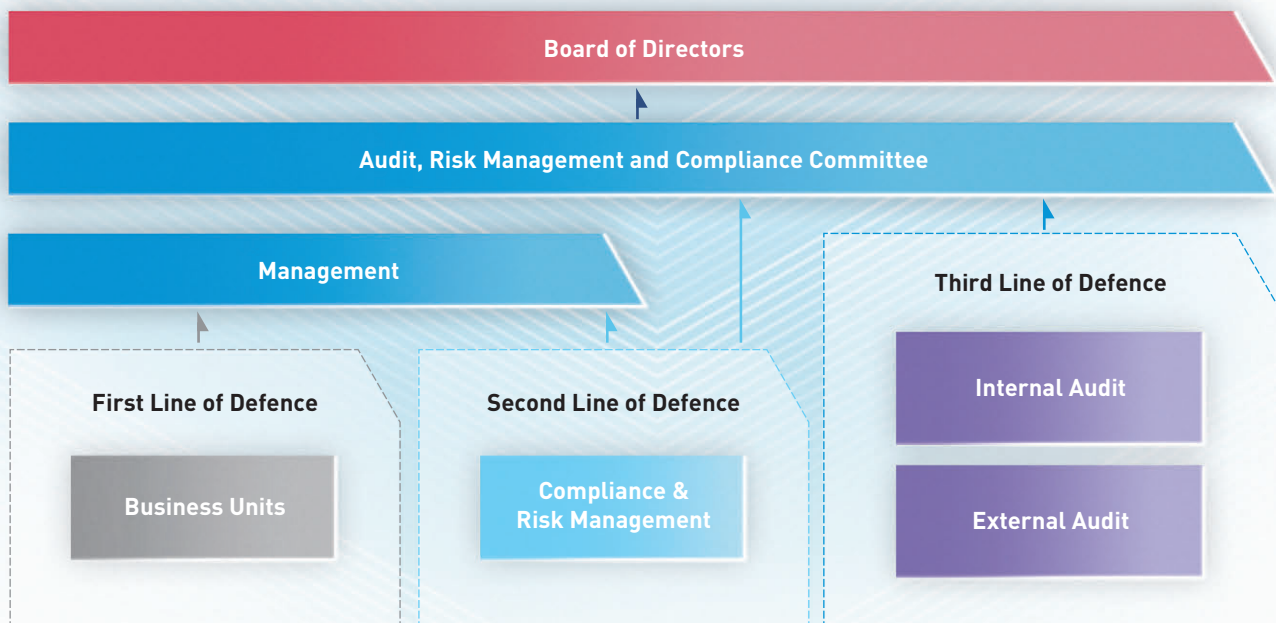
Effective risk management is an integral part of our business — both strategically and operationally, which enables ESR-REIT Management (S) Limited (the “Manager”) to optimise risk-reward relationship in the pursuit of opportunities to deliver stable returns and long-term capital growth for ESR-REIT’s unitholders (“Unitholders”).

To enable the foregoing, the Manager has in place an Enterprise Risk Management (“ERM”) Framework to provide principles and guidance for risk management activities. It outlines the reporting structure, monitoring mechanisms, as well as risk management tools to address and manage identified key risks. The ERM Framework is reviewed at least annually (or more frequently if the business environment warrants) to ensure that it is up-to-date, relevant and practical in risk management application, as well as in identifying, assessing, monitoring and reporting of key risks.



## RISK GOVERNANCE

The ERM Framework operates within a risk governance structure based on three lines of defence to ensure the overall ERM process and system of internal controls remain adequate and effective.



The Board of Directors of the Manager (the “Board”) is responsible for overseeing the ERM Framework and ensuring the establishment of the overall risk strategy, risk governance and internal controls across ESR-REIT, the Manager and ESR-REIT Property Services Pte. Ltd. (“EPS”) (collectively, the “Managers”) to safeguard Unitholders’ interests and ESR-REIT’s assets. The Audit, Risk Management and Compliance Committee (the “ARCC”) supports the Board by providing dedicated oversight of risk management at the Board level, including the setting up of a robust internal control system, and the establishment of enterprise-wide risk management policies and processes to ensure proactive management of key risks and accountability within ESR-REIT and the Managers.

The management team of the Manager (the “Management”) is responsible for the development, implementation and monitoring of the risk management practices across operations.

### First Line of Defence

Business units are responsible for identifying risks arising from their business activities and implementing effective controls to manage the identified risks. Appropriate policies and procedures are in place to guide the business units’ operations within the approved risk appetite.

### Second Line of Defence

The Compliance and Risk Management team oversees the design, implementation and enhancement of the ERM Framework. It also provides independent monitoring and review of risk management processes and reports material risk issues to the Management and the ARCC.

### Third Line of Defence

Internal Audit reviews the adequacy and effectiveness of the internal control and risk management systems while External Audit focuses on the review of financial reporting processes, and to provide independent assurance to the Management and the ARCC.

## RISK MANAGEMENT PROCESS

The Manager adopts a four-step risk management process comprising risk identification and assessment, risk management application, risk monitoring as well as risk reporting. This framework provides a structured process for the Board and the Manager to establish risk-based strategies, identify potential risk issues that may affect ESR-REIT and manage these risks to a manageable residual level.

### (A) Risk Identification and Assessment

The Board approves the Risk Appetite Statements (the “RAS”) which identify the nature and extent of material risks that ESR-REIT should be taking to achieve its strategic and business objectives. The RAS serve as a “traffic light alert system”, with the risk indicator of each risk based on the colours of a traffic light — Red, Amber and Green. Green is within the acceptable risk level, Amber signals increasing risk which needs to be monitored and reduced as necessary and Red means it is outside the risk level that ESR-REIT and the Managers are willing to undertake and thus, mitigating measures and steps need to be put in place to reduce the risk level to within the acceptable range. The RAS are monitored on a quarterly basis to ensure that all risks are appropriately managed within the levels as approved by the Board.

The RAS are reviewed and tabled to both the ARCC and the Board every quarter for their notation, and the metrics adopted for each measure in the RAS are reviewed at least annually (or more frequently if the business environment warrants). The Board also conducts a prospective risk assessment based on the leading risk indicators of ESR-REIT, including rental reversion trends, interest rate environments, macroeconomic indicators, and industry benchmarking data, as well as the Key Risks identified below. This assessment is forward-looking up to 24 months, which enables the Board to plan and prepare for potential risks impacting long-term objectives while staying adaptable and responsive to evolving market conditions or regulatory changes.

In addition, an overall Key Risk and Control Matrix has been put in place by the Manager to proactively identify ESR-REIT’s and the Managers’ material risks and the likelihood and impact of such risks and establish corresponding mitigating controls to manage these risks. Risk assessments were conducted with the involvement of the ARCC members and the Management via a top-down approach as well as bottom-up engagement with the employees of the Managers, where key risks were

identified, mapped and updated into the existing Key Risk and Control Matrix to ensure the ongoing relevance of the identified risks for ESR-REIT. An environmental risk assessment was conducted to assess the environmental risks applicable to ESR-REIT. The identified environmental risks are incorporated into the Key Risk and Control Matrix. In addition, the identified risks and controls are reviewed by the respective head of departments quarterly (or more frequently if the business environment warrants) to ensure the Key Risk and Control Matrix stays relevant and effective.

### Managing Key Risks

The Manager has identified the following top key risks faced by ESR-REIT and the Managers, and corresponding controls have been established to manage the risks:

#### (i) Strategic Risk

Poor business decisions and the lack in responsiveness to geopolitical, macroeconomic and market developments may lead to ESR-REIT not achieving its business objectives and result in economic loss. The Manager may also face the risk of potential conflicts of interest between the Sponsor and the objectives of ESR-REIT, which may lead to the erosion of stakeholders’ trust as well as potential financial and reputational damage.

Economic trends and trends of end-users and consumption patterns are monitored to keep up with the changes in the business and operating environment. The Manager ensures that investments are progressively diversified geographically, with focus on markets where the Sponsor has operational scale, and the underlying political fundamentals are more stable. All investment and divestment opportunities are subject to a disciplined and rigorous due diligence process, taking into consideration the potential for yield enhancement, long-term sustainability and asset valuation. The strategy and business plan of ESR-REIT is also reviewed regularly.

In managing potential conflicts of interest between the Sponsor and ESR-REIT, the Manager has instituted procedures to adhere to for all interested party transactions. Additionally, a Transaction Review Committee has been set up to, when directed, assist the Board in ensuring that transactions with interested parties are conducted on an arm’s length and transparent basis. For more information on how the Manager deals with potential conflicts of interest, please refer to the Corporate Governance Report on page 92.



**(ii) Financial and Economic Risk**

Ineffective capital management by the Manager as well as the failure to monitor and manage portfolio performance may adversely impact ESR-REIT's distribution per unit ("DPU") and/or net asset value ("NAV").

The Manager ensures that there is diversity in terms of source of funds, maintains an adequate level of cash and cash equivalents and ensures there are available committed revolving credit facilities to finance ESR-REIT's operations (including the servicing of financial obligations) for a reasonable period. The Manager also ensures that ESR-REIT's gearing ratio is maintained at a prudent level and adheres to the ongoing requirements under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "MAS"). The maturities of debt facilities are also spread out to mitigate re-financing risks in a single financial year.

ESR-REIT's exposure to interest rates and foreign currency exchange rates fluctuations are monitored on an on-going basis with the primary objective of limiting the extent to which the DPU and NAV could be affected by adverse movements in interest rates and foreign currency exchange rates. The Manager ensures that a majority of ESR-REIT's exposure to changes in interest rates on borrowings is hedged by entering into interest rate swaps and/or fixed rate borrowings. The Manager enters into foreign currencies forward contracts as well as use borrowings in the same foreign currency as ESR-REIT's overseas investment to manage exposure to foreign currency exchange rate fluctuations.

The Manager also continuously measures and monitors the ESR-REIT's performance against peer benchmarks metrics.

**(iii) Operational and Asset Management Risk**

The failure to keep up to date on property specifications may result in poor rental demand. Inadequate maintenance of properties and non-compliance with workplace health & safety regulations may also heighten the risk of structural issues and work accidents.

In order to manage operational and asset management risk, the properties are periodically reviewed to determine their suitability for asset rejuvenation, asset enhancement initiatives, redevelopment or sale.

Policies and procedures are in place to guide the property managers in the day-to-day management of the properties and ensure the operations are adhering to the relevant

regulations. In addition to the monthly inspection of properties conducted by the property managers, third party consultants are also engaged to perform workplace safety and health inspections at the properties. Risk assessments are also conducted before undertaking any works deemed as high risk. To raise tenants' awareness of health and safety issues, seminars are organised collectively with various regulatory agencies such as the Singapore Civil Defence Force.

**(iv) Compliance Risk**

ESR-REIT and the Managers may suffer financial loss, reputation damage and regulatory sanctions as a result of non-compliance with applicable laws and/or regulatory requirements.

The Manager maintains a framework that proactively identifies new and changes to applicable laws and regulatory obligations and ensures compliance in the day-to-day business processes by establishing and updating relevant policies and procedures. Where necessary, external lawyers or advisers are engaged to provide their expert advice on specific matters, ensuring the continuous compliance with the relevant laws and regulations.

In particular, the Managers adopt a zero-tolerance approach to bribery and corruption of any form and are committed to acting professionally, transparently and fairly with integrity in all our business dealings and relationships. In this regard, the Manager has put in place policies and guiding principles on anti-corruption and bribery, establishing boundaries for the acceptance or offer of gifts and entertainment to ensure that the REIT's business is conducted with honesty, fairness and high ethical standards.

**(v) Environmental, Social and Governance ("ESG") Risk**

Inadequate implementation of ESG policies, insufficient internal capability/training or the lack of communication of an effective ESG policy framework to key stakeholders may result in higher operating costs and cost of financing as well as possible regulatory penalties.

In managing climate change risk, environmental risk due diligence is conducted as part of the investment considerations and ongoing climate change risk is monitored on a periodic basis. Appropriate policies and procedures (including climate scenario analysis) are put in place by the Managers to manage the actual and potential impact of climate change risk on the asset valuation and reputation of ESR-REIT.

In addition, a Board Sustainability Committee has been established to assist the Board in overseeing ESR-REIT's wider sustainability strategy, policies and initiatives. The responsibilities of the Board Sustainability Committee include, amongst others, ensuring that the Manager continuously identifies, assesses and monitors material ESG risks and obtains sufficient resources, including manpower, to develop tools and metrics to monitor ESR-REIT's exposure to ESG risks. The Board Sustainability Committee also ensures that the sustainability governance, management and disclosures of ESR-REIT (including the sustainability report of ESR-REIT) are in line with the rules, requirements and guidelines set out by the relevant regulatory requirements and global best practices. For more information, please refer to ESR-REIT's 2024 Sustainability Report on pages 121 to 190.

#### **(vi) People Risk**

The inability to retain staff, attract talent and inadequate succession planning, talent management and insufficient measures to upskill employees may lead to sudden loss of key management personnel and identified talents, which can cause disruptions to the Managers' business operations.

Talent management including succession planning have been put in place for key management personnel and staff remuneration is reviewed periodically to ensure it remains competitive to retain and attract talent. The Manager also carries out periodic employee engagement survey to gather feedback on the general sentiments among the employees.

#### **(vii) Technology Risk**

Inadequate management of IT infrastructure and business continuity planning can result in operational disruptions, data breaches, and compromised business processes, potentially leading to financial losses and reputational damage.

The Manager has implemented a comprehensive IT Information Risk Management Framework that is reviewed annually to ensure robust cybersecurity protection and business continuity. This includes a multi-layered security approach with 24/7 Security Operation Centre monitoring, Endpoint Detection and Response (EDR) solutions, and advanced email protection systems including Advanced Threat Protection to combat phishing attempts. Data protection measures include daily full backups (both internal and cloud-based), encryption of sensitive information, and Data Loss Prevention (DLP) software deployment. Access controls are strictly enforced through Two-Factor Authentication, conditional access policies for company resources, and regular reviews of user permissions.

Business continuity measures include annual testing of Disaster Recovery systems, regular review and updating of the Business Continuity Plan, staff emergency response training, and comprehensive risk analysis for all business functions. The Manager also maintains appropriate insurance coverage and has developed specific response plans for various scenarios including pandemic situations.

#### **(B) Risk Management Application**

Other risk management tools are used to manage risks besides the RAS and the Key Risks & Control Matrix.

##### **Compliance Matrix**

The Manager maintains a register known as the Compliance Matrix to record major rules and regulations relevant to both ESR-REIT and the Manager. The register is reviewed yearly or whenever the business environment changes substantially or whenever there are new or changes to relevant rules and regulations.

##### **Policies and Procedures**

Policies and procedures have been established to reduce operational risks by providing uniform practices that serve as a basis for guidance in day-to-day operations and to facilitate the understanding and correct implementation of different work processes. All policies and procedures must be reviewed and updated where relevant at least once a year to ensure they are kept up-to-date. Any revisions, amendments and supplements to the various policies must be approved by the Board, the ARCC or the CEO, as appropriate.

##### **Education and Training**

To increase the level of awareness and knowledge of various risks, controls, requirements and processes within ESR-REIT and the Managers, all new employees are required to undergo induction training by the various departments. On-the-job training is provided to equip the employees with the knowledge and skills to carry out their work. Internal bite-sized compliance training is also conducted for the purpose of information sharing, especially on changes relating to internal policies. As part of the ESR Group's compliance training program, employees are required to complete mandatory compliance online training which covers topics that are relevant to the corporate compliance policies and other governance related matters. Employees are also encouraged to source for external training to deepen their field of expertise and/or acquire new skills and knowledge as part of their personal development plans. Skills and knowledge acquired via such training can be applied to their work to improve work processes or control requirements thus effectively reducing operational risks for the Managers.

### Whistleblowing

The Manager has put in place a Policy on Whistleblowing to provide an avenue to all employees and external parties to raise any concerns about possible improprieties in matters of financial reporting or other matters to the ARCC Chairman, without fear of reprisals. Valid reports made in good faith are investigated independently with appropriate follow-up actions.

### (C) Risk Monitoring

The Board and ARCC are kept abreast of ESR-REIT and the Managers' key risk exposures as well as the risk management activities and results via the following quarterly reports by the Management:

1. Quarterly monitoring of the Manager's RAS
2. Quarterly review of the Key Risk and Control Matrix
3. Quarterly monitoring of outstanding internal/external audit recommendations and regulatory inspection findings
4. Quarterly attestations from employees, appointed representatives, Heads of Departments and Directors in terms of compliance with relevant regulatory requirements
5. Quarterly reporting of actual and potential breaches and loss events

In addition to the above risk monitoring methods, the Manager has formulated a Compliance Monitoring Framework using the Compliance Matrix as a base document. A risk assessment of all regulatory requirements impacting the ESR-REIT and Managers is performed on an annual basis. This will guide the approach taken for Compliance's oversight function which includes a combination of routine monitoring and risk-based monitoring programmes (otherwise known as the Compliance Monitoring Program). A two-year Compliance Monitoring Program based on the results of the risk assessment is then tabled to both the ARCC as well as the Board for approval. Upon the approval of the program, the Compliance and Risk Management team will proceed to implement the program and the results of the reviews will be tabled to both ARCC and the Board on a quarterly basis for their review.

In order to give the ARCC and the Board the assurance that the Manager's risk management and internal control systems are adequate and effective, an annual internal control review based on the top risks identified in the Key Risk and Control Matrix is conducted by the Compliance and Risk Management team and the results are tabled to both the ARCC and the Board.

The outsourced internal auditor also conducts independent review of the risk management and internal control systems implemented by the Manager so as to provide independent assurance to the ARCC and the Board on the adequacy and effectiveness of the risk management and internal control systems.

Together, these monitoring tools provide greater assurance that ESR-REIT's and the Managers' identified risks are adequately managed.

### (D) Risk Reporting

Reports are provided to the ARCC, the Board and/or regulators on a regular basis to provide updates on the Managers' risk and compliance management activities.

# CORPORATE GOVERNANCE

ESR-REIT is a real estate investment trust, externally managed by the Manager with Perpetual (Asia) Limited, as the trustee of ESR-REIT (the “Trustee”). The Manager also acts as the manager of ESR-REIT’s sub-trusts, Viva Trust as well as ALOG Trust (with Perpetual (Asia) Limited as the trustee of both Viva Trust and ALOG Trust).

ESR-REIT has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 2006.

The Manager holds a Capital Markets Services Licence (“CMS Licence”) issued by the Monetary Authority of Singapore (the “MAS”) to carry out REIT management activities under the Securities and Futures Act 2001 (“SFA”). Under its CMS Licence, the Manager appoints representatives to conduct REIT management activities and hires qualified and experienced executives in the management of its operations.

The Manager has general powers of management to manage ESR-REIT’s assets and liabilities for the benefit of ESR-REIT unitholders (“Unitholders”). The Manager’s key roles and responsibilities include:

- setting the strategic direction of ESR-REIT;
- providing recommendations to the trustees on the acquisition, property development, divestment and/or enhancement of assets of ESR-REIT in accordance with its investment strategy;
- ensuring effective capital management to ensure continuous liquidity and financial flexibility for operations;
- ensuring 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 of SGX-ST (the “Listing Manual”), the Code on Collective Investment Schemes (the “CIS Code”) (including its property funds appendix (the “Property Funds Appendix”)), the Trust Deed, written directions, notices and other guidelines that MAS may issue from time to time; and
- supervising property managers who perform the day-to-day property management functions for ESR-REIT’s properties, to ensure that they meet their objectives pursuant to the property management agreements.

The Manager is committed to maintaining high standards of corporate governance and is of the view that sound corporate governance policies and practices are essential to protect the assets of ESR-REIT and the interests of its Unitholders and to enhance the value of Unitholders’ investment in ESR-REIT.

This report outlines the Manager’s corporate governance practices and structures that were in place during the financial year ended 31 December 2024 (“FY2024”), with specific reference made to the Code of Corporate Governance 2018 which was last amended on 11 January 2023 (the “CG Code”) and its related practice guidance. Where there are deviations from any of the principles and/or provisions of the CG Code, appropriate explanations have been provided in this report.

## Principles of the CG Code

### Board Matters

Principle 1	The Board’s Conduct of Affairs
Principle 2	Board Composition and Guidance
Principle 3	Chairperson and Chief Executive Officer
Principle 4	Board Membership

Principle 5	Board Performance
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### Remuneration Matters

Principle 6	Procedures for Developing Remuneration Policies
Principle 7	Level and Mix of Remuneration
Principle 8	Disclosure on Remuneration

### Accountability and Audit

Principle 9	Risk Management and Internal Controls
Principle 10	Audit Committee

### Unitholder Rights and Engagement

Principle 11	Unitholder Rights and Conduct of General Meetings
Principle 12	Engagement with Unitholders

### Managing Stakeholders Relationships

Principle 13	Engagement with Stakeholders
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## BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

#### Board and Board Committees Composition

As at the date of this report, the Board of Directors of the Manager (the "Board") has 9 members. The composition of the Board and Board Committees are as follows:

Composition of Board		Composition of Board Committees C- Chairman; M- Member			
Name	Designation	ARCC <sup>(1)</sup>	NRC <sup>(2)</sup>	IC <sup>(3)</sup>	BSC <sup>(4)</sup>
Ms. Stefanie Yuen Thio	Independent Non-Executive Chairperson	M	M	—	—
Mr. Nagaraj Sivaram	Independent Non-Executive Director	C	—	—	—
Mr. Ronald Lim	Independent Non-Executive Director	—	C	M	—
Dr. Julie Lo Lai Wan	Independent Non-Executive Director	—	—	M	M
Mr. Loi Pok Yen	Independent Non-Executive Director	M	—	C	—
Mr. Stuart Gibson	Non-Executive Director	—	M	M	—
Mr. Shen Jinchu, Jeffrey	Non-Executive Director	—	M	M	—
Mr. Trent Iliffe <sup>(5)</sup>	Non-Executive Director	—	—	—	—
Mr. George Agethen	Non-Executive Director	—	—	—	C
Mr. Adrian Chui	Chief Executive Officer and Executive Director	—	—	—	—

(1) The Audit, Risk Management and Compliance Committee (the "ARCC") comprises 3 members, all of whom are Independent Non-Executive Directors.

(2) The Nominating and Remuneration Committee (the "NRC") comprises 4 members and all members of the NRC are Non-Executive Directors.

(3) The Investment Committee (the "IC") comprises 5 members. Given the nature and scope of the work of the Investment Committee, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.

(4) The Board Sustainability Committee (the "BSC") comprises 3 members, 2 of whom are Non-Executive Directors and 1 member is an external consultant, Mr. Chan Mun Wei.

(5) Mr. Trent Iliffe stepped down as Non-Executive Director on 29 July 2024.

#### Role of Board

The Board's primary responsibility is to lead and to supervise the management of the business and affairs of both the Manager and ESR-REIT, to ensure that ESR-REIT is managed in the best interests of all Unitholders as a whole. The Board is collectively responsible and works with the management team of the Manager (the "Management") for the long-term success of ESR-REIT. The Board seeks to align the interests of ESR-REIT with that of Unitholders and to balance the interests of other stakeholders. The Board puts in place a code of conduct and business ethics, sets appropriate tone-from-the-top and desired organisation culture, and ensures proper accountability within the company.

The Board's principal functions include:

- ensuring the Manager discharges its duties to act in the best interests of all Unitholders as a whole and to give priority to the interests of the Unitholders over the interest of the Manager and its shareholders in the event of conflict between the interests of the Unitholders and those of the Manager or its shareholders;
- overseeing compliance by the Manager with all laws and rules governing its operations and its statutory duties as the holder of a capital markets services licence for real estate investment trust management;
- providing entrepreneurial leadership and setting strategic objectives which should include appropriate focus on value creation, innovation and sustainability;

- ensuring necessary resources (including financial and human resources) are in place for the Manager to meet its strategic objectives;
- establishing and maintaining a sound risk management framework to effectively monitor, assess and manage risks to achieve an appropriate balance between risks and Manager's performance;
- constructively challenging the Management and reviewing their performance;
- instilling an ethical corporate culture and ensuring that Manager's values, standards, policies and practices are consistent with the culture;
- ensuring transparency and accountability to the Unitholders, shareholders of the Manager and other stakeholders of the Manager and ESR-REIT; and
- considering sustainability issues (including environmental and social factors) as part of its strategic formulation and integrating sustainability objectives into business decisions.

The Board has approved a set of delegations of authority which sets out financial approval limits for investments, divestments, capital expenditures, bank borrowings and other operational matters. Certain transactions which are reserved for Board's approval include material acquisitions, divestments, asset enhancement initiatives, fundraising activities, income distributions and other returns to Unitholders and operational matters exceeding the prescribed approval limits. Lower levels of approval limits are also provided at various management level to facilitate operational efficiency. The Board decides on matters that requires its approval and clearly communicates this to the Management either in writing or through minutes of the Board meetings circulated.

The directors of the Manager (the "Directors") have fiduciary responsibilities and are collectively and individually obliged at all times to act honestly and objectively in the best interests of ESR-REIT and its Unitholders. In line with this, the Board has adopted a policy to address all potential conflicts of interest. All Directors are required to notify the Board as soon as he or she becomes aware of any conflict of interest which may exist or might reasonably be thought to exist. Directors are also required to recuse themselves from all deliberations and abstain from voting in relation to the matters which he or she has a conflict of interest. All Directors have complied with this policy and where relevant such compliance has been duly recorded in the minutes of meeting or written resolutions.

To facilitate effective management, certain functions have been delegated to various board committees, each of which has its own written terms of reference and whose actions are reported to, and monitored by, the Board. These board committees are the ARCC, NRC, IC and the BSC (each, a "Board Committee"). Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members to ensure that sufficient time and attention are given to the affairs of ESR-REIT, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are also considered in the composition of the respective Board Committees.

### Meetings of Board, Board Committees and General Meetings

The Board meets on a quarterly basis, and on such other occasions that necessitate its involvement to review ESR-REIT's business performance and deliberate on business strategy, including any acquisitions, disposals, fundraisings etc. Non-executive Directors and/or Independent Directors, led by the independent Chairperson or other Independent Director as appropriate, also meet regularly without the presence of Management to discuss and review the Management's performance. The Manager's constitution permits Board meetings to be held by way of telephone conference or by means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants. Where exigencies prevent a director attending a meeting in person, the director may provide his/her comments to the Board or relevant Board Committee prior to the meeting and the comments will be taken into consideration in the deliberation. The Board and Board Committees may also make decisions by way of resolutions in writing. The chairman of such meetings provides feedback to the Board and/or Chairperson of the Board as appropriate.

The Directors' attendance for the meetings of the Board, the Board Committees and the general meetings of ESR-REIT held in FY2024 is as follows:

	Board <sup>(1)</sup>	ARCC	NRC <sup>(2)</sup>	BSC	AGM	EGM held on 9 Oct 2024
<b>Number of meetings held</b>	7	4	2	1	1	1
<b>Name of Director</b>						
Ms. Stefanie Yuen Thio	7	4	2	—	1	1
Mr. Nagaraj Sivaram	7	4	—	—	1	1
Mr. Ronald Lim	7	4*	2	—	1	1
Dr. Julie Lo Lai Wan <sup>(3)</sup>	7	4*	—	1	1	1
Mr. Loi Pok Yen	7	4	—	—	1	0
Mr. Stuart Gibson	3	1*	1	—	0	0 <sup>(6)</sup>
Mr. Shen Jinchu, Jeffrey	2	—	2	—	0	0 <sup>(6)</sup>
Mr. Trent Iliffe <sup>(4)</sup>	3 out of 5	2*	—	—	1	—
Mr. George Agethen <sup>(5)</sup>	5	4*	—	1	0	0 <sup>(6)</sup>
Mr. Adrian Chui	7	4*	—	1*	1	1

\* by invitation

## Notes:

- (1) Not including other meetings attended by directors with Management as well as Board papers circulated to the members for approval with no physical meetings held.
- (2) Not including occasions when NRC papers were circulated to the NRC members for approval with no physical meetings held.
- (3) Dr. Julie Lo Lai Wan was appointed as a member of the BSC on 1 October 2024.
- (4) Mr. Trent Iliffe stepped down as Non-Executive Director on 29 July 2024.
- (5) Mr. George Agethen was appointed as the Chairman of the BSC on 1 October 2024.
- (6) Mr. Stuart Gibson, Mr. Shen Jinchu, Jeffrey and Mr. George Agethen were not present at the extraordinary general meeting ("EGM") of unitholders held on 9 October 2024 as they had abstained from voting on the resolutions tabled at the meeting.

Both the NRC and the IC regularly reviewed and approved matters tabled via circulation, when necessary, in FY2024.

### Directors' Training and Orientation

All newly appointed directors are given induction training which covers business activities of ESR-REIT, its strategic directions, the regulatory environment in which ESR-REIT and the Manager operate, and the Manager's corporate governance practices. Property tours are also organised to allow new directors to familiarise with the properties within the ESR-REIT's portfolio. Letters of appointment are issued to directors upon their appointment, setting out their duties and responsibilities to the Manager and ESR-REIT.

Where a director has no prior experience as a director of an issuer listed on the SGX-ST, the director has to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST and such training shall be completed within one year of the appointment. In addition, all directors of an issuer listed on the SGX-ST are required to undergo a one-time training on sustainability matters as prescribed by the SGX-ST. The Manager notes the requirements for director training and will arrange for the necessary training for future appointments. No Director was appointed during FY2024.

To enable the Directors to properly discharge their duties and responsibilities as Board or Board Committee members, the Directors are provided with routine updates by the Management and/or professionals on developments and changes to relevant laws, regulations and accounting standards affecting ESR-REIT and/or the Manager.

Directors are also provided with opportunities to develop and maintain their skills and knowledge at the Manager's expense. The Directors receive regular training and are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties. The Directors have submitted their FY2024 training records, comprising internal workshops and external courses/seminars to the NRC for review and assessment to determine the adequacy of training needed for the Board.

### Access to Information, Management, and Professionals

All Directors have unrestricted access to both ESR-REIT and the Manager's records and information. The Board is provided with adequate, timely and complete information both prior to board meetings and on an ongoing basis so as to allow the Board to make informed decisions to discharge its duties and responsibilities.

Generally, board papers are distributed at least one week prior to the meetings to ensure that Directors have sufficient time to review the information provided. The information provided to the Board includes financial results, market and business developments, as well as business and operational information. However, sensitive matters may be tabled at the meeting itself, or discussed without papers being distributed. Parties who can provide relevant information on matters tabled at meetings will be in attendance to provide further information that may be required. Directors are able to securely access and read board papers and materials electronically via an electronic portal at any place and any time, using electronic or mobile devices.

A one-day off-site business overview and Board strategy meeting may be organised annually, or at such other intervals necessary, for an in-depth discussion between the Board and the Management on strategic issues and directions pertaining to ESR-REIT and the Manager. Where appropriate, the Management arranges for the Directors to visit the properties to better appraise the Directors of ESR-REIT's business.



Board members have separate and independent access to the Management as well as to the company secretary (the “Company Secretary”) and external advisers (where necessary). The Management remains available at all times to answer any query raised by any Director while the Company Secretary attends all Board meetings and ensures that board procedures and applicable rules and regulations are complied with. Frequent dialogues and interaction take place between the Management and the Directors. The Company Secretary, together with the Chief Executive Officer of the Manager (the “CEO”), ensure good information flows between the Management and the Directors. The appointment and removal of the Company Secretary is subject to the Board’s approval.

The Board engages independent professional advisers as and when necessary, with approval from the Chairperson of the Board, to enable it to discharge its responsibilities effectively. Individual Directors can seek independent professional advice with the consent of the Chairperson of the Board or the ARCC Chairman. For complex matters, the Board may from time to time appoint a sub-committee to assist the Board in its deliberations and to provide recommendations.

#### **Principle 2: Board Composition and Guidance**

The Board presently consists of 9 members: 5 independent non-executive directors, 3 non-executive directors and 1 executive director. Non-executive directors make up a majority of the Board. The Chairperson of the Board is Ms. Stefanie Yuen Thio, who is an independent director.

This complies with Provision 2.3 of the CG Code where non-executive directors make up a majority of the Board as well as Regulation 13D(3)(a) of the Securities and Futures (Licensing and Conduct of Business) Regulations (“SF(LCB) Regulations”) which requires at least half of the Board to comprise independent directors.

The current Board is represented by members with a breadth of expertise in banking, finance, accounting, human resource, legal, real estate, logistics business and fund management. The Board believes that the current board size, composition and balance between executive, non-executive and independent directors is appropriate and provides sufficient diversity to enable it to make decisions in the best interests of ESR-REIT. It allows for a balanced exchange of views, robust deliberations and debates among members and effective oversight over the Management, ensuring no individual or small group dominates the Board’s decisions or its process. With the background of skills, experience and core competencies of its members, the Board is of the view that it has the appropriate diversity of talent, gender, expertise and experience, skills needed in the strategic direction and planning of the business of ESR-REIT.

#### **Board Diversity**

The Board adopted a Board Diversity Policy as it believes that a diverse Board will enhance the decision-making of the Board by utilising a variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.

The composition of the Board is reviewed periodically by the NRC to ensure that the board size is appropriate and comprises directors with an appropriate mix of expertise, skills, diversity and experience to discharge their duties and responsibilities and to complement ESR-REIT’s long-term objectives and strategies.

The NRC has reviewed and improved on the existing Board Diversity Policy by including the Board’s diversity targets, plans and timeline for achieving these targets. The aim is to improve the Board’s decision making, help the Board to more effectively mentor and monitor management to achieve ESR-REIT’s long-term objectives and strategies for the benefit of the REIT and the unitholders. The Board’s diversity targets are reviewed by the NRC annually to ensure the targets remain relevant in evolving business and regulatory landscape.

The following table outlines the Board's diversity targets set by the NRC, with the endorsement by the Board, as well as the progress in FY2024 in achieving those targets:

Diversity Targets	Progress in FY2024	Target Met (Yes/No)
Ensuring the Board comprises members who collectively possess core competencies and/or experience in the following areas:	<p>The Board has achieved its current target of Board members collectively possessing at least 90% of the identified core competencies and/or experience.</p> <p>The NRC will continue to identify gaps in directors' skills and strive to achieve the fulfilment of all the identified core competencies and/or experience by FY2026.</p>	Yes
<ul style="list-style-type: none"> <li>— Real estate</li> <li>— International expertise in the areas that the REIT operates</li> <li>— Fund Management</li> <li>— Legal, Regulatory and Governance</li> <li>— Accounting</li> <li>— Financial Management</li> <li>— Human Capital Management</li> <li>— Information Technology, Digital Transformation</li> <li>— Strategic Planning</li> <li>— Sustainability</li> </ul>		
Ensuring at least 2 different ethnic groups are present within the Board	As at the date of this annual report, the Board consists of members from 3 different ethnic groups.	Yes
Ensuring a diverse age range within the Board members	As at the date of this annual report, the Board has members with ages across 40s, 50s, 60s and 70s.	Yes
Ensuring a diverse board tenure within the Board members	As at the date of this annual report, the board tenure of the Board members is spread across the '0-3 years', '3-5 years' and '5-7 years' categories.	Yes
Ensuring gender diversity with at least 2 female representatives on the Board and the appointment of female director as chairperson of the Board or the NRC	<p>As at the date of this annual report, the Board has 2 female representatives.</p> <p>Ms. Stefanie Yuen Thio is the Independent Non-Executive Chairperson of the Board.</p>	Yes
Ensuring at least 1 Board member has no listed company board and/or real estate nor funds management experience	<p>For reference, Mr. George Agethen, who was appointed in FY2023, did not have prior listed company board experience during his appointment.</p> <p>Dr. Julie Lo Lai Wan and Mr. Trent Iliffe<sup>(1)</sup>, who were both appointed in FY2022, did not have prior listed company board experience during their appointments. As of the date of this annual report, they do not have other listed company board representation besides the Board of the Manager.</p> <p>In addition, Dr. Julie Lo Lai Wan whose area of expertise is in healthcare, has not worked in either a real estate or funds management industry.</p>	Yes
Ensuring at least 50% of the Board is independent	As at the date of this annual report, at least 50% of the Board is independent <sup>(2)</sup> .	Yes

Note:

(1) Mr. Trent Iliffe stepped down as Non-Executive Director on 29 July 2024.

(2) Refer to the below section on Board Independence and assessment of each director.

To achieve the above diversity targets, the NRC will identify suitable candidates that goes beyond personal network including engagement of external search firm to source for a diverse slate of candidates (based on the diversity targets) to be presented to the Board for consideration. The final decision on selection of directors will be based on merit, and will be considered against the business objectives of the REIT as well as the diversity targets set for the Board.

### Board Independence

The NRC assesses annually (and as and when circumstances require) the independence of each director based on the definitions and guidelines of independence set out in the Rule 210(5)(d) of the Listing Manual, Provision 2.1 of the CG Code (including, where relevant, the recommendations in the accompanying Practice Guidance) and Regulation 13D(7) of the SF(LCB) Regulations. The assessment of a Director's independence takes into account the following criteria, and a Director is considered independent when he/she: (i) is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its shareholders who hold 5.0% or more of the voting shares (the "Substantial Shareholders"), or Unitholders who hold 5.0% or more of the Units (the "Substantial Unitholders") in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement, in the best interests of the Unitholders; (ii) is independent from any management and business relationship with the Manager and ESR-REIT, and from every Substantial Shareholder of the Manager and any Substantial Unitholder; (iii) is not a Substantial Shareholder of the Manager or a Substantial Unitholder; (iv) has not served on the Board for a continuous period of nine years or longer; and (v) is not employed or has not been employed by the Manager or ESR-REIT or any of their related corporations for the current year or any of the past three financial years, and does not have an immediate family member who is employed or has been employed by the Manager or ESR-REIT or any of their related corporations for the current year or any of the past three financial years and whose remuneration is or was determined by the NRC. The results of the assessment are tabled to the Board for Board's consideration on the independence of the directors.

For the purpose of Regulation 13E(b) of SF(LCB) Regulations, the Board, after considering the relevant requirements under the SF(LCB) Regulations, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	had been independent from the management of the Manager and ESR-REIT during FY2024	had been independent from any business relationship with the Manager and ESR-REIT during FY2024	had been independent from every substantial shareholder of the Manager and every substantial unitholder of ESR-REIT during FY2024	had not been a substantial shareholder of the Manager or a substantial unitholder of ESR-REIT during FY2024	had not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2024
Ms. Stefanie Yuen Thio	✓	✗ <sup>(1)</sup>	✗ <sup>(2)</sup>	✓	✓
Mr. Nagaraj Sivaram	✓	✓	✓	✓	✓
Mr. Ronald Lim	✓	✓	✓	✓	✓
Dr. Julie Lo Lai Wan	✓	✓	✓	✓	✓
Mr. Loi Pok Yen	✓	✓	✓	✓	✓
Mr. Stuart Gibson <sup>(3)</sup>	✗	✓	✗	✓	✓
Mr. Shen Jinchu, Jeffrey <sup>(3)</sup>	✗	✓	✗	✓	✓
Mr. Trent Iliffe <sup>(4)</sup>	✗	✓	✗	✓	✓
Mr. George Agethen <sup>(5)</sup>	✓	✗	✓	✓	✓
Mr. Adrian Chui <sup>(6)</sup>	✗	✓	✗	✓	✓

## Notes:

- (1) TSMP Law Corporation ("TSMP") was appointed as legal counsel to act for ESR-REIT and the Manager. Ms. Stefanie Yuen Thio has declared that she is the joint managing partner and a substantial shareholder of TSMP. As TSMP was paid legal fees of S\$245,000 during FY2024 as the legal counsel of ESR-REIT and the Manager, Ms. Stefanie Yuen Thio is considered to have a business relationship with both ESR-REIT and the Manager. In addition, Ms. Stefanie Yuen Thio was an independent non-executive director and the chairperson of the audit and risk committees of both ARA Business Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Management Trust ("ARA H-BT")) and ARA Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Property Trust ("ARA H-REIT")) (collectively, the "ARA H-Trust Managers"). Following ESR Group Limited's acquisition of ARA Asset Management Limited ("ARA" and the acquisition, the "Acquisition") on 20 January 2022, the ARA H-Trust Managers have become subsidiaries of ESR Group Limited and were therefore considered related corporations of the Manager. As such, the ARA H-Trust Managers were considered "relevant persons" under Regulation 13G of the SF(LCB) Regulations. The Annual Report of ARA US Hospitality Trust previously stated that Ms. Stefanie Yuen Thio had received cash as payment of her directors' fees. Ms. Stefanie Yuen Thio would therefore be considered to have a business relationship with the Manager as she had received payment from the ARA H-Trust Managers. On 3 May 2024, Ms. Stefanie Yuen Thio resigned as the independent non-executive director and chairperson of the audit and risk committees of ARA H-Trust Managers. Accordingly, the above considerations under Regulation 13G of the SF(LCB) Regulations would only apply for the period up to 3 May 2024.
- (2) ESR Group Limited is a substantial shareholder of the Manager and a substantial unitholder of ESR-REIT, and hence it will be considered a "relevant person" for the purpose of Regulation 13(H)(1) of the SF(LCB) Regulations and Ms. Stefanie Yuen Thio would be considered to be connected to ESR Group Limited as she was a director of a related corporation of ESR Group Limited. On 9 July 2024, the ARA H-Trust Managers announced that Acrophyte Asset Management Pte. Ltd. ("Acrophyte AM") completed the acquisition of a 100% stake in each of ARA H-REIT and ARA H-BT from ARA. Acrophyte AM is a wholly-owned subsidiary of Acrophyte Pte. Ltd. ("Acrophyte"), which is ultimately owned by Mr. Gordon Tang and Mrs. Celine Tang. Through the acquisition of the ARA H-Trust Managers, Acrophyte became the new sponsor of ARA US Hospitality Trust. As such, after 9 July 2024, the ARA H-Trust Managers were no longer considered as related corporations of ESR Group Limited.
- (3) Mr. Stuart Gibson and Mr. Shen Jinchu, Jeffrey are the executive directors, co-founders and co-CEOs of ESR Group Limited. As such, both Mr. Stuart Gibson and Mr. Shen Jinchu, Jeffrey are deemed not to be independent.
- (4) Mr. Trent Iliffe is the managing director and co-chief executive officer of LOGOS Property Group Limited ("LPG"), a subsidiary of ESR Group Limited. He is also one of the members in the ESR Group Limited's Management Business Leadership Team. LPG is a substantial unitholder of ESR-REIT. As such, Mr. Trent Iliffe is deemed not to be independent. Mr. Trent Iliffe stepped down as Non-Executive Director on 29 July 2024.
- (5) Mr. George Agethen is the Co-Head of Asia Pacific of Ivanhoe Cambridge Inc. and its affiliated entities which (a) has several jointly held investments/funds with LPG and its affiliated entities (the "LOGOS JVs"). LPG is a subsidiary of ESR Group Limited and therefore is considered a related corporation of the Manager; and (b) is the only other joint investor in New LAVIS Fund and Oxford Property Funds, with LAIP Trust, which is an indirect wholly-owned sub-trust of ESR-REIT (through ALOG Trust and ALOG Logistics Trust Australia). Mr. George Agethen also sits on the Advisory Committee/Unitholder Committee of 3 LOGOS JVs as an alternate member. As such, he would be considered to have a business relationship with the Manager and ESR-REIT and thereby deemed not to be independent.
- (6) As CEO and Executive Director of the Manager, Mr. Adrian Chui is considered employed by the Manager and deemed not to be independent.

All Independent Directors are subject to an annual independence assessment, conducted by the NRC. These Directors are required to fill up self-declaration forms whereby the Directors will disclose their relationship with the Manager, its related corporations, its substantial shareholders or its officers, or factor, if any, which may influence the Director's ability to act independently and the NRC will review and assess each Director's self-declaration. Each member of the NRC and Board recused himself/herself when his/her independence is tabled for assessment. With respect to FY2024, the NRC has tabled the result of the assessment and made recommendation to the Board on the independence of each Independent Director. Based on the results, save for Ms. Stefanie Yuen Thio who would not be considered independent under Regulations 13D(7)(b)(iii) and 13D(7)(b)(iii) of the SF(LCB) Regulations, the following Directors have fulfilled the assessment of independence:

- Mr. Nagaraj Sivaram
- Mr. Ronald Lim
- Dr. Julie Lo Lai Wan
- Mr. Loi Pok Yen

Notwithstanding that Ms. Stefanie Yuen Thio does not fulfil the conditions in Regulations 13D(7)(b)(iii) and 13D(7)(b)(iii) of the SF(LCB) Regulations to be considered independent, the Board and the NRC are of the view that she is able to act in the best interests of all the Unitholders and that the relationships set out above did not impair her independence and objectivity, taking into consideration the following:

- (a) Ms. Stefanie Yuen Thio had been appointed independent non-executive director of the Manager before ARA H-Trust Managers became related corporations of the Manager. She had been independent prior to the Acquisition, and the NRC and the Board have opined that she can continue to perform the role with the requisite independence without her judgment and independence being affected by the change of ultimate shareholder of ARA H-Trust Managers as a consequence of the Acquisition and even though the ARA H-Trust Managers have subsequently become related corporations of the Manager and ESR Group Limited following the Acquisition.



- (b) Given that the investment mandates of ESR-REIT and ARA H-BT and ARA H-REIT (collectively, "ARA H-Trust") do not overlap, there is little risk of a conflict of interest that would compromise Ms. Stefanie Yuen Thio's ability to act in the best interests of the unitholders of ESR-REIT. In addition, Ms. Stefanie Yuen Thio does not sit on the board of ESR Group Limited or ARA H-Trust's sponsor, ARA Asset Management Limited.
- (c) TSMP's legal services to ESR-REIT and the Manager were provided in the ordinary course of business, on an arm's length basis and based on normal commercial terms (the "Transaction"). The legal fees which TSMP received from ESR-REIT and the Manager were insubstantial in relation to TSMP's overall revenue, and Ms. Stefanie Yuen Thio did not personally represent ESR-REIT and the Manager in the Transaction and had abstained in ESR-REIT's selection and appointment of TSMP as legal counsel for the Transaction.

Based on the above, the Board and the NRC are of the view that Ms. Stefanie Yuen Thio is independent.

For the purposes of Regulation 13E(b)(ii) of the SF(LCB) Regulations, the Board is satisfied that, as at the last day of FY2024, Ms. Stefanie Yuen Thio, Mr. Shen Jinchu, Jeffrey, Mr. Stuart Gibson, Mr. George Agethen and Mr. Adrian Chui, were able to act in the best interests of all the Unitholders of ESR-REIT that was managed by the Manager.

### Principle 3: Chairperson and Chief Executive Officer

The positions of the Chairperson and the CEO of the Manager are held by separate individuals to ensure a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making. The Chairperson is Ms. Stefanie Yuen Thio, whereas the CEO is Mr. Adrian Chui. The Chairperson, who is independent, and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board also establishes and sets out in writing the division of responsibilities between the Chairperson and the CEO.

Pursuant to Provision 3.3 of the CG Code, a lead independent director provides leadership in situations where the Chairperson is conflicted, especially when the Chairperson is not independent. Accordingly, no lead independent director is appointed as Ms. Stefanie Yuen Thio is an independent Director for the purposes of the CG Code.

The Chairperson leads the Board discussion while fostering a culture of openness and debate that renders the Board effective. She facilitates active contributions by the Directors and promotes high standards of corporate governance and transparency. The Chairperson also performs a significant leadership role by providing clear oversight and guidance to the Management on strategic issues.

The CEO has full executive responsibilities over the business direction and operational decisions in managing ESR-REIT and is responsible for implementing strategies and policies approved by the Board. He ensures the quality and timeliness of the flow of information between the Management and the Board, Unitholders and other stakeholders.

### Principle 4: Board Membership

#### Nominating and Remuneration Committee

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. It has established the NRC which makes recommendations to the Board on all appointments to the Board and Board Committees.

The NRC comprises 4 Non-Executive Directors. They are:

1. Mr. Ronald Lim, Independent Non-Executive Director (Chairman)
2. Ms. Stefanie Yuen Thio, Independent Non-Executive Director (Member)
3. Mr. Stuart Gibson, Non-Executive Director (Member)
4. Mr. Shen Jinchu, Jeffrey, Non-Executive Director (Member)

The NRC is guided by its written terms of reference with principal functions as follows:

- reviewing the composition of the Board and Board Committees;
- making recommendations to the Board on the appointment or removal of directors (including alternate directors) to the Board and Board Committees;
- making recommendations to the Board on the appointment of CEO;
- reviewing and recommending to the Board on the development and maintenance of a succession plan for the Directors and the CEO;
- overseeing the development by CEO of a succession plan for the key management personnel of the Manager (the “KMP”) (other than the CEO);
- overseeing the appointment and removal of the KMP (other than the CEO);
- making recommendations to the Board on the process and criteria for the evaluation of the performance of the Board, the Board Committees and the Directors;
- reviewing and making recommendations to the Board on training and professional development programmes for the Board and the Directors;
- reviewing and recommending to the Board on a framework of remuneration and specific remuneration packages for the Board, Directors and the CEO;
- reviewing and recommending to the Board on a framework of remuneration and specific remuneration packages for the KMP (other than the CEO) as put forward by the CEO; and
- determining annually, and as and when circumstances require, if a Director is independent, having regard to the requirements under applicable laws and regulations.

The Board is cognisant of Provisions 4.2 and 6.2 of the CG Code that the NRC should comprise at least three directors, the majority of whom, including the NRC chairman, are independent. In the event that the practices of the Manager vary from any provisions of the CG Code, the Manager is required to state in its annual report, the provision from which it has varied, explain the reason for variation and explain how the practices it had adopted are consistent with the intent, aim and philosophy of the relevant principle of the CG Code.

The Board notes that the NRC currently comprises four (4) members, of whom half, consisting of two (2) NRC members, including the NRC Chairman, are independent.

The Board has assessed and determined that the current composition of the NRC is consistent with Principles 4 and 6 of the CG Code for the following reasons:

- (i) the NRC members who are not Independent Directors, namely, Mr. Shen Jinchu, Jeffrey (“Mr. Shen”) and Mr. Stuart Gibson (“Mr. Gibson”), are Non-Executive Directors who are not part of the Management, and furthermore, do not receive any remuneration (whether by way of salary or Director’s fees or otherwise) from the Manager;
- (ii) the Board is of the view that all the members of the NRC possess the requisite degree of objectivity and independence and are able to exercise objective judgment in relation to the selection, appointment and re-appointment of Directors as well as the development of remuneration policies and making recommendations as to remuneration to the Board;
- (iii) in any case, the Manager’s Policy on Conflict of Interest mandates that all Directors promptly notify the Board upon becoming aware of any potential or perceived conflict of interest. They are then required to recuse themselves and abstain from participating in discussions and voting on matters where such conflicts exist; and
- (iv) the NRC is made up of Directors who, as a group, provide the NRC with the requisite skills, competence, experience, company and industry knowledge as well as diverse perspectives that help the NRC fulfil the responsibilities set out in its terms of reference.

Consistent with (iv) above, the NRC members were selected taking into account each member’s ability to contribute to the NRC’s functions based on their background, experience and expertise. Specifically, Mr. Shen and Mr. Gibson bring to the NRC their broad industry knowledge and insights which would be relevant to the NRC’s responsibilities.

Furthermore, ESR Group Limited, the sponsor of ESR-REIT and holding company of the Manager, is in the midst of a harmonisation exercise for employee-related matters and ongoing proposed privatisation. The current composition of the NRC reflects the Board's focus on engaging with the Sponsor to ensure that the level and mix of remuneration for the Manager remains competitive and aligned with the interests of Unitholders, so as to ensure the long-term success of ESR-REIT. The Board intends to reconstitute the NRC once the harmonisation and proposed privatisation exercise have been completed such that the new composition of the NRC will comply with Provision 4.2 and Provision 6.2 of the CG Code.

### Selection and Appointment of Directors

The NRC regularly reviews the existing attributes and competencies of the Board in order to determine the desired experience or expertise required to strengthen or supplement the Board. All new appointments, selection and re-appointment of Directors (including alternate directors) are reviewed and proposed by the NRC.

In identifying the right candidate for appointment to the Board, the NRC takes into consideration, among others, the following:

- requirements in the Listing Manual and the CG Code, as well as the Board's diversity targets;
- the candidate's capability and how he/she could meet the needs of ESR-REIT and simultaneously complement the skillsets of other Board members; and
- the candidate's ability to commit available time to discharge his/her responsibilities as a Director.

During the search process, the NRC may tap on the personal contacts of current Directors, senior management and/or the Manager's shareholders for recommendations of prospective candidates. The NRC will also consider the use of external search firms, where necessary at the Manager's expense, to source for a diverse slate of candidates (based on our diversity targets) to be presented to the NRC for consideration. The NRC will then shortlist and interview the candidates to assess their suitability. Once a candidate is selected, the NRC conducts due diligence before putting it up to the Board for approval. Appointment of Directors is also subject to the MAS's approval.

### Review of Directors' Time Commitments

Directors are required to devote sufficient time and attention to the affairs of ESR-REIT and the Manager to adequately discharge their duties and responsibilities. The NRC reviews each Director's principal commitments, including employment, and listed company directorships to determine whether the Director has and can suitably fulfil his/her duties as a director of the Manager, and ensures that new Directors are aware of their duties and obligations.

No limit has been formally set by the Board on the number of listed company board representations and principal commitments of each Director. The Board is of the view that the Director's ability to discharge his/her duties should be evaluated by a qualitative assessment of the Director's contributions, after taking into account his/her other listed company board representations and other principal commitments, and not be guided by a numerical limit. A Director with multiple directorships and principal commitments is expected to ensure that he/she can devote sufficient time and attention to the affairs of ESR-REIT and the Manager.

Although the Directors have other listed company board representations and principal commitments (as set out on pages 26 to 31 of this Annual Report), the NRC has determined that each individual Director is able to and has been adequately carrying out his or her duties and has devoted sufficient time and attention to his or her role as a Director and to the affairs of the Manager (as required under Provisions 1.5 and 4.5) and this is being assessed as part of the Directors' annual performance review as disclosed in Principle 5 below. In FY2024, the Directors attended Board meetings, had given feedback and participated constructively when discussing the activities of ESR-REIT. Their attendance record for FY2024 is set out on page 95 of this Annual Report. The NRC has assessed the Board performance and also procured written confirmations from the Directors stating that sufficient time and attention are given to the affairs of ESR-REIT, and they are able to carry out their duties as Directors of the Manager and they would address any competing time commitments that may arise, despite their multiple board representations. The NRC is of the view that such external appointments do not hinder the Directors from diligently discharging their duties.

The Board is satisfied that all Directors have been adequately discharging their duties as Directors of the Manager, notwithstanding their existing multiple board representations and principal commitments.

### Key Information Regarding Directors

The key information regarding the Directors are set out in pages 26 to 31 of the Annual Report, which covers academic and professional qualifications, Board Committees served on (as a member or chairman), date of first appointment as a Director, date of last re-appointment as a Director, directorships both present and those held over the preceding three years in other listed companies, and other principal commitments.

### Principle 5: Board Performance

The Board has in place a formal process to annually assess the contributions by each individual Director (including the Chairman) as well as the effectiveness of the Board as a whole and that of each of its board committees and individual Directors. The review, which is conducted internally, includes individual Directors completing an evaluation questionnaire that covers both the Board and Board Committees composition, access to information, attendance and ability to contribute effectively and have meaningful participation and rigorous decision making during the meetings, strategic planning, risk management, accountability and oversight, directors' development and management. Each Director is allowed to individually express their personal and confidential assessment of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities.

The evaluation results are consolidated (with no specific Directors' contribution mentioned) and presented to the Board for review by both the Chairperson of the Board and Chairman of NRC. The NRC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board and Directors as a whole, and of each board committee separately. Action plans will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board and each Board Committee.

For FY2024, the outcome of the evaluation was satisfactory. No external facilitator was engaged in the evaluation process.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

The composition of the NRC has been set out in Principle 4 above. The NRC has instituted a formal and transparent procedure in developing remuneration policies and framework relating to Directors and the KMP, as well as fixing the remuneration packages of individual Directors and the KMP. The NRC will review, on a periodic basis (or as and when there is a significant change to the structure of the Manager), and make recommendations to the Board on the framework of remuneration for the Board and the KMP, as well as the specific remuneration packages for each Director and the KMP.

In its deliberations, the NRC will take into consideration all aspects of remuneration, including termination terms, industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive and fair. No Director is involved in any decision of the Board relating to his/her own remuneration.

In FY2024, Aon Singapore ("Aon") was engaged as an independent remuneration consultant to provide professional advice on employee remuneration, including the remuneration packages of the KMP. Aon was also engaged in FY2022 to develop a compensation framework (the "Total Compensation Framework") for the employees of the Manager. The remuneration consultant is not related to the Manager, its controlling shareholder, its related entities or any of its directors.

### Principle 7: Level and Mix of Remuneration

The NRC seeks to ensure that the level and mix of remuneration for the Board and the Manager remains competitive, aligned with Unitholders' interests and promote ESR-REIT's long-term success, as well as appropriate to attract, retain and motivate the Directors to provide good stewardship of the Manager and the KMP to successfully manage ESR-REIT for the long term.

### Remuneration for Non-Executive Directors

The Manager has adopted a policy that no directors' fees shall be paid to the CEO or any Non-Independent Non-Executive Directors who are representatives of the Manager's shareholders. All Directors are appointed for an initial term of 3 years and such term can be renewed for a further 3 years at the discretion of the Board or as otherwise determined by the shareholders of the Manager. Accordingly, the Directors' fees are established once every 3 years.



Independent Non-Executive Directors are paid a fixed basic fee based on the level of responsibilities at the Board level, and where applicable, additional responsibilities given in other committees set up by the Board, taking into account the level of contribution and factors such as effort, time spent, and responsibilities. The Chairperson of the Board and Board Committees are paid higher fees compared with members of the Board and Board Committees in view of greater responsibilities carried by those appointments.

#### **Remuneration for Key Management Personnel (including CEO and Deputy CEO)**

The NRC seeks to ensure that the level and mix of remuneration for the Manager remains competitive, aligned with Unitholders' interests and promote ESR-REIT's long-term success. A significant and appropriate proportion of the KMP's remuneration is structured so as to link rewards to corporate and individual performance, and performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of ESR-REIT. The NRC also ensures that the remuneration of the CEO shall not only be linked to the gross revenue of ESR-REIT or the Manager.

The Total Compensation Framework was developed to reflect the following key considerations:

- a) **Alignment to Performance**
  - clear and measurable performance indicators
  - incentives-linked to performance to drive the right behaviour
- b) **Market Practice and Benchmarking**
  - reflects the current market evolution
  - benchmark against market compensation level
- c) **Reflects Business Realities**
  - reflects ESR-REIT's strategic priorities and business plan
  - in line with regulatory changes

The Total Compensation Framework aims to reward the KMP to work towards achieving the strategic goals of ESR-REIT as approved by the Board. It promotes a culture of meritocracy and aligns the KMP with the long-term objectives of ESR-REIT by providing clear targets for the KMP to motivate performance and efficiency. This allows the Manager to retain outstanding performers and attract good candidates to execute ESR-REIT's strategic priorities and business plans.

The remuneration components within the Total Compensation Framework include fixed pay, fixed allowances, short-term incentive ("STI") bonus and long-term incentive ("LTI") plan.

The STI is driven by the Manager Corporate Scorecard where it covers a mixture of financial and non-financial key performance indicators ("KPIs") aligned to both the interests of ESR-REIT and the Manager. The KPIs include financial metrics such as DPU, debt costs, operating costs, and non-financial metrics such as talent management, occupancy rate and risk management and control processes. Linking STI bonus to the Manager Corporate Scorecard helps to achieve strategic goals of ESR-REIT which are aligned to the interests of the Unitholders.

Given the growth profile and footprint of ESR-REIT, strategic transactions will likely be a key feature of ESR-REIT's business plan. Strategic transactions such as mergers and acquisitions or any other transformational deals can be long-gestated, time and resource consuming, and require special attention, care and often sacrifices beyond working hours. At the same time, employees who are involved in the strategic transactions are still required to handle the daily business-as-usual activities. Within the STI component, an Additional Bonus Pool ("ABP") is included to reward such employees. Once the employee is awarded with ABP, one-third of the award may be vested annually, provided he/she remains in employment with the Manager.

The purpose of the LTI is to reward KMP for achieving the Manager's strategic objectives that maximise Unitholders' value. The LTI is awarded through the vesting of Units held by the Manager and the payout is conditional upon the achievement of pre-determined performance targets measured over a 3-year period. The award of the LTI will be based on achieving target level for performance for the following KPIs: total unitholder return, price/book multiple and sustainability targets, and such award will lapse if performance is not met at the end of the performance period.

For FY2024, the Manager carried out a formal annual performance review process to reinforce strengths as well as identify improvements and development plans for the KMP. Based on the performance review, the NRC and the Board are of the opinion that most of the performance conditions used to determine the remuneration of the KMP were met. The NRC and the Board are of the view that the remuneration is aligned to FY2024 performance and that the Total Compensation Framework is aligned with the long-term interests and risk management policies of ESR-REIT and the Manager. The NRC and the Board are also of the view that the level and structure of remuneration of the Board and the KMP are appropriate and proportionate to the sustained performance and value creation of ESR-REIT, taking into account the strategic objectives of ESR-REIT. There were no ESR-REIT units issued to employees of the Manager in FY2024.

### Principle 8: Disclosure on Remuneration

The remuneration of Directors and all employees of the Manager is paid by the Manager and not by ESR-REIT. All Directors' fees as well as fixed pay, short term variable incentives and allowances to the KMP are paid wholly in cash. Pursuant to Rule 1207(10D) of the Listing Manual, the Manager is required to disclose the names, exact amounts and breakdown of remuneration paid to each individual director and the CEO in the annual report for the financial years ending 31 December 2024 onwards. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

The table below sets out the fees<sup>(1)</sup> paid to the Directors in FY2024:

Board Members	Membership	Directors' Fixed Fees Paid in FY2024 <sup>(2)</sup>	Other Fees Paid in FY2024 <sup>(3)</sup>
Ms. Stefanie Yuen Thio	Independent Non-Executive Chairperson	S\$164,000	N.A.
Mr. Nagaraj Sivaram	Independent Non-Executive Director	S\$100,000	N.A.
Mr. Ronald Lim	Independent Non-Executive Director	S\$104,000	N.A.
Dr. Julie Lo Lai Wan <sup>(4)</sup>	Independent Non-Executive Director	S\$92,000	N.A.
Mr. Loi Pok Yen	Independent Non-Executive Director	S\$100,000	N.A.
Mr. Stuart Gibson	Non-Executive Director	N.A.	N.A.
Mr. Shen Jinchu, Jeffrey	Non-Executive Director	N.A.	N.A.
Mr. Trent Iliffe <sup>(5)</sup>	Non-Executive Director	N.A.	N.A.
Mr. George Agethen <sup>(6)</sup>	Non-Executive Director	N.A.	N.A.
Mr. Adrian Chui	CEO and Executive Director	N.A.	N.A.

Notes:

(1) Fees are prorated for directors who occupied the position for part of the financial year.

(2) 100% of the Directors' fees are paid in fixed fees.

(3) Includes variable or performance-related income or bonuses, benefits in kind, stock options granted, unit-based incentives and awards, and other long-term incentives.

(4) Appointed as a member of the BSC on 1 October 2024.

(5) Stepped down as Non-Executive Director on 29 July 2024.

(6) Appointed as Chairperson of the BSC on 1 October 2024.

The table below sets out the remuneration paid to the KMP (including CEO and Deputy CEO) in FY2024. The total remuneration for the KMP in FY2024 was S\$3,967,813<sup>(1)</sup>.

Remuneration of CEO	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives <sup>(2)</sup> + Statutory Contribution (%)	Long-term Incentives <sup>(3)</sup> (%)	Total <sup>(3)</sup> (SGD)
Mr. Adrian Chui	59.2	15.7	25.1	1,129,217

Remuneration of other KMP	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives <sup>(2)</sup> + Statutory Contribution (%)	Long-term Incentives <sup>(3)</sup> (%)	Total <sup>(3)</sup> (%)
Ms. Karen Lee	64.3	15.9	19.8	100.0
Mr. Don Kok	65.5	15.5	19.0	100.0
Mr. Carlvin Chia	62.9	17.4	19.8	100.0
Ms. Nancy Tan	70.2	16.7	13.1	100.0
Ms. Charlene-Jayne Chang	66.0	21.1	13.0	100.0

Notes:

(1) The amount disclosed includes base salary, allowances, employer's CPF contribution and bonus declared for FY2024.

(2) Variable and performance related bonus.

(3) Consists of Units-based incentives. Units awarded under the Performance Unit Plan ("PUP") are subject to pre-determined performance targets set over a three-year performance period. The PUP figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

The relationships between employees, shareholders and Directors of the Manager are examined annually to identify any potential conflict of interest. There were no employees of the Manager who were (i) substantial shareholders of the Manager or substantial Unitholders of ESR-REIT, or (ii) immediate family members of a director or the CEO or a substantial shareholder of the Manager, or a substantial Unitholder of ESR-REIT, and whose remuneration exceeded S\$100,000 during FY2024.

During FY2024, there was no termination, retirement or post-employment benefits granted to the Directors and the KMP (including the CEO). In addition, none of the Directors entered into any service contract directly with ESR-REIT.

The Board is cognisant of the requirements stated within the CG Code, its related practice guidance and the "Notice to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" to disclose the exact remuneration amount of each individual Director and the CEO on a named basis and the remuneration of at least the top five KMP (who are neither Directors nor the CEO) in bands of S\$250,000 on a named basis. In the event of non-disclosure of the aforementioned, the Manager is required to provide reasons for such non-disclosure.

The Board has assessed and decided not to disclose the remuneration of the top five KMP (excluding the CEO) of the Manager in bands of S\$250,000. In arriving at its decision, it took into account the following:

- (i) the remuneration of all the Manager's personnel is paid by the Manager out of the fees that it receives (of which the quantum and basis have been disclosed within the Financial Statements), rather than by ESR-REIT. Remuneration of the Directors and the KMP of the Manager (including CEO) is paid wholly in cash, saved for the LTI portion, where applicable;
- (ii) the remuneration of all the Manager's employees are not linked to the Manager's profitability;
- (iii) in view of the sensitivity and confidential nature of remuneration matters and the intense competition for talents in the industry, it is not in the best interest of ESR-REIT and the Unitholders to disclose the remuneration of the KMP in bands of S\$250,000. It is important for the Manager to retain talent for the long-term interests of ESR-REIT and the Unitholders, and ensure stability and continuity of business operations with a competent and experienced management team in place; and

- (iv) the non-disclosure of the remuneration of the KMP (excluding the CEO) in bands of S\$250,000 does not compromise the ability of the Manager to meet the requirements of good corporate governance as the NRC, reviews the remuneration package of the KMP based on their roles and responsibilities to ensure that the KMP are fairly remunerated.

The Manager is of the view that despite this partial deviation from Provision 8.1 of the CG Code, the above disclosures are consistent with the intent of Principle 8 of the CG Code and would provide sufficient information and transparency to the Unitholders on the Manager's remuneration policies, the level and mix of remuneration accorded to the KMP, and enable the Unitholders to understand the relationship between the REIT's performance, value creation and the remuneration of the KMP. For the reasons above, Unitholders' interests are not prejudiced by the partial deviation.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

The Board is responsible for the overall risk governance and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls systems. The ARCC supports the Board by determining the nature and extent of the significant risks which ESR-REIT is willing to take in achieving its strategic objectives and valuation creation, including providing dedicated oversight of risk management at the Board level, including the setting up of a robust internal control system, and establishing enterprise-wide risk management policies and processes to ensure proactive management of key risks (including strategic, financial and economic, operational and asset management, compliance, people, as well as environmental, social and governance controls) to safeguard Unitholders' interests and ESR-REIT's assets.

### Risk Management Framework and Internal Control System

The Manager has in place an Enterprise Risk Management ("ERM") framework to mitigate any risks exposures through appropriate risk management strategies and internal controls. The ERM framework consists of tools such as ERM Risk Appetite Statements, Key Risk and Control Matrix and Compliance Matrix which are dynamic and evolve with the business, thus providing the Manager with a holistic and consistent process for the continuous identification of key risks, management and monitoring of risks as well as regular reporting of the risks to both the ARCC and the Board.



The Board, through the ARCC, reviews the adequacy and effectiveness of the internal control policies and procedures, at least annually, to ensure robust risk management and that internal control systems are maintained. The internal and external auditors also conduct reviews on the adequacy and effectiveness of risk management and internal control systems. Any material non-compliance or lapses together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the ARCC. The ARCC also reviews the adequacy and effectiveness of the measures taken by the Manager in relation to the recommendations made by the internal and external auditors and ensures the timely and proper implementation of all required corrective, preventive or improvement measures.

More information on the ERM framework can be found in the “Risk Management” section on pages 86 to 91 of the Annual Report.

#### **Material Risk Assessment and Management**

Both the ARCC and the Management periodically review the material risks faced by ESR-REIT and the Manager to ensure relevance to the business and economic environment. With the assistance of the internal auditors, periodic risks workshops have been conducted with the involvement of the ARCC members and the Management via a top-down approach as well as bottom-up engagement with the employees of the Manager. At the workshops, key risks were identified, mapped and updated into the existing Key Risk and Control Matrix to ensure the ongoing relevance of the enterprise-wide risks for both the REIT as well as the Manager. In addition, the identified risks would be addressed with mitigating controls and are reviewed by the respective head of departments quarterly (or more frequently if the business environment warrants) and monitored by the ARCC and reported to the Board, to ensure that the Key Risk and Control Matrix stays relevant and effective.

If there are any breaches of regulations or any risks that fall outside the risk appetite that ESR-REIT and the Manager are willing to undertake, the Board will be alerted and measures and steps would be put in place to reduce the risk level to within the acceptable range.

In line with the strategic objectives of providing Unitholders with a stable income stream and achieving long-term growth in net asset value per unit, the Manager critically analyses each transaction before proceeding. To arrive at an investment decision, the Manager identifies the risk exposures and determines how to mitigate, transfer, manage and/or reduce those risks, where possible, to a level which is appropriate for the corresponding expected return on that investment. Extensive procedures, including due diligence, are carried out at various stages of the investment process. The Board reviews management reports and feasibility studies on proposed acquisitions prepared by the Manager, and approves the proposal if the Board believes it is in the best interests of ESR-REIT and the Unitholders to enter into the transaction.

#### **Board’s Comment on Risk Management and Internal Controls**

The Board has received confirmation from the CEO and CFO of the Manager that, as at 31 December 2024, they were not aware of any events that have arisen which would have a material effect on the financial results of ESR-REIT, except as disclosed in the financial statements, and nothing has come to their attention which may render the financial results false or misleading. In addition, they have provided assurances to the Board that the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of ESR-REIT’s operations and finances.

The Board and ARCC have also received confirmation from CEO, Deputy CEO, CFO, and the KMP who are responsible regarding the adequacy and effectiveness of the Manager’s risk management and internal control systems, including the Head of Investment, Head of Capital Markets & Investor Relations, Head of Asset Management, Head of Human Resources and Corporate Services as well as the Head of Compliance & Risk Management<sup>1</sup>, that to the best of their knowledge and belief, the internal controls (including financial, operational, compliance, environmental and IT controls) and risk management system were adequate and effective to address the risks that were relevant and material to ESR-REIT’s operations.

<sup>1</sup> Head of Compliance & Risk Management has stepped down in November 2024 and was replaced by the ESR Group Head of Governance & Sustainability.

The bases of confirmation are as follows:

- both internal and external auditors have confirmed that based on their audits conducted, there were no issues to warrant any significant concerns in the risk management and internal control systems of the Manager;
- Compliance and Risk Management Department of the Manager has confirmed the following:
  - based on internal quarterly compliance monitoring reviews conducted, there were no issues to warrant any significant concerns in the areas covered in the compliance monitoring program;
  - there were no issues to warrant significant concerns on the continuous fit and proper requirement of Directors and appointed representatives based on the annual due diligence conducted on them;
  - Key Risk and Control Matrix for each of ESR-REIT, the Manager and ESR Property Services Pte. Ltd. were reviewed and updated on a quarterly basis by the Heads of Departments and the IT Manager, to ensure relevance and controls are continuously in place for each risk factor;
  - quarterly and annual attestations on the risk monitoring tools, quarterly attestations from employees, appointed representatives, the Management and the Directors in terms of compliance with relevant regulatory requirements have been made;
  - sufficient training hours were attended by all employees;
  - policies and procedures are in place to reduce operational risks and serve as guidance in day-to-day work processes;
  - quarterly letter of representation in connection with the unaudited financial statements announcement were provided by CEO and CFO confirming that nothing has come to their attention which may render the result announcements to be false or misleading in any material respect;

- there have been no communications from the relevant regulatory bodies concerning material non-compliance with or deficiencies in the internal controls of ESR-REIT and the Manager; and
- there has been no fraud or suspected fraud affecting the Group involving the Management and employees who have significant roles in internal controls.

Based on the above, pursuant to Rule 1207(10) of the Listing Manual, the Board, with the concurrence of the ARCC, is of the opinion that the Manager's risk management systems and internal controls (including financial, operational, compliance, environmental and IT controls) were adequate and effective as at 31 December 2024 to address strategic, financial and economic, operational and asset management, compliance, environmental, social and governance, people and IT risks, which the Manager considers relevant and material to ESR-REIT's operations. For FY2024, no material weaknesses in the risk management and internal control systems were identified by the ARCC and the Board.

The Board notes that the risk management and internal control systems established by the Manager provide reasonable assurance that the Group will not be significantly affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no risk management and internal control systems can provide absolute assurance in this regard, or against poor judgement in decision-making, human error, losses, fraud or other irregularities.

#### **Principle 10: Audit Committee**

The ARCC comprises 3 independent non-executive Directors. They are:

1. Mr. Nagaraj Sivaram, Independent Non-Executive Director (Chairman)
2. Ms. Stefanie Yuen Thio, Independent Non-Executive Director (Member)
3. Mr. Loi Pok Yen, Independent Non-Executive Director (Member)

The ARCC members bring with them invaluable experience and professional expertise in the accounting, legal, financial management and real estate areas. Mr. Nagaraj Sivaram is a qualified chartered accountant with many years of experience in audit and assurance. Ms. Stefanie Yuen Thio is an Advocate and Solicitor of The Supreme Court of Singapore and her areas of expertise include mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Mr. Loi Pok Yen has extensive experience in the logistics sector in Singapore as well as overseas.

The separation of the roles of the Chairperson of the Board and the Chairman of the ARCC ensures greater independence of the ARCC in the discharge of its duties. None of the ARCC members are former partners or directors of ESR-REIT's existing audit firm or auditing corporation (a) within a period of two years commencing on the date of their ceasing to be a partner of the audit firm or director of the auditing corporation and (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The ARCC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, the Management and full discretion to invite any Director or staff to attend its meetings. The ARCC also has adequate resources, including access to external consultants, internal and external auditors, to enable it to discharge its responsibilities properly. The ARCC meets with the internal and external auditors, without the presence of Management, at least once a year.

#### **Role of ARCC**

The ARCC is guided by its written terms of reference with principal functions as follows:

- reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements of ESR-REIT and any announcements relating to ESR-REIT's financial performance;
- reporting to the Board on the significant issues and judgements that the ARCC considered in relation to the financial statements, and how these issues were addressed;
- overseeing and reviewing the adequacy and effectiveness of ESR-REIT's risk management function and internal control systems;
- assisting the Board in reviewing at least annually the adequacy and effectiveness of the Manager's and ESR-REIT's risk management and internal control systems (including financial, operational, compliance, environmental and IT controls);
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- reviewing the adequacy, effectiveness, independence, scope and results of the Manager's internal audit function;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit, and the independence and objectivity of the external auditors;
- reviewing and recommending to the Board on the appointment, reappointment and removal, remuneration and terms of engagement of the internal and external auditors;
- ensuring both the Manager and ESR-REIT are compliant with all applicable legal and regulatory provisions and requirements (including codes, notices and guidelines) in relation to matters within its purview;
- reviewing and ensuring that the Manager has programmes and policies in place to identify and prevent fraud or other possible improprieties and for such matters to be safely raised, independently investigated and appropriately followed up on;
- overseeing and monitoring whistleblowing protocols;
- ensuring that the Manager has in place a sound system for the identification, valuation, approval and reporting of interested person transactions ("IPTs") and related party transactions ("RPTs"); and
- reviewing all IPTs and RPTs to ensure they are on normal commercial terms, and that they do not prejudice the interests of ESR-REIT and the minority Unitholders of ESR-REIT.

### Reviews conducted by the ARCC

During FY2024, the ARCC reviewed the interim and annual financial statements for recommendation to the Board for approval. The ARCC's oversight of financial reporting includes the review of changes in Financial Reporting Standards and discussions with the Management and the external auditors on the impact of current and impending changes on financial reporting by the Group.

In the review of the financial statements for FY2024, the ARCC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARCC also reviewed, among other matters, the following key audit matter identified by the external auditors for FY2024:

Key Audit Matter	How this issue was addressed by ARCC
Valuation of investment properties held either directly or through joint venture and investments at fair value through profit or loss	<p>The ARCC considered the valuation methodologies adopted by independent valuers in arriving at the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss against those applied by other valuers for similar property types.</p> <p>The ARCC reviewed 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, the ARCC sought confirmation from both the Management and external auditors 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.</p> <p>The ARCC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss.</p>

Following the review and discussion, the ARCC recommended to the Board to approve the FY2024 financial statements.



### External Audit

Ernst & Young LLP ("EY") was appointed as the external auditors of ESR-REIT since 25 April 2017. The ARCC reviewed and approved the audit plan and scope with the external auditors and critically reviewed the report on the audit of the financial statements.

Throughout the year in review, the ARCC, together with the Management, reviewed the quality of work done, the performance as well as the independence of the external auditors. The aggregate amount of fees paid or payable to the external auditors for FY2024 was S\$901,000, of which audit and non-audit fees amounted to S\$662,000 and S\$239,000 respectively. The ARCC has undertaken a review of all non-audit services provided by the external auditors and is satisfied that the independence and objectivity of the external auditors have not been impaired by the provision of those services.

In reviewing the nomination of EY for re-appointment as external auditor of ESR-REIT and its subsidiaries until the conclusion of the next AGM, the ARCC had conducted the evaluation of EY via both a checklist, which had taken into consideration the Accounting and Corporate Regulatory Authority's Audit Quality Indicators Disclosure Framework, as well as a face-to-face evaluation session. The ARCC had also considered the adequacy and experience of the engagement partner and key team members assigned, EY's experience in the REIT sector and the size and complexity of the audit in the evaluation process. Based on the evaluation results, the ARCC is satisfied with the independence and performance of EY and has recommended to the Board the re-appointment of EY as the external auditors of ESR-REIT and its subsidiaries at the forthcoming AGM. The Board has taken into account the ARCC's recommendation and concurred with the ARCC's endorsement.

Accordingly, the Manager confirms that ESR-REIT complies with Rules 712 and 715 of the Listing Manual with respect to the appointment of external auditors.

### Internal Audit

Given the Manager's size and scale of operations, the internal audit function is outsourced to PricewaterhouseCoopers LLP ("PwC") that reports directly to the ARCC Chairman and administratively to the Management. The ARCC reviews and recommends to the Board on the appointment, removal, evaluation as well as the compensation of the internal auditor. The ARCC reviews the internal audit programme and reports on a periodic basis, and monitors Management's responsiveness to the findings and recommendations of the internal auditor.

PwC adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors and has unfettered access to all of ESR-REIT's and Manager's documents, records, properties and personnel including the ARCC.

An annual internal evaluation was also conducted on PwC as the internal auditor of ESR-REIT by the ARCC and the Management to evaluate the performance and effectiveness of the internal auditor. The ARCC reviewed the scope of internal audit work and the audit programme as well as the reports submitted by PwC and is satisfied that the internal audit function is independent, effective, adequately resourced, and has appropriate standing within the Manager to perform its functions effectively.

### Whistleblowing Policy

The Manager is committed to conduct its business within a framework that fosters the highest ethical and legal standards.

The Manager has established a Policy on Whistleblowing which has been communicated to all employees and details of the policy are available on ESR-REIT's website. Employees of the Manager and any external parties may raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters to the ARCC Chairman, without fear of reprisals by submitting a whistleblowing report using the prescribed form found on ESR-REIT's website at <https://www.esr-reit.com.sg/whistleblowing.html>. The Manager prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a report in good faith. Any party found to have taken reprisal actions or victimised the whistleblower may face disciplinary action, including the possibility of dismissal.

The ARCC has the responsibility of overseeing this policy to ensure it is properly administered. Valid reports made in good faith will be investigated by an independent party and the outcome of each investigation is reported to the ARCC Chairman, who will advise on the appropriate follow-up action. All whistle-blowing reports are reviewed by the ARCC quarterly to ensure independent and thorough investigation with appropriate follow-up actions. All information and reports are received confidentially to protect the identity and the interest of all whistleblowers.

## UNITHOLDER RIGHTS AND ENGAGEMENT & MANAGING STAKEHOLDER RELATIONSHIPS

### Principle 11: Unitholder Rights and Conduct of General Meetings

The Manager is committed to treating all Unitholders fairly and equitably in order to enable them to exercise their Unitholders' rights and have the opportunity to communicate their views on matters affecting ESR-REIT. The Board is responsible for providing a balanced and understandable assessment of ESR-REIT's performance, position and prospects within their reports and announcements to Unitholders. The Board is supported by the Management who provides the Board with relevant and accurate information on ESR-REIT's performance on a timely basis to enable the Board to effectively discharge its duties.

The Manager has in place a Policy on Market Disclosure which governs the timely and accurate disclosure of information via SGXNet. Financial results, press releases, analyst presentation slides and other price sensitive information are disseminated through announcements via SGXNet and ESR-REIT's website in a timely manner to assist Unitholders and investors in their investment decisions.

#### General Meetings

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at these meetings. Any Unitholder who is unable to attend these meetings in person is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent before the proxy submission cut-off time. Unitholders who are Relevant Intermediaries (as defined in the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at general meetings of ESR-REIT.

A separate resolution is proposed for each distinct issue at the general meeting. These resolutions are not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the reasons and material implications are explained. Information is also provided on each resolution to enable Unitholders to exercise their votes on an informed basis.

To ensure transparency, each resolution proposed will be voted by way of electronic poll voting for Unitholders/proxies present at the meetings. The voting and vote tabulation procedures are declared before the voting commences, and an independent scrutineer is appointed to validate the vote tabulation and procedures. Results of the poll voting (votes cast for or against or abstain from voting, and their respective percentages) are disclosed immediately at the meeting after the conduct of each poll, and also announced in a timely manner after the meeting via SGXNet.

Unitholders are informed of general meetings through notices (such notice will also be published on SGXNet, newspapers and ESR-REIT's website) sent to them in accordance with the requisite notice period. As part of the sustainability efforts and in line with ESR-REIT's Trust Deed, printed copies of accompanying annual reports or circulars will only be despatched to Unitholders upon request. Electronic copy of the accompanying annual reports or circulars are available for download from the SGXNet and ESR-REIT's website.

Unitholders are informed of the rules governing general meetings and are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting ESR-REIT. All Directors, together with the Management, representatives of the trustee and other relevant professionals (where necessary) are in attendance for the entire duration of the general meetings to address queries that Unitholders may have. The external auditors are also present to answer Unitholders' questions about the conduct of audit and the preparation and content of the auditors' report.

The Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail, email or fax). Despite the deviation from Provision 11.4 of the CG Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting ESR-REIT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. The Manager will consider changing the Trust Deed to accommodate for absentia voting once the legislative changes to recognise remote voting is formalised.

The Manager publishes minutes of the general meetings on both SGXNet and ESR-REIT's website as soon as practicable following the meetings. The minutes will record substantial and relevant comments or queries from Unitholders relating to the agenda of the general meetings, and responses from the Board and Management.

The Manager will be holding the forthcoming AGM in a wholly physical format where Unitholders will be able to raise questions and vote in person at the AGM. There will be no option for Unitholders to participate virtually. However, the Unitholders will still be accorded the opportunity to ask questions prior to the AGM and during the AGM. Arrangements relating to the submission of questions to the Chairperson of the meeting in advance of, or at the AGM, and voting at the AGM by Unitholders or their duly appointed proxy(ies), are set out in the Notice of AGM dated 1 April 2025.

#### **Distribution Policy**

ESR-REIT's distribution policy is to distribute at least 90% of its annual distributable income, comprising income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion taking into account the needs of ESR-REIT for capital expenditure, working capital requirements and the liquidity position of ESR-REIT. Since its listing in 2006, ESR-REIT has distributed 100% of its taxable income to its Unitholders.

#### **Principle 12 & 13: Engagement with Unitholders and Other Stakeholders**

The Manager upholds a strong culture of regular and timely disclosure and transparent communication with Unitholders, the investing community and other stakeholders. The Manager's disclosure policy requires timely and accurate disclosure of financial results and material information relating to ESR-REIT by way of announcements on the SGXNet and ESR-REIT's website.

In addition to the release of mandatory financial results within the relevant periods prescribed by the Listing Manual, the Manager also provides interim updates to keep all Unitholders and other stakeholders informed of ESR-REIT's performance and latest corporate developments on a timely and consistent basis.

#### **Investor Relations**

The Manager facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company. The Manager has in place a dedicated investor relations team to facilitate effective communications with Unitholders, investors, the investment community, analysts and the media. The Manager actively engages with Unitholders and other stakeholders with a view to solicit and understand their views, and has established an Investor Relations and Corporate Communication Policy to promote regular, effective and fair communication with Unitholders and other stakeholders.

ESR-REIT's website allows Unitholders and other stakeholders to access latest ESR-REIT's information such as announcements, financial statements, investor presentations, annual and sustainability reports. The website provides visitors with the option to sign up for a free email alert service to receive real-time notification of new information posted on the website or provide any feedback via the electronic feedback form. In addition, the Manager also provides the specific investor relations contact on the website to allow Unitholders and other stakeholders to ask questions and receive responses in a timely manner.

More information on how the Manager communicates with the Unitholders and other stakeholders are set out on pages 40 to 44 of the Annual Report, under "Investor Engagement".

#### **Material Stakeholders**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served. The Manager has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Manager discloses in its Sustainability Report (Stakeholder Engagement section) its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. In the report, the Manager focuses on ESR-REIT's Environment, Social, and Governance ("ESG") management, targets and

performance for FY2024. The Board has set a strategic direction in ensuring good corporate governance, prudent financial management, fair employment practices and efficient utilisation of resources. The Manager believes in the importance of integrating sustainability into its business strategies and operations in delivering stable and long-term value for its stakeholders and Unitholders.

The Manager has identified the following as ESR-REIT's key stakeholders: Investment Community, Board of Directors/BSC, Government Agencies and Industry Organisations, Existing and Potential Tenants, Local Communities, Management Team and Employees. For FY2024, the Manager's strategy is to continue to ensure active engagement and frequent communication with the relevant stakeholders through the various engagement channels including meetings, industry forums and dialogues, general meetings and announcements, investor conferences, feedback channels, site visits and orientation and training programs. The area of focus is to understand the stakeholders' concerns and issues which are of relevance to the material ESG factors. More information on how the Manager engages with its material stakeholder groups and to manage its relationships are set out on pages 131 to 132 of the Annual Report.

The Manager is committed to upholding ESR-REIT's sustainability practices and creating value for its stakeholders.

Stakeholders can access ESR-REIT's Sustainability Report on ESR-REIT's website under the "Investor Relations" link.

### DEALINGS IN SECURITIES

In compliance with Rule 1207(19) of the Listing Manual, the Manager has established a Policy on Dealing in Securities, setting out the guidelines for dealing in ESR-REIT units by the Directors and employees of the Manager.

The Directors and employees of the Manager are discouraged from dealing in ESR-REIT units on short-term considerations. They are also expected to observe the insider trading laws at all times and are strictly prohibited to deal in ESR-REIT units in the following instances:

- (i) during the period commencing two weeks prior to the announcement of ESR-REIT's business updates for the first and third quarter of the financial year, and ending on the date of the announcement of the relevant business updates;

- (ii) during the period commencing one month before the announcement of ESR-REIT's half year and full year financial results, and ending on the date of the announcement of the relevant results (together with (i) above, the "Black-out Period"); and
- (iii) at any time whilst in possession of undisclosed material or price-sensitive information.

The above restrictions in dealing in ESR-REIT units also apply to the employees of ESR Property Services Pte. Ltd.

Prior to the commencement of each Black-out Period, an email would be sent to all Directors and employees to inform them of the duration of the Black-out Period and remind them not to trade during this period or whenever they are in possession of undisclosed material information.

The SFA requires each Director to give notice to the Manager of any changes in the number of ESR-REIT units which he/she holds, or in which he/she has an interest, within two business days after the occurrence of the event giving rise to changes in the number of ESR-REIT units which he/she holds, or in which he/she has an interest, as applicable. All dealings in ESR-REIT units by the Directors are to be announced on the SGXNet.

In addition, any changes to Manager's holdings in ESR-REIT units will be announced on the SGXNet within one business day after the date on which it acquires or disposes of any such units.

### REVIEW PROCEDURES FOR INTERESTED PARTY TRANSACTIONS ("IPTs")

The Manager has established an internal control system to ensure that all transactions involving the Trustee and any related party of the Manager or ESR-REIT are undertaken on an arm's length basis with normal commercial terms, are not prejudicial to the interests of ESR-REIT and the Unitholders, and are in accordance with the applicable guidelines that may be prescribed from time to time.

In respect of such transactions, the Manager must demonstrate to the ARCC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent valuers, in accordance with the Property Funds Appendix.



In addition, the review and approval procedures include the following:

- transactions equal to or exceeding S\$100,000 in value but below 3% of the value of ESR-REIT's latest audited net tangible assets, are subject to review by the ARCC at regular intervals;
- transactions equal to or exceeding S\$100,000 in value (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) and equal to or exceeding 3%, but below 5% of the value of ESR-REIT's latest audited net tangible assets, are subject to the review and prior approval of the ARCC. Such approval will only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by trustee with third parties who are unrelated to the Manager; and
- transactions equal to or exceeding S\$100,000 in value (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) and equal to or exceeding 5% of the value of ESR-REIT's latest audited net tangible assets, are reviewed and approved by the ARCC who may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from independent valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions are to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning ESR-REIT relate to transactions entered into, or to be entered into, by the Trustee for and on behalf of ESR-REIT with a related party of the Manager or ESR-REIT, the Trustee is also required to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of ESR-REIT and the Unitholders.

Furthermore, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or ESR-REIT. If the Trustee is to sign any contract with a related party of the Manager or ESR-REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs in the Property Funds Appendix and the provisions of the Listing Manual relating to IPTs, as well as such other guidelines issued by MAS and the SGX-ST that apply to real estate investment trusts. All IPTs and related party transactions (and the basis, quotation obtained to support its basis) entered into are maintained in records by the Manager and reviewed by the ARCC.

#### **DEALINGS WITH POTENTIAL CONFLICTS OF INTEREST**

In dealing with potential conflicts of interest issues which the Manager may encounter in managing ESR-REIT, the Manager has instituted the following procedures:

- all executive officers are employed by the Manager;
- all resolutions in writing of the Board in relation to matters concerning ESR-REIT must be approved by a majority of the Directors, including at least one Independent Director;
- target to have at least half of the Board to be comprised of Independent Directors;
- in respect of the matters in which a director or his/her associates have an interest, direct or indirect, such interested director will notify the Manager of his/her interest and, where appropriate, abstain from voting and recuse himself/herself from any discussion on the matter. In addition, all materials pertaining to the transaction, including but not limited to pitching materials, term sheets, board papers and presentations, discussions relating to the transaction, minutes of meeting, clarifications to Board members and follow ups, etc. will not be distributed or shared with the conflicted Director. In such matters, the Board may also seek external professional advice to assist in its deliberations;

- matters in which any of the shareholders of the Manager has an interest (whether directly or indirectly), the nominee Director appointed by the relevant shareholder shall abstain from voting and recuse himself/herself from any discussion in such matters and the quorum must comprise a majority of the Independent Directors. In addition, all materials pertaining to the transaction, including but not limited to pitching materials, term sheets, board papers and presentations, discussions relating to the transaction, minutes of meeting, clarifications to Board members and follow ups, etc. will not be distributed or shared with the conflicted Director;
- all IPTs equal to or exceeding S\$100,000 in value must be reviewed by the ARCC and approved by a majority of the ARCC members. If a member of the ARCC has an interest in a transaction, he/she will, where appropriate, abstain from voting and recuse himself/herself from the discussion;
- under the Trust Deed, other than a meeting convened for the removal of ESR-REIT Management (S) Limited as the manager of ESR-REIT, the Manager, the controlling shareholders of the Manager and their respective associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to approve any matter in which the Manager or any of its associates has a material interest in;
- if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of ESR-REIT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) for legal advice on the matter. If the law firm is of the opinion that the Trustee, on behalf of ESR-REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager is obliged to take appropriate action in relation to such agreement; and
- the Manager ensures that the CEO is fully committed to ESR-REIT's operations as he is employed full-time in the day-to-day operations of the REIT and the Manager and that he does not take up any executive role in another entity.

In 2022, an ad-hoc Transaction Review Committee ("TRC"), a subcommittee of the Board, was set up to assist the Board in ensuring the process from pitching to closing of any open/close tender bids transaction relating to Interested Parties (i.e., IPT):

- a) is conducted on an arm's length and transparent basis including parity of information to all bidders and confidentiality of bids;
- b) has adhered to relevant rules in Chapter 9 of the SGX Listing Manual as well as Property Funds Appendix; and
- c) demonstrated a higher standard of good corporate governance process and exercised due care, skill and diligence as compared to transactions with no bidding process.

The TRC is not expected to be a standing committee but rather an "ad-hoc" committee depending on the type of IPT being contemplated and/or as directed by the Board. For IPTs that are in the ordinary course of business (e.g., individual asset or portfolio acquisitions), the TRC may not be activated as the typical IPT governance processes would have been covered by the ARCC.

#### DISCLOSURES ON FEES PAYABLE TO THE MANAGER

Pursuant to the CIS Code, where fees are payable to the Manager out of the deposited property of ESR-REIT, the methodology and rationale for each type of fee payable should be disclosed. Details on the methodology is disclosed in Note 1 of the audited financial statements for FY2024. The various fees earned by the Manager are elaborated below:

##### Management Fees

The Manager is entitled to receive a base fee and performance fee for the management of ESR-REIT's portfolio. The payment for the total of base fee and performance fee is capped at 0.8% of ESR-REIT's total deposited property value per annum under Clause 15.1.3 of the Trust Deed. The amount in excess of the fee cap will be carried forward for payment in future financial years.

**(a) Base Fee**

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The fee is computed at 0.5% per annum of the deposited property value in accordance with Clause 15.1.1 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. The fee is calculated at a percentage of asset value as the asset value provides an appropriate metric to determine the resources for managing the assets.

Based on the Manager's election, the fee is payable in cash, units or a combination of both. Under the Trust Deed, the cash component of the base fee is payable monthly in arrears within 30 days after the last day of each calendar month while the unit component of the base fee is accrued and issued within 30 days after the last day of each calendar quarter.

The issue price for the Manager's base fees payable in units is determined based on the volume weighted average traded price for a unit for all the trades done in the ordinary course of trading on the SGX-ST for the last 10 business days immediately preceding the end of the relevant calendar quarter.

**(b) Performance Fee**

The Manager's performance is measured by the growth in distribution per unit (the "DPU Growth Model") of ESR-REIT subject to the DPU threshold being met.

The performance fee under the DPU Growth Model is 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. The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by ESR-REIT in the previous years for which a performance fee was payable (the "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 Manager would have to outperform the adjusted Highest DPU Threshold.

The pegging of the performance fee to DPU aligns the interest of the Manager with those of Unitholders as the compensation commensurate with the value the Manager delivers to Unitholders as a whole in the form of DPU. With the DPU Growth Model, the Manager will be committed to providing the Unitholders with stable distribution on a more sustainable basis. The Manager is motivated to increase DPU through the efficient portfolio management, astute cost management and effective use of debt and equity. This can be achieved by proactive organic and external growth strategies such as asset enhancement initiatives, acquisitions, developments and divestments to continually rebalance the portfolio and achieve income accretions. Taking on short-term risks is deterred as the Manager strives to achieve sustainability.

The fee is payable in cash, units or a combination of both at the option of the Manager. Under Clause 15.1.2 of the Trust Deed, the performance fee payable whether in cash or units, is payable in arrears within 30 days after the last day of each financial year.

The issue price for the performance fees payable in units is determined based on the greater of five business day volume-weighted average price ("VWAP") before and after the relevant financial year (i.e. 10 days VWAP in total) and gross asset value per unit.

**Acquisition Fee and Divestment Fee**

Acquisition fee earned by the Manager is contingent upon the successful completion of property acquisitions. This fee seeks to motivate and compensate the Manager for its efforts expended to continually seek out and acquire accretive assets to increase sustainable returns for Unitholders.

The Manager is entitled to receive 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-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-REIT's interest in such real estate) where ESR-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-REIT to the entity referred to in paragraph (ii) above, provided that the provision in paragraph (ii) is complied with; and
- (iv) the value of any investment by ESR-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.

Divestment fee earned by the Manager is contingent upon the successful completion of property divestments. This fee seeks to motivate and compensate the Manager for its efforts expended to continually rebalance the portfolio and maximise value received by ESR-REIT in the divestment.

A divestment 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 (i) above for the acquisition fee;
- (ii) in relation to an investment of the type referred to in paragraph (ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-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 (iii) above for the acquisition fee; and
- (iv) the value of an investment referred to in paragraph (iv) above for the acquisition fee.

The acquisition or divestment fee enables the Manager to recover the additional costs and resources incurred by the Manager in the course of seeking out new acquisition or divestment opportunities, including but not limited to due diligence efforts and man hours spent in evaluating the transaction or marketing and maximising the divestment price.

Where the acquisition or divestment fees are to be paid to the Manager for the acquisition of assets from an interested party or divestment of assets to an interested party, such fees are paid in the form of units based on the last 10 days VWAP prior to the completion date of the transaction. These units should not be sold for a period of one year from their date of issuance. As the Manager's interest is closely tied to the performance of the DPU, this ensures that the related party transaction performs and contributes to Unitholders' returns.

### Development Management Fee

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-REIT, subject to fulfilling a pre-determined list of conditions as prescribed in Clause 15.7 of the Trust Deed. The development management fee is payable to the Manager to incentivise the Manager to undertake development projects, including but not limited to asset enhancement initiatives, build-to-suit and redevelopment projects, on behalf of ESR-REIT to enhance its property portfolio, and to compensate the Manager for its time, costs and effort expended in managing development projects. By undertaking development projects on behalf of ESR-REIT, it can improve the yield of ESR-REIT's property portfolio, increase its distributable income and enhance its long-term value.

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.

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 in such proportions as it may determine. Where part of the development management fee is to be received in the form of units, the Manager shall be entitled to receive such number of units as may be purchased for the relevant amount of the development management fee at an issue price equivalent to the VWAP of the units for the last 10 business days of the relevant calendar quarter for which such fees relate to.



# SUSTAINABILITY REPORT

## ABOUT ESR-REIT'S SUSTAINABILITY REPORT 2024

### About this report

This Sustainability Report summarises ESR-REIT's Environment, Social, and Governance ("ESG") management, targets and performance for the financial year ending 31 December 2024 (FY2024). As of 31 December 2024, our portfolio comprises 52 properties in Singapore, 18 in Australia, and 2 in Japan. For the complete list of properties, please see pages 60 to 67 of the Annual Report.

In alignment with ESR Group's ESG data scope and reporting boundary, the Environmental data disclosed in this report relates to the multi-tenanted buildings ("MTBs") which the Manager has operational control over. 20 Tuas South Avenue 14 is excluded from disclosure as it was acquired on 29 November 2024 and we do not have complete environmental data. The Social and Governance data relates to the Manager's operations, employees and its property managers. For a holistic understanding of our company's performance and sustainability efforts, please refer to our Annual Report in conjunction with this Sustainability Report.

ESR-REIT's Board of Directors (the "Board") and Board Sustainability Committee ("BSC") have reviewed and approved the report. The report was prepared referencing the following standards, frameworks, and regulations, where applicable:

- In accordance with Global Reporting Initiative ("GRI") Universal Standards 2021
- Climate-related provisions in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- The Sustainability Accounting Standards Board ("SASB") Standards for Real Estate
- Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rules 711A and 711B with Practice Note 7.6
- United Nations Sustainable Development Goals ("UN SDGs")

This report aligns with the GRI Universal Standards 2021 to enable global consistency and comparability. Building onto the Taskforce on Climate-related Financial Disclosures ("TCFD"), which are now incorporated under the IFRS S2 requirements and under the purview of the International Sustainability Standards Board ("ISSB"), we are progressively aligning with the climate-related disclosure requirements of IFRS in the coming years, such as reporting against SASB and quantifying climate risks. Such disclosures will better reflect the financial impacts of climate change on our portfolio.

The report also references the following guidelines:

- SGX-ST's 27 Core Metrics
- Monetary Authority of Singapore's ("MAS") Guidelines on Environmental Risk Management for Asset Managers

To promote transparency and credibility, ESR-REIT has engaged PricewaterhouseCoopers Risk Services Pte. Ltd. to conduct an Internal Audit Review of our current sustainability reporting process primarily based on enquiry, observation and supplemented by limited testing of transactions, reports and reconciliations. To the extent applicable, the review process further strengthened our risk and governance processes, internal controls, and systems.

# SUSTAINABILITY REPORT

In addition, we have engaged SGS International Certification Services Singapore Pte Ltd, an independent external assurance provider to provide limited assurance over selected key environmental data, namely energy intensity, water intensity and solar capacity. The assurance covers the reporting period of 1 January 2024 to 31 December 2024 and was conducted in accordance with the International Standard on Assurance Engagements — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000). The Assurance Statement prepared by SGS can be found from pages 188 to 190. We will continue to expand the scope for external assurance in future reporting cycles to align with regulatory requirements.

## Restatement of information

For FY2024, we have updated our targets to account for the merger between ESR-REIT and ARA LOGOS Logistics Trust (“Merger”). In alignment with the Decarbonisation Roadmap developed by the Manager to decarbonise operations of ESR-REIT (the “Decarbonisation Roadmap”), the targets’ baseline has been refreshed to FY2023 where relevant, which is representative of the expanded portfolio. In the process, efforts have been made to align on data collection methodologies and improving completeness of the baseline. The following FY2023 figures were restated:

- **Solar generation:** This target will be measured against the solar capacity to align with the Decarbonisation Roadmap.
- **Energy consumption, Energy intensity, greenhouse gas (“GHG”) emissions and GHG emissions intensity:** These figures have been restated to align with ESR Group’s reporting boundary. For this Sustainability Report, we do not consider Australia MTBs’ common areas in the calculations as they are not managed by the landlord. Therefore, the reported data from FY2023 would have to be restated for a like-for-like comparison with FY2024, representing energy consumption for areas under the Manager’s operational control.
- **Water Consumption and Water intensity:** These figures have been restated to align with ESR Group’s reporting boundary for the above-mentioned reasons under Energy consumption, Energy intensity, GHG emissions and GHG emissions intensity.

Please refer to their respective sections for further information on the restatement.

## Feedback

We publish our progress annually and value your feedback on our reporting, approach, and performance. Please share your thoughts and suggestions at [enquiry@esr-reit.com.sg](mailto:enquiry@esr-reit.com.sg).



## CONTENTS

About ESR-REIT's Sustainability Report 2024	121
Contents	123
2024 At A Glance	124
Board Statement	125
Progress of Sustainability Targets and Performance	126
How We Manage Sustainability	129
Our Sustainability Leaders at ESR-REIT	129
Stakeholder Engagement	131
Our Material Factors	133
<b>ECONOMIC</b>	
Material topic: Investment Management — Quality Assets and Services	134
Material topic: Tenant Engagement and Satisfaction	137
<b>ENVIRONMENTAL</b>	
Material topic: Energy and Carbon Footprint	140
Material topic: Climate Change Adaptation	145
Material topic: Water	152
Material topic: Waste	153
<b>SOCIAL</b>	
Material topic: Employee Engagement and Satisfaction	155
Material topic: Diversity and Equal Opportunity	157
Material topic: Health and Safety	160
Material topic: Supply Chain Management	162
Material topic: Community	163
<b>GOVERNANCE</b>	
Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management	166
Appendix A: Methodology Summary	169
Appendix B: ESG Data Summary	171
Appendix C: GRI Content Index	176
Appendix D: SASB Content Index	184
Appendix E: Qualitative Climate Risk Assessment	186
Appendix F: Assurance Statement	188

# SUSTAINABILITY REPORT

## 2024 AT A GLANCE



<sup>1</sup> Tenant satisfaction rate was derived from aggregation of results obtained for Singapore and Japan properties using number of responses received. Australia portfolio was excluded as the survey was conducted anonymously across the ESR Australia portfolio instead of ESR-REIT arising from the recent integration. Therefore, the results cannot be analysed in relation to properties held by ESR-REIT only. The survey methodology will be improved in 2025 to ensure coverage of the entire portfolio. ESR-REIT is committed to increase engagement with tenants to improve tenant relationships and to obtain and address feedback on our services and assets through a series of planned tenant programs such as Chinese New Year tenant lunch, OktoberFest and Durian Party.

<sup>2</sup> This relates to the employees of ESR-REIT Manager and Property Manager.



## BOARD STATEMENT

Reflecting on the past year, ESR-REIT is proud to share the progress made and achievements attained. These milestones demonstrate ESR-REIT's commitment to assimilate ESG objectives into the way we operate, to enhance our value proposition to investors and the communities we serve.

### Enhancing climate risk management

Since FY2024, we have established a Board Sustainability Committee ("BSC") with subject matter expertise on sustainability risk management. This provides guidance for the business amidst more stringent reporting and risk management expectations. As a listed company, ESR-REIT is required to incorporate climate-related requirements from the IFRS Sustainability Disclosure Standards. This builds on our past TCFD assessment to provide more granular information on our governance oversight and financial materiality of sustainability. We have started modelling the impact of our material physical and transition risks that are most significant to the company's financial performance. The findings provide insights into our operational resilience, prioritisation and planning, contributing to a more holistic management of our portfolio. Moving forward, we will gradually incorporate more disclosures relating to the relevant GHG emissions in accordance with the IFRS climate-related requirements.

### Expanding and implementing our decarbonisation roadmap

FY2024 marked the development of the first decarbonisation roadmap for our Singapore portfolio. It provided clarity on the assets' sustainability performance and informed the mitigation actions required to align with our targets. Building on this effort, we are developing similar roadmaps for our Australia and Japan portfolios tailored to local context. In Singapore, we will be focusing on attaining Green Building Certifications, enhancing energy efficiency and expanding our renewable energy programme. We have also started building our Scope 3 inventory, prioritising the calculation of five categories that are most material to our operations.

### Strengthening business resilience

Our targets need to reflect the expanded portfolio from our merger with ARA LOGOS Logistics Trust. We recalibrated our sustainability targets to set more ambitious goals for those that have been achieved, and to ensure continued relevance of existing ones. This includes aligning with ESR Group's Net Zero Carbon commitments and charting out interim reduction targets alongside improvements in data collection. Our continued progress is evident through our fourth year of participation in GRESB Real Estate Assessment, scoring 73 points and maintaining our two-star rating from 2023.

With increased maturity in reporting our sustainability-related data, we intend to leverage technology to streamline performance tracking and disclosures. In the coming years, we are looking to onboard data management platforms and install smart meters across our properties.

Our sustainability efforts are aligned with our mission to deliver stable and long-term value for our stakeholders and Unitholders.

# SUSTAINABILITY REPORT

## PROGRESS OF SUSTAINABILITY TARGETS AND PERFORMANCE

In FY2024, we refreshed our targets with a FY2023 baseline to ensure continued relevance to the business operations.

Legend:

<span style="background-color: #c6e0b4; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Met targets
<span style="background-color: #ffeb3b; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	On track to meet targets
<span style="background-color: #ff9800; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Did not meet targets

Short Term Up to FY2025

Medium Term Up to FY2030

Long Term Up to FY2050

Material Factor	Targets	Time Horizon	2024 Performance
<b>Investment Management — Quality Assets and Services</b>	<span style="color: #00796b;">Updated</span> Achieve Green Building Certification for 80.0% of Singapore properties (by Gross Floor Area ("GFA")) by FY2030	Medium Term	28.0% of Singapore properties (by GFA) have obtained Green Building Certification as at FY2024, with a pipeline of properties to achieve the certifications going forward
	<span style="color: #00796b;">New</span> Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030	Medium Term	100.0% of Japan properties (by GFA) have obtained Green Building Certification as at FY2024
	<span style="color: #00796b;">New</span> Apply Green Leases to 100.0% of total Singapore Net Lettable Area ("NLA") by FY2028	Medium Term	Applied Green Leases to 6.6% of Singapore NLA, with new and existing leases identified to incorporate green clauses going forward
<b>Tenant Engagement and Satisfaction</b>	<span style="color: #00796b;">Updated</span> Achieve >80.0% tenant satisfaction rate across the portfolio	Perpetual	Achieved tenant satisfaction rate of 78.2% in FY2024
<b>Energy and Carbon Footprint</b>	Achieve 7.0% reduction in absolute energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Absolute energy consumption reduced by 20.5% from FY2023 to FY2024
	Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Energy intensity reduced by 17.7% (Grid and Renewables), and 16.6% (Grid only) from FY2023 to FY2024

Material Factor	Targets	Time Horizon	2024 Performance
	<b>New</b> Achieve total 15.0% reduction <sup>1</sup> of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023	Medium Term	Scope 1 and 2 emissions for Singapore MTBs' common area reduced by 17.4%, from FY2023 to FY2024
	<b>New</b> Achieve total 25.0% reduction <sup>1</sup> of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023	Medium Term	On track
	<b>Updated</b> Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030	Medium Term	Solar capacity of the Singapore portfolio increased to 15.5 MWp in FY2024
<b>Climate Change Adaptation</b>	<b>New</b> Achieve Net Zero by 2050	Long Term	On track
<b>Water</b>	Obtain Water Efficiency Building ("WEB") Certification for all MTBs in Singapore by FY2025	Short Term	27 out of 32 MTBs in Singapore are WEB certified as at FY2024
	Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Water intensity decreased by 1.8% from FY2023 to FY2024
<b>Employee Engagement and Satisfaction</b>	Achieve >75.0% employee satisfaction rate	Perpetual	Achieved employee satisfaction rate at 84.2%
	Achieve >80.0% survey response rate	Perpetual	Achieved employee response rate at 93.9%
	Achieve 16.0 training hours on average per year per employee	Perpetual	Achieved average of 36.5 training hours per employee
<b>Diversity and Equal Opportunity</b>	Have four age group categories represented on the Board: 30–50, 50–60, 60–70 and >70 age groups	Perpetual	All four age groups are represented
	Have Board members with various tenures with the Manager's Board	Perpetual	Board members are from the '0-3', '3-5' and '5-7' years tenures

<sup>1</sup> Reduction will include the substitute of brown energy consumption with green energy sources such as solar power for the Singapore MTB assets.

# SUSTAINABILITY REPORT

Material Factor	Targets	Time Horizon	2024 Performance
	Appoint a female Board or NRC Chairperson	Perpetual	Appointed female Board Chairperson
	Have at least two female directors on the Board	Perpetual	Two female directors are represented on the Board
	Appoint at least two different ethnic groups on the Board	Perpetual	Three ethnic groups have been represented
	Appoint at least 50.0% independent Board members	Perpetual	Achieved regulatory requirement of having at least 50.0% of the Board being independent
	Appoint at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	<p>One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment</p> <p>Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at this report, they do not have other listed company board representation besides the Board of the Manager</p>
<b>Health and Safety</b>	Achieve zero Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")	Perpetual	Achieved zero WFIR and MIR in FY2024
	Conduct quarterly health and safety committee meetings	Perpetual	Monthly health and safety committee meetings were held to review and improve on the WSH practices
<b>Supply Chain Management</b>	<span>Updated</span> 100.0% compliance of applicable Singapore vendors (Repair & Maintenance Service) with Green Procurement Policy by FY2028	Medium Term	25.0% of total applicable Singapore vendors met the Green Procurement Policy with other vendors identified to meet the policy requirement going forward
<b>Community</b>	Achieve 500 hours or more employee volunteerism per year	Perpetual	Achieved 568 hours in FY2024
<b>Governance and Enterprise Risk Management</b>	Achieve zero lapse in corporate governance or corruption	Perpetual	Achieved zero lapses in corporate governance or corruption
<b>Regulatory Compliance</b>	Achieve zero material incidents of non-compliance with socio-economic laws and regulations	Perpetual	Achieved zero material incidents of non-compliance with socioeconomic or environmental laws



## HOW WE MANAGE SUSTAINABILITY

### Our Sustainability Leaders at ESR-REIT

#### Sustainability Governance

Sustainability management is permeated throughout the different levels within ESR-REIT, each having differentiated responsibilities but guided by a common sustainability strategy. The three main actants are namely the Board, the BSC and the Sustainability Working Committee ("SWC").



ESR-REIT's Sustainability Governance Structure

# SUSTAINABILITY REPORT

## Responsibilities Within the Governance Structure

The Board has the highest level of oversight in shaping our sustainability strategy and guides the consideration of sustainability in business decisions. They are responsible for overseeing the identification and prioritisation of material ESG topics, with the most recent review conducted post-merger between ESR-REIT and ARA LOGOS Logistics Trust. The Board is also responsible for building strong relationships with key stakeholders and ensuring their interests are factored into our decision-making. All Directors have completed the required sustainability training as mandated by SGX-ST.

To support the Board in providing oversight and governance of ESR-REIT's sustainability strategy, ESG performance and compliance, we have established the BSC in FY2024, chaired by a non-executive member of the Board. The BSC members are appointed by the Board and are assessed to have knowledge of both the business activities and of sustainability issues. The members are:

- Mr. George Agethen, Non-Executive Director and Chairperson of the BSC
- Dr. Julie Lo, Independent Non-Executive Director
- Mr. Chan Mun Wei, an external sustainability consultant who is an independent party and subject matter expert

The BSC reviews and recommends improvements to the Management's proposed sustainability governance, strategy, targets, policies, and performance to set realistic goals while keeping aligned to evolving global standards. To integrate these into business operations, the BSC ensures business decisions consider these sustainability objectives and oversees implementation of the sustainability strategy. The BSC convenes semi-annually or more frequently on a need's basis, to review sustainability performance and discuss strategic priorities for reporting to the Board.

To ensure effective implementation of our sustainability efforts, we established a SWC chaired by our CEO. The SWC oversees our sustainability initiatives, ensuring they align with our strategic goals and meet stakeholder expectations. The committee reviews our business activities, identifies ESG risks and opportunities, assesses outcomes of the ESG impacts and ensures that appropriate measures are in place to manage and mitigate these risks. The committee works closely with internal teams to update and implement our enterprise risk assessment and understand the financial impact of identified risks. The SWC reports on ESG management and impact mitigation to the BSC quarterly, through the Operational Report, Risk Appetite Statements and Key Risk and Control Matrix throughout the year.

In preparation of the annual sustainability report, the SWC is responsible for managing the reporting process and review, including stakeholder engagement, materiality review and target setting. The BSC and the wider Board then reviews and approves the report for publication.


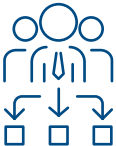
ESR-REIT's sustainability reporting process is subject to internal review. Identified processes relating to sustainability reporting have been incorporated into the internal audit plan, which covers key aspects of this Sustainability Report. The internal review takes place over one audit cycle, which may span one or a few years in accordance with risk-based planning, as approved by the Audit, Risk Management and Compliance Committee ("ARCC"). The internal review has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

## STAKEHOLDER ENGAGEMENT





We regularly engage with key stakeholders to ensure alignment with our business strategy. These engagement sessions serve as a forum for open and transparent dialogue, enabling us to align our strategic objectives with the needs and expectations of our stakeholders. Concurrently, the sessions provide an avenue for us to share our plans, progress and key initiatives while soliciting feedback.

There were no critical concerns raised to the Board in FY2024.

The BSC identified the following key stakeholder groups who are involved in shaping our business performance and long-term strategy:

Stakeholder	Forms of engagement	Key topics raised	How we responded
<b>Investment Community (Institutional and Retail Investors, Analysts and the Media)</b> 	<ul style="list-style-type: none"> <li>Dedicated investor relations team pro-actively communicates with the investment community to keep them updated on operational and financial performance, as well as ESR-REIT's long-term strategy</li> <li>Regular financial and non-financial performance updates</li> <li>Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs")</li> <li>Investor conferences, face-to-face meetings and Non-Deal Roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Long-term, sustainable and recurring distributions</li> <li>ESR-REIT's business outlook and growth strategy</li> <li>Timely updates on ESR-REIT's portfolio performance, asset and capital management, asset enhancement initiatives ("AEIs"), acquisitions and divestments, as well as major corporate developments</li> </ul>	<ul style="list-style-type: none"> <li>Announcement of half-yearly and annual financial results, with interim business updates in between the results periods</li> <li>Half-yearly briefings for analysts and media</li> <li>Comprehensive investor relations section on ESR-REIT's website</li> <li>Provided written responses to key questions from Unitholders ahead of our AGMs and EGMs</li> </ul>
<b>Board of Directors/ BSC</b> 	<ul style="list-style-type: none"> <li>Regular face-to-face or virtual meetings, online communication and calls</li> <li>Orientation and training programmes for new and existing Directors</li> <li>Annual Board evaluation</li> </ul>	<ul style="list-style-type: none"> <li>ESR-REIT's overall corporate governance and sustainability framework and initiatives</li> <li>Setting of ESR-REIT's strategic objectives, broad policies, procedures and targets</li> <li>Ensuring regulatory compliance</li> <li>Ensuring that the organisation meets the needs and expectations of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Timely and regular updates from key management on business activities</li> </ul>

# SUSTAINABILITY REPORT











Stakeholder	Forms of engagement	Key topics raised	How we responded
<b>Government Agencies and Industry Organisations</b>  	<ul style="list-style-type: none"> <li>Periodic participation in industry forums and dialogues</li> <li>Membership in industry associations such as the REIT Association of Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with applicable laws and regulations</li> <li>ESR-REIT's economic, environmental, social and governance impacts on the communities the REIT operates in</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with all applicable laws and regulations</li> <li>Regular monitoring and evaluation of ESG impact</li> </ul>
<b>Existing and Potential Tenants</b>  	<ul style="list-style-type: none"> <li>24/7 call centre with specialised functions to address tenants' concerns</li> <li>Open communication</li> <li>Frequent site visits and face-to-face discussions</li> <li>Social and networking events</li> <li>Tenant satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Competitive rental rates and locations</li> <li>Conducive and secure work environments with adequate facilities</li> <li>On-site security practices and management</li> </ul>	<ul style="list-style-type: none"> <li>Support for key tenants' corporate milestone events</li> <li>Responsiveness towards tenants' feedback</li> <li>Health and safety initiatives</li> </ul>
<b>Local Communities</b>  	<ul style="list-style-type: none"> <li>Regular monitoring of community needs via feedback sessions with Members of Parliament and community centres for respective constituencies</li> <li>Social and networking events</li> </ul>	<ul style="list-style-type: none"> <li>Responsible operations</li> <li>Support in community development and activities</li> <li>Creation of employment opportunities</li> <li>Compassion and care for the underprivileged in society</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships and sponsorships for events and programmes</li> <li>Giving back to the community through donations and participation in meaningful community outreach activities</li> <li>Supporting tenants' Corporate Social Responsibility programmes where possible</li> </ul>
<b>Management Team and Employees</b>  	<ul style="list-style-type: none"> <li>Weekly/bi-weekly department meetings</li> <li>Bi-weekly Heads of Departments' meetings</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment updates</li> <li>Competitive remuneration and benefits</li> <li>Job security, stability and pathways for career progression</li> <li>Health, workplace safety and work-life balance</li> <li>Equality and diversity at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Empowerment and active engagement</li> <li>Orientation and training programmes for new employees</li> <li>Annual performance review</li> <li>Training and development programmes</li> <li>Team bonding activities</li> <li>Employee loyalty recognition programmes</li> <li>Annual employee engagement survey</li> <li>Annual health screening and wellness talks</li> </ul>



## OUR MATERIAL FACTORS

We regularly review our material ESG factors, including after any significant business changes and major shifts in industry trends, to identify opportunities and risks relevant to our operating environment. In FY2022/23, we conducted a thorough materiality assessment to identify, rate and prioritise material ESG factors for our expanded business following the Merger. The review prioritised topics that significantly impact our business and its relationship with the economy, environment and stakeholders along our value chain. The findings were then cascaded to the different functions, creating ownership and accountability for the effective management of these ESG factors.

The identified material topics align with our Sponsor's sustainability goals and the UN SDGs. The Board assessed and validated the material topics to be current and relevant to ESR-REIT in FY2024 in consideration of recent global trends, as well as risks and opportunities impacting our stakeholders in the short-, medium-, and long-term horizons.

Pillar	Material areas	Related GRI Topics	Priority UN SDGs
<b>Economic</b> 	Investment Management — Quality of Assets and Services	Non-GRI Topic	
	Tenant Engagement and Satisfaction	Non-GRI Topic	
<b>Environmental</b> 	Energy and Carbon Footprint	Energy Emissions	 
	Climate Change Adaptation	Non-GRI topic	
	Water	Water and Effluents	
	Waste	Waste	
<b>Social</b> 	Employee Engagement and Satisfaction	Employment Training and Education	  
	Diversity and Equal Opportunity	Diversity and Equal Opportunity	
	Health and Safety	Occupational Health & Safety	
	Supply Chain Management	Environmental Assessment Supplier Social Assessment	
	Community	Local Communities	
<b>Governance</b> 	Governance and Enterprise Risk Management	Anti-Corruption	
	Regulatory Compliance	Socioeconomic Compliance Environmental Compliance	

## ECONOMIC

### MATERIAL TOPIC: INVESTMENT MANAGEMENT — QUALITY ASSETS AND SERVICES

Targets	Time Horizon	2024 Performance
<b>Updated</b> Achieve Green Building Certification for 80.0% of Singapore properties (by GFA) by FY2030	Medium Term	28.0% of Singapore Properties (by GFA) have obtained Green Building Certification as at FY2024, with a pipeline of properties to achieve the certifications going forward
<b>New</b> Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030	Medium Term	100.0% of Japan Properties (by GFA) have obtained Green Building Certification as at FY2024
<b>New</b> Apply Green Leases to 100.0% of total Singapore NLA by FY2028	Medium Term	Applied Green Leases to 6.6% of Singapore NLA, with new and existing leases identified to incorporate green clauses going forward

#### Impact of Investment Management on Stakeholders

Effective management of our portfolio enables long-term quality returns. This includes supporting sustainable development through the efficient use of resources and investments in green buildings. Enhancing asset quality can benefit tenants and the surrounding community through improved facilities and cost efficiencies, and is associated with higher investment returns for Unitholders. However, to maintain and enhance the long-term value of our assets, we may undertake renovation projects that could temporarily impact rental income and tenant operations. We are committed to maintaining open and transparent communication with affected tenants and Unitholders and will coordinate renovation schedules to minimise disruptions.

#### How We Manage the Assets and Services

We continuously optimise and diversify our portfolios through strategic investments and divestments. Our portfolio management strategy aims to deliver strong, consistent distributions to our Unitholders through a disciplined investment approach focused on high-quality, resilient assets. Our strategy is designed to achieve this goal through three key pillars: active acquisition and development growth, achieving organic growth and exercising prudent capital management. Please refer to page 36 of the Annual Report for further details.

Key ways to improve sustainability of real estate portfolio are through conducting strategic AEs and meeting Green Building Certification standards. This is enabled through creating shared responsibility and collaborations between the Manager and our tenants, leveraging on our new Green Lease arrangements. To be more targeted in our efforts, we have engaged consultants to develop decarbonisation roadmaps for our Singapore, Australia and Japan portfolios. These roadmaps align our portfolio to the Net Zero 2050 target and chart out the various initiatives our assets should implement to achieve the target.

## 2024 Performance: Portfolio Assets

### Ongoing AEs in ESR-REIT's Portfolio

The asset management team proactively identifies opportunities to implement AEs and solutions to meet ESR-REIT's sustainability targets, improve tenant experience and enhance property value. These AEs go beyond regular maintenance and include façade upgrades, improved common areas, enhanced fire safety systems, and energy-efficient Mechanical and Electrical systems upgrades.

#### Asset Enhancement Initiatives to Reduce Environmental Impact

16 Tai Seng Street is an 8-storey multi-tenanted industrial building undergoing enhancement works since 2022. The planning stages embedded initiatives to improve environmental and operational performance without compromising on the utility of the building. This includes installing a low heat gain glass façade and measures to reduce the building's thermal load. Energy-efficient features, such as Variable Voltage Variable Frequency drives and regenerative lift systems were incorporated to optimise energy consumption. Additionally, the common areas have been upgraded with energy-efficient lighting and equipped with motion sensors to further reduce energy usage.

Water-efficient fittings have also been installed as part of the toilet upgrading works to reduce water consumption. Furthermore, the property will feature electric vehicle charging stations to support tenants' use of electric vehicles and solar panels to reduce grid electricity consumption. As a testament to these green initiatives, the project has been awarded Green Mark Gold status since its commencement in 2022 and the AEI is slated for completion in 1H2025.



16 Tai Seng Street after enhancement



Low heat gain glass installed for new façade

# SUSTAINABILITY REPORT

## PROPERTIES WITH GREEN BUILDING CERTIFICATIONS

To meet our target of achieving Green Building Certifications for 80.0% of Singapore properties (by GFA) and 100.0% of Japan properties (by GFA), we have developed progressive certification plans for both new developments and existing assets over next five years.

### BCA Green Mark Certifications

	Property	Year of Award & Certification Status
1	16 Tai Seng Street	2022 — Green Mark Gold
2	7002 Ang Mo Kio Avenue 5	2022 — Green Mark Gold
3	21B Senoko Loop	2022 — Green Mark Gold
4	19 Tai Seng Avenue	2022 — Green Mark Gold
5	ESR BizPark @ Changi (Hotel)	2024 — Green Mark Platinum
6	30 Marsiling Industrial Estate Road 8	2024 — Green Mark Platinum
7	8 Tuas South Lane	2024 — Green Mark Super Low Energy
8	13 Jalan Terusan	2024 — Green Mark Positive Energy
9	128 Joo Seng Road	2024 — Green Mark Super Low Energy
10	160A Gul Circle	2024 — Green Mark Positive Energy
11	5 & 7 Gul Street 1	2024 — Green Mark Positive Energy
12	120 Pioneer Road	2024 — Green Mark Positive Energy
13	20A Tuas South Avenue 14	2020 — Green Mark Platinum

### LEED Certification

	Property	Year of Award & Certification Status
1	15 Greenwich Drive	2013 — LEED Platinum for Core & Shell
2	1 Greenwich Drive	2016 — LEED Gold for New Construction

### Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification

	Property	Year of Award & Certification Status
1	ESR Sakura Distribution Centre, Japan	2022 — CASBEE Rank S
2	ESR Yatomi Kisosaki Distribution Centre, Japan	2021 — CASBEE Rank A

### Green Building Council of Australia (GBCA) Green Star Certification

	Property	Year of Award & Certification Status
1	53 Peregrine Drive, Port of Brisbane, Australia	2024 — Green Star 5 Star Rating in Building Design & Construction

### Influencing behaviours through Green Leases

Influencing the behaviours of tenants to support the monitoring and mitigation of sustainability impacts is a key challenge for REITs. Since FY2023, we have introduced Green Leases clauses to our Australia and Japan properties for new and renewed tenants.

We see the opportunity to leverage on Green Leases to collaborate with tenants on our sustainability initiatives. To accelerate our sustainability efforts, we have set a new target to apply Green Leases to 100.0% of our Singapore portfolio's NLA by FY2028. As of FY2024, we have applied Green Leases to 6.6% of Singapore portfolio's assets, primarily due to the introduction of new and renewed tenants. Through the use of Green Leases, we provide guidance to tenants on choosing lower impact fittings and also require the provision of environmental data to our property managers. The availability of such data will improve our sustainability performance, enhance our reporting and rating, and enable us to make better-informed decisions on potential AELs.

### Tenant occupancy rates

The effectiveness of our portfolio and asset management measures are tracked through indicators such as tenant occupancy rate and tenant retention rate as at 31 December 2024. Over the past two years, our portfolio has consistently achieved an occupancy rate of >90.0% and an increase in tenant retention rate, which is testament to the value we bring to our tenants.

	2023	2024
Tenant occupancy rate	92.8%	<b>92.3%</b>
Tenant retention rate	75.5%	<b>76.0%</b>

### MATERIAL TOPIC: TENANT ENGAGEMENT AND SATISFACTION

Target	Time Horizon	2024 Performance
<b>Updated</b> Achieve >80.0% tenant satisfaction rate across the portfolio	Perpetual	Achieved tenant satisfaction rate of 78.2% in FY2024

### Impact of Tenant Engagement on Stakeholders

Building and maintaining strong, mutually beneficial relationships with our tenants is essential to the success of our business. Collaborating to enhance facilities while creating steady tenancy and a reliable source of income for the REIT is a key aspect of our business strategy. Without clear channels of communication, we risk missing opportunities to enhance our services and improve our relationships with tenants, which could undermine our ability to attract and retain tenants.

### How We Manage Tenant Engagement

We actively engage with our tenants, address their concerns and enhance our facilities to attract and retain them. We utilise a range of communication channels, including site visits, email communication, and tenant surveys. In FY2024, we organised a series of events aimed at creating a sense of community and promoting tenant engagement.



# SUSTAINABILITY REPORT

## Strengthening Relationships Among Our Tenant Community

In FY2024, we continued to foster connections with our tenants through a range of engaging activities that promoted networking, idea-sharing and a sense of community.

### Celebrating with our Tenants

We kicked off the year with an exclusive Chinese New Year lunch for our valued Gold and Platinum tier tenants at The Westin Singapore in February 2024. This joyous occasion brought together tenants and ESR-REIT staff for a day of networking, building connections, and celebrating the festive spirit. The event was a resounding success, with attendees appreciative of the opportunities for interaction amongst themselves and with the ESR-REIT team.



Chinese New Year celebrations with our Gold and Platinum tier tenants and our senior management team

### Strengthening Relationships

In November 2024, we hosted an engagement session at The Par Club, where tenants came together to participate in indoor golf, a fun activity that encouraged movement and socialisation. This event provided a unique platform for tenants to connect with each other and with our ESR-REIT staff.



Discussions between tenants and ESR-REIT

### Ensuring Tenant Safety

We also took proactive steps to ensure the safety and well-being of our tenants through fire drills at two of our key properties: 7000 Ang Mo Kio Avenue 5 and 24 Penjuru Road. These drills not only enhanced tenant safety by preparing them for emergencies but also exemplified our focus on proactive safety measures. The tenants were treated to ice cream as an appreciation of their participation.



Thanking tenants' participation in the fire drill with traditional ice cream

## 2024 Performance: Tenant Satisfaction

### ESR-REIT's annual tenant satisfaction survey

We track tenant satisfaction rates through an anonymous survey to understand the needs of our tenants and identify areas of improvement. The survey is conducted by an independent third party which allows tenants to feedback on their experience with the property management team, leasing team and finance team, and includes a net promoter score.

	2023	2024
Tenant Satisfaction Rate	78.0%	<b>78.2%</b>

The FY2024 tenant survey data only accounts for responses from the Singapore and Japan portfolios. Australia portfolio was excluded as the survey was conducted anonymously across the ESR Australia portfolio instead of ESR-REIT arising from the recent integration. Therefore, the results cannot be analysed in relation to properties held by ESR-REIT only. The survey method will be improved in 2025 to ensure coverage of the entire portfolio.

The FY2024 tenant satisfaction rate is slightly below our new target of 80.0%, but remains consistent with FY2023's score of 78.0%. This may have been influenced by the Service Charge increase implemented for the Singapore portfolio in 3Q2024, which coincided with the Tenant Satisfaction Survey. The updated target in FY2024 is a stretch target that challenges us to continuously improve and serve our tenants better. ESR-REIT is committed to enhancing engagement with tenants to improve relationships and to obtain and gather feedback on our services and assets through a series of planned tenant programmes such as Chinese New Year tenant lunch, OktoberFest and Durian Party.

## ENVIRONMENTAL

### MATERIAL TOPIC: ENERGY AND CARBON FOOTPRINT

Targets	Time Horizon	2024 Performance
Achieve 7.0% reduction in energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Absolute energy consumption reduced by 20.5% from FY2023 to FY2024
Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Energy intensity reduced by 17.7%, and 16.6% excluding consumption from green energy, from FY2023 to FY2024
<b>New</b> Achieve total 15.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023	Medium Term	Scope 1 and 2 emissions for Singapore MTBs' common area reduced by 17.4%, from FY2023 to FY2024
<b>New</b> Achieve total 25.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023	Medium Term	On track
<b>Updated</b> Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030	Medium Term	Solar capacity of the Singapore portfolio increased to 15.5 MWp in FY2024

#### Impact of Energy Use and Carbon Emissions on Stakeholders

Energy consumption is a significant contributor to our carbon footprint. Implementing energy-saving measures and optimising operational efficiencies can reduce operating costs and benefits both the Manager and tenants. In light of the current volatile energy market, our efforts to reduce energy consumption are particularly important. Furthermore, our efforts to reduce energy consumption also impact our Scope 2 and Scope 3 GHG emissions, which are closely monitored and managed to ensure alignment with our medium to long-term energy and carbon reduction targets.

#### How We Manage Energy Use and Carbon Emissions

Our property management and asset management teams oversee and recommend strategies for managing energy consumption and decreasing Energy Use Intensity ("EUI"). Their operational experience has contributed to the development of the decarbonisation roadmap for our portfolio across Singapore, Australia and Japan. Moving forward, the energy efficiency and emission reduction initiatives, such as renewable energy installations, will be guided by these roadmaps.

In FY2024, we have established new absolute emissions reduction targets for our Singapore MTBs. These targets provide measurable benchmarks to guide our energy efficiency and emissions reduction initiatives. We are committed to achieve a 15.0% reduction in absolute Scope 1 and 2 emissions by FY2027 and a 25.0% cumulative reduction by FY2030 from a FY2023 baseline. The targets were determined through analysis of our current emissions profile, technological feasibility and alignment

with industry standards. We will integrate these targets into our strategic planning processes with our property management and asset management teams overseeing implementation across the portfolio. Progress on these targets will be monitored through quarterly reviews. The expanded deployment of solar energy and energy efficiency initiatives, as outlined in our Decarbonisation Roadmaps, will be instrumental in supporting this transition.



### Meeting green building standards

We have attained seven new Green Mark Certifications for our Singapore assets in FY2024. The achievement of Green Mark Super Low Energy ("SLE") and Positive Energy ("PE") Certifications illustrates our commitment to ensure our properties remain best-in-class in terms of energy efficiency, using renewable energy and smart energy management.

Following the acquisition of 20 Tuas South Avenue 14, we have now achieved Green Building Certification for 28.0% of our Singapore portfolio (by GFA).



### Strengthening internal controls and policies

To streamline the data collection processes and enhance audit trail, we have developed a Sustainability Data and Information Governance Policy and also started assessing ESG technology platforms in FY2024. The policy aims to align the expectations and data management procedures for ESG data owners.



### Tapping on renewable energy

We actively engaged with internal stakeholders and partners regarding the registration and use of Renewable Energy Certificates ("RECs"), recognising their potential to drive business opportunities and reduce carbon emissions. With the implementation of our Renewable Energy Certificates Management Policy, we aim to establish a structured framework and methodology for the effective management of our RECs in the future.

## Guiding Sustainable Tenant Behaviours Through Green Lease Clauses

In FY2024, we worked with a tenant within 30 Marsiling Industrial Estate Road 8 amidst our successful renewal of our Green Mark certification to Platinum. The engagement was effective in steering tenants away from short-term, cost-driven decisions and foster a shift towards lower-impact operational choices.

To enhance engagement with tenants on green initiatives, we incorporated energy efficiency criteria in our lease agreements according to relevant standards<sup>1</sup>. Alongside these provisions, we also provided a detailed green fit-out guide outlining best practices for energy efficiency.

Through constructive discussions and data analysis, we communicated the long-term benefits of adopting energy-efficient solutions. A more energy-efficient water-cooled chiller system was proposed to and agreed by the tenant for installation. This not only reduces ongoing energy costs but also enhances the tenant's operational flexibility in response to future regulatory and market demands.



Energy efficient water-cooled chiller system to be installed by tenant

<sup>1</sup> Such as BCA Green Mark 2021 Technical Guideline, Singapore Standard SS530: Code of practice for energy efficiency for building services and equipment.



# SUSTAINABILITY REPORT

## 2024 Performance: Solar Harvesting Programme

Since 2013, we have been increasing our solar energy footprint across our assets to reduce reliance on grid electricity.

As at FY2024, 12 of our properties across Singapore, Australia, and Japan have been fitted with solar panels.

Specifically for the MTBs under ESR-REIT's operational control, four Singapore properties with a total of 12.6 MWp capacity have generated 15,225.4 MWh of solar energy in FY2024. For our overseas portfolio, the MTBs in Japan are fitted with solar panels with a total of 4.5 MWp capacity. The MTBs in Australia are fitted with solar panels with 0.1 MWp capacity.

The asset management team also worked with tenants of our Single-tenanted Building ("STB") to install solar panels to explore green potential of the available rooftop space. As at FY2024, five Singapore STBs are equipped with solar panels, contributing to 2.9 MWp solar capacity to the Singapore portfolio.



Newly installed photovoltaic panels at 51 Alps Avenue

We aim to add rooftop solar panels to 21 more properties in Singapore over the next two years. Upon completion, this will further increase our total solar capacity by approximately 20 MWp, translating to 24,000 MWh of solar energy generated per year.

### Solar PV System Capacity and Generation details of Singapore Portfolio

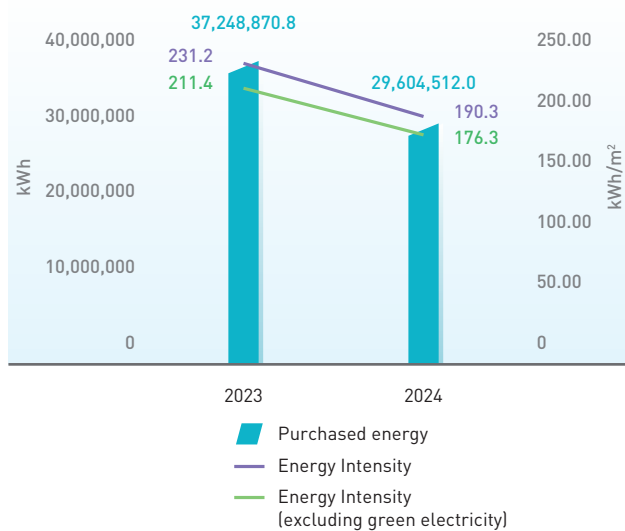
YEAR	Singapore Portfolio	MTBs in Singapore Portfolio		
	Total Solar Capacity (MWp)	Total Generation (MWh)	Landlord Export (MWh)	Landlord Consumption (MWh)
2023	13.8 • 12.6 from 4 MTB properties • 1.2 from 4 STB properties	15,359.9	2,357.2	3,179.7
2024	15.5 • 12.6 from 4 MTB properties • 2.9 from 5 STB properties	15,225.4	2,691.1	2,228.2



## 2024 Performance: Electricity and Cooling

### Singapore

#### Energy consumption and intensity for Singapore MTBs



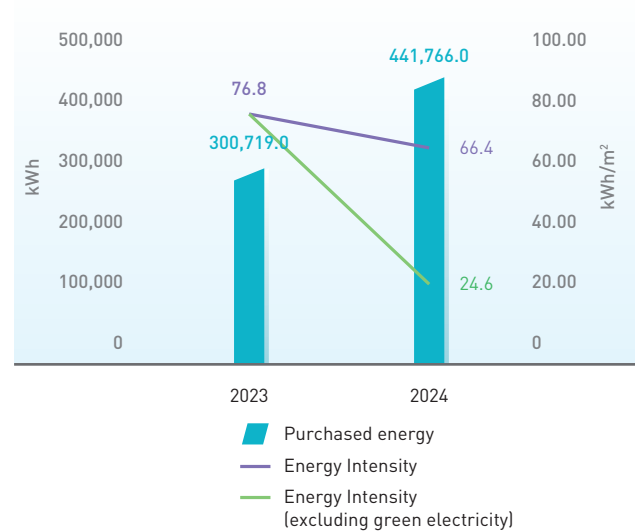
Note: Energy consumption only accounts for electricity use

FY2023 data has been restated to align on the scoping of tenant and landlord's grid electricity and solar energy consumption across ESR-REIT's portfolio.

To track the effectiveness of our initiatives, we have set short- and medium-term energy intensity reduction targets for our Singapore MTBs. In FY2024, absolute energy consumption reduced by 7,644,358.8 kWh and we achieved a 17.7% reduction in energy intensity and 16.6% reduction excluding the consumption of green electricity. The reduction in absolute and intensity consumption is largely due to the reduced common area consumption of 2 Fishery Port Road, a cold storage facility, which was vacated and decommissioned in late FY2023.

### Japan

#### Energy consumption and intensity for Japan MTBs



Note: Energy consumption only accounts for electricity use

FY2023 data has been restated to align on the scoping of tenant and landlord's grid electricity consumption.

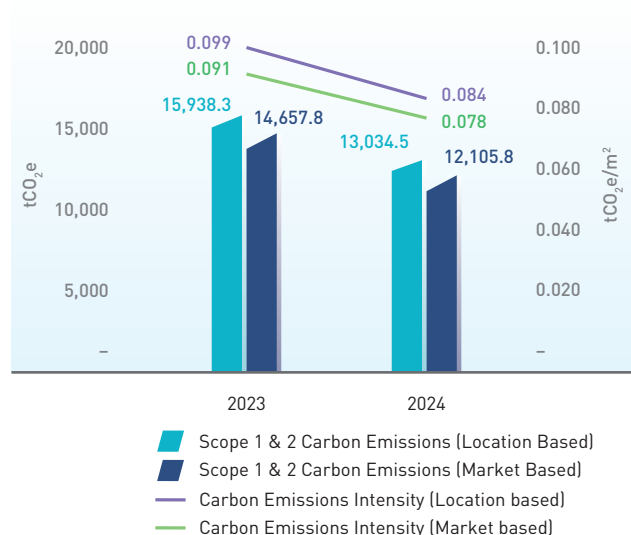
In FY2024, we saw a rise in absolute energy consumption of 141,047.0 kWh for Japan MTBs due to the acquisition of ESR Yatomi Kisosaki Distribution Centre since November 2024. However, as the new asset is operating at a higher efficiency level compared to ESR Sakura Distribution Centre, energy intensity reduced by 13.6% and 68.0%, excluding the consumption from green electricity. This is reflective of ESR-REIT's investment strategy to acquire greener assets that provide stable returns to Unitholders while operating at higher efficiencies.

# SUSTAINABILITY REPORT

## 2024 Performance: GHG Emissions

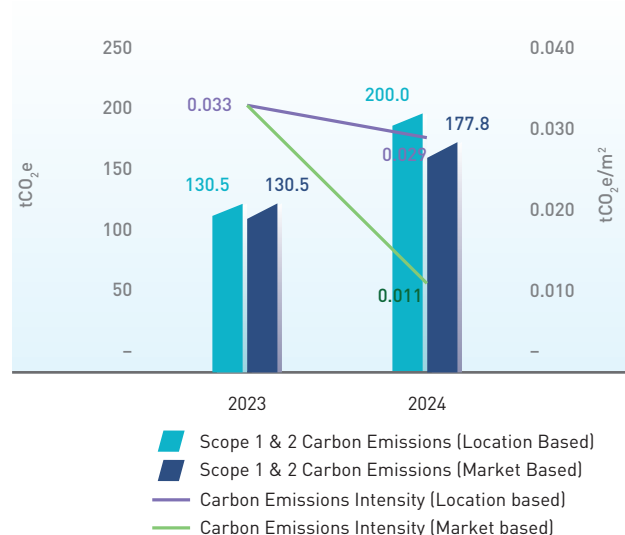
### Singapore

#### GHG emissions and intensity for Singapore MTBs



### Japan

#### GHG emissions and intensity for Japan MTBs



FY2023 data has been restated to reflect the GHG emissions from the scoping of tenant and landlord's grid electricity and solar energy consumption across ESR-REIT's portfolio.

Corresponding to the energy consumption figures, absolute market-based GHG emissions also reduced by 17.4% in FY2024 due to the reduction in electricity use. There was a 15.2% reduction in location-based emissions intensity and 13.9% reduction in market-based emissions intensity. As ESR-REIT further expands our Solar Harvesting Programme, we expect to see a gradual reduction in our market-based emissions in the following years.

FY2023 data has been restated to reflect the GHG emissions from the scoping of tenant and landlord's grid electricity consumption.

Corresponding to an increase in energy consumption from the acquisition of one property in Japan, absolute GHG emissions increased by 69.5 tCO<sub>2</sub>e. However, location-based GHG intensity reduced by 13.6%, compared to market-based GHG intensity which reduced 68.0%. This large reduction of market-based intensity is due to the consumption of solar energy by the newly acquired property, ESR Yatomi Kisosaki Distribution Centre.

### Scope 3 Inventory

This year, we have started assessing our Scope 3 inventory, to prioritise, quantify and manage our indirect emissions from our value chain. Among the 15 categories of Scope 3, we underwent a spend-based comparison and peer review to focus on the high-impact categories with available data. We shortlisted:

- Category 1: Purchased Goods & Services
- Category 2: Capital Goods
- Category 3: Fuel- and energy-related activities
- Category 6: Business Travel
- Category 13: Downstream Leased Assets

We will calculate Categories 1, 2 and 6 emissions using spend-based methods and Categories 3 and 13 using consumption data. We aim to enhance data accuracy by collecting more granular activity data, before expanding the assessment to other material Scope 3 categories.

## MATERIAL TOPIC: CLIMATE CHANGE ADAPTATION

Target	Time Horizon	2024 Performance
<b>New</b> Achieve Net Zero by 2050	Long Term	On track

### Impact of Climate Change to Stakeholders

Climate change presents substantial physical and transitional risks that can impact REIT operations. Operating in an asset-heavy sector, our financial performance is prone to impacts from physical climate events such as floods and wildfires, accompanied by heightened climate reporting and EU regulatory requirements facing the buildings sector. These risks could affect the day-to-day operations and financial performance of our business. While climate change poses risks, it also offers opportunities for REITs to create value through investments in sustainable and resilient properties. These mitigatory measures aim to protect the longevity of assets and protect shareholder returns.

### Regulations and Frameworks on Climate Change Relevant to ESR-REIT

As a REIT regulated by the MAS, we are required to comply with the MAS Guidelines on ENRM for Asset Managers by FY2023. ESR-REIT is also listed on the Mainboard of SGX-ST, which mandates climate-related financial disclosures to the IFRS standards by FY2025.

In FY2023, we have integrated our ENRM disclosures with our TCFD disclosures. This year, we are enhancing our climate-related disclosures with requirements from IFRS S2, which requires financial information on climate-related risks and opportunities, by assessing anticipated financial effects on our portfolio from climate risks.

### How We Manage Climate Change

Between FY2021 to FY2023, we engaged consultants to identify the various climate risks affecting our portfolio in the short- (to FY2025), medium- (to FY2030) and long-term (to FY2050). We then integrated mitigatory measures into our Enterprise Risk Management ("ERM") framework. To better contextualise and inform the impacts of climate risk on our financial performance, we have started quantifying our transition and physical risks using relevant models and proxies to inform our financial planning.

### Decarbonisation roadmaps

In FY2023, we created a Decarbonisation Roadmap for ESR-REIT's properties in Singapore, outlining our strategy to decarbonise our operations aligned to the Singapore Green Buildings Masterplan 2030. This roadmap is essential to our approach for mitigating risks identified in

our ERM framework and allows us to proactively address evolving regulatory requirements related to sustainability and climate change. We plan to enhance operational efficiency by:

- Greening our buildings while optimising energy and water consumption
- Shifting towards solar power to lessen our dependence on brown energy
- Aligning with ESR Group's Net Zero Carbon Strategy and Decarbonisation Roadmap as part of our commitment to achieving Net Zero Carbon

In FY2024, we are developing similar roadmaps for our Australia and Japan portfolio that considers the local operational context and available resources. These roadmaps serve to guide our teams with a targeted approach to decarbonisation.

### Quantification of climate risks

To quantify transition risks from a 1.5°C scenario (worst case), we used the Carbon Risk Real Estate Monitor ("CRREM") tool. The CRREM tool is a publicly available Excel-based tool funded by Horizon 2020 Energy Efficiency programme of the European Commission and used by asset managers worldwide. It allows investors and property owners to assess the exposure of their assets to stranding risks and cost of excess emissions based on energy and emission data. We quantified the portfolio's Carbon Value at Risk ("CVaR")<sup>2</sup>, cumulated cost of excess emissions as a percentage of portfolio gross asset value ("GAV") and cost of retrofits.

To quantify physical risks stemming from a 4°C scenario (worst case), we used Climate X, a platform that models physical impact on buildings through a digital twin of assets to understand how the changing weather events under each warming scenario might impact buildings. For financial impacts not accounted by the platform, we referenced proxies from the market. These methods provided estimates of the expected financial impact on our portfolio that include damages from physical hazards, loss in revenue from non-operating days and increased operational costs.

The findings are used by the relevant departments in the SWC in risk management and business planning.

<sup>2</sup> The CVaR is a metric that measures climate-related financial impacts to the portfolio value. The analysis used the current and projected prices of Renewable Energy Certificates as a proxy to the cost of excess emissions in the scenarios which the portfolio is operating above the 1.5°C trajectory.

# SUSTAINABILITY REPORT

## Climate-Related Disclosures

ESR-REIT is listed on the SGX-ST and is required to disclose climate-related information based on the IFRS Sustainability Disclosure Standards by FY2025. Specifically, the IFRS S2 Climate-related Disclosures Standard incorporates and builds on the TCFD framework and SASB sector standards. The standards show increased expectations for the reporting company to quantify business activities vulnerable to climate risk and its financial impact on the business.

In FY2024, we have conducted a gap analysis of current processes against the IFRS S1 and S2 Standards and are working to fully meet the climate-related requirements in FY2025. Notwithstanding the transition to the IFRS disclosure, we have also complied with the relevant climate-related financial disclosures required under the TCFD framework under the SGX-ST Listing Rules for FY2024. We are exploring models to quantify the climate risks and to integrate our findings into our risk management and business decisions next year.

Recommended Disclosures	Response
<b>Governance</b>	
<b>The Board's oversight of climate-related risks and opportunities</b>	<p>The BSC has oversight of ERM, including climate-related risks and opportunities. This includes approving and monitoring the Manager's risk appetite and risk tolerance statements, and defining acceptable risk levels to achieve business objectives. The ARCC assists the Board in evaluating the effectiveness of internal controls and risk management systems.</p> <p>ESR-REIT's roadmaps to mitigate impacts from climate-related risks have been approved by the BSC. The BSC meets semi-annually to review ESR-REIT's sustainability performance, including progress on climate mitigation efforts.</p> <p>Refer to Our Sustainability Leaders at ESR-REIT from pages 129 to 130 for more information about the Board's responsibilities.</p> <p>Refer to How We Manage Climate Change on page 145 for more information on our roadmaps.</p>
<b>Management's role in assessing and managing climate-related risks and opportunities</b>	<p>Our CEO, Mr. Adrian Chui, chairs the SWC, a cross-functional team responsible for managing ESR-REIT's climate-related risks and opportunities. This committee regularly reviews the progress and effectiveness of sustainability objectives and strategies. The SWC oversees and reports on the mitigation strategies, policies, and controls in place. Climate-related factors have also been integrated into all investment and asset management decisions.</p> <p>Refer to Our Sustainability Leaders at ESR-REIT from pages 129 to 130 for more information about the Management's responsibilities.</p>

Recommended Disclosures	Response
Strategy	
<p>The climate-related risks and opportunities ESR-REIT has identified over the short-, medium-, and long-term that could affect the company's prospects</p>	<p>We conducted climate risk scenario analyses for our Singapore, Japan and Australia portfolios, modelling the Net-Zero<sup>3</sup> and Business-as-Usual<sup>4</sup> scenarios to assess transition and physical risks across the short- (up to FY2025), medium- (up to FY2030) and long-term (up to FY2050).</p> <p>The analyses identified the following key risks:</p> <ul style="list-style-type: none"> <li>Physical risks such as flooding, extreme weather and temperature changes</li> <li>Transition risks such as carbon pricing, stricter regulations and evolving stakeholder expectations</li> </ul> <p>Following an initial qualitative assessment conducted in FY2022, we have quantified impacts from the identified physical risks and transition risks in FY2024, disclosed below in the Metrics and Targets section.</p> <p>We will conduct further analysis on the impacts quantified to translate the findings and prioritise the identified risks for our financial planning process in FY2025.</p> <p>Refer to Appendix E from pages 186 to 187 for more information on the climate risks identified.</p>
<p>The current and anticipated impact of climate-related risks and opportunities on ESR-REIT's business model and value chain</p>	<p>The identified climate risks and opportunities are expected to affect our capital expenditures, operational expenditures, income and asset and liabilities.</p> <p>For example, a key medium-term risk material to ESR-REIT's business is the expected increase in operating costs from increased cost of utilities, as utility companies pass through the rising carbon tax costs to end users. To mitigate this, and to tap on the growing demand for sustainable real estate, we are investing in renewable energy initiatives to reduce our grid energy consumption and operational costs.</p> <p>Refer to Appendix E from pages 186 to 187 for the potential impacts and their estimated time horizons.</p>
<p>The effects of the identified risks and opportunities on ESR-REIT's strategy and decision making, including information on its climate transition plan</p>	<p>The findings of climate risk assessment and scenario analysis were incorporated into our portfolio and risk management strategy setting.</p> <p>As part of our adaptation strategy, we are exploring smart building technologies, flood control measures and are building ESG capabilities of our workforce. This commitment extends beyond asset resilience to encompass climate-proofing our operations.</p> <p>We have also developed and will continue to develop decarbonisation roadmaps for our portfolios to gain clarity on the reasonable actions that can be taken to meet our energy and emission targets.</p>

3 RCP 2.6, limit warming to within 1.5°C from pre-industrial levels by 2100.

4 RCP 8.5, 4°C warming from pre-industrial levels by 2100.



# SUSTAINABILITY REPORT

## Recommended Disclosures

## Response

The effects of climate-related risks and opportunities on ESR-REIT's financial position, financial performance and cash flows over the short-, medium-, and long-term

We modelled the impacts of transition and physical risks on our portfolio using FY2023 data:

- **Climate-related transition risks:** Our portfolio's CVaR is projected to be 18.3% by 2050 in a 1.5°C scenario at FY2023 consumption projections. This means 18.3% of the portfolio value is at risk if the portfolio continues its current operations without further decarbonisation measures to meet the 1.5°C trajectory.
- **Climate-related physical risks:** 47.4% of our assets are exposed to high risks relating to river, surface, coastal flooding and storm surge under a 4°C scenario. This means that 47.4% of our assets face higher building recovery costs when affected by the physical risks of a warming world.
- **Climate-related opportunities:** 43.1% of our portfolio have been installed/have plans to install solar panels as a move to reduce Scope 2 emissions and reliance on brown energy.
- **Capital deployment:** Based on the decarbonisation roadmaps developed by our consultants for our portfolio, we intend to budget S\$38.3 million towards AEs to mitigate against climate-related risks. This includes expanding the use of renewable energy and upgrading equipment to more efficient ones.

The climate resilience of ESR-REIT's strategy and its business model to climate-related changes, developments and uncertainties

We explored opportunities for green financing for projects focused on enhancing our environmental performance and value of our assets. These projects — focusing on green buildings, renewable energy, waste and water management and clean transportation — aim to enhance the long-term value and resilience of our assets while improving our environmental performance and strengthening our competitive position in a changing market.

In FY2024, ESR-REIT further strengthened its financial position by securing its inaugural sustainability-linked and green loans. This included a S\$200.0 million sustainability-linked unsecured revolving credit facility in March 2024 and a S\$225.0 million sustainability-linked unsecured term loan in October 2024, as well as a S\$341.5 million term loan which had a green loan component in November 2024 as part of the acquisition of 51.0% interest in 20 Tuas South Avenue 14. These financings are aligned with ESR-REIT's commitment to integrate ESG considerations into its capital management strategy. These milestones underscore ESR-REIT's ongoing dedication to sustainability and responsible financial stewardship.

By proactively investing in climate resilience measures, we aim to mitigate the financial impacts of rising energy costs, increased regulatory requirements, and physical risks associated with extreme weather events.

**Recommended  
Disclosures**
**Response**
**Risk Management**

**ESR-REIT's processes and policies for identifying, assessing, and monitoring climate-related risks**

To disclose against the TCFD recommendations in FY2022, we conducted a qualitative assessment of climate-related risks that are most material to the business. The climate scenario analysis has enabled us to identify financial impacts stemming from transition risks, such as more stringent green requirements under the Singapore Green Building Masterplan and financial impacts from physical risks, such as extreme weather events and disasters.

We incorporate environmental risk due diligence into our investment decisions and prioritise AELs to improve environmental performance where feasible. Furthermore, we conduct periodic reviews to identify emerging environmental risks and shifts in the ESG landscape, including climate change. From a risk management perspective, such analysis seeks to ensure the identified climate-related risks and opportunities remain current, enabling us to focus our efforts more strategically.

**ESR-REIT's processes for managing climate-related opportunities**

For existing properties, we have prioritised high impact initiatives and planned them for the short to medium-term, in line with our energy and emission targets. We also conduct regular risk assessments to identify potential points of vulnerability.

Please refer to the Material topic: Investment Management — Quality Assets and Services from pages 134 to 136 for more information on the opportunities in attaining Green Building Certifications and conducting AELs.

**ESR-REIT's processes for identifying, assessing, and monitoring climate-related risks are integrated into the risk management process**

We have integrated environmental risks into our existing ERM Framework to identify, assess, monitor and manage climate-related risks and opportunities across our portfolio. In FY2024, we have quantified some of the key climate risks, allowing for a clearer understanding of their potential impact.

Based on this analysis, we are currently developing and refining our mitigation and adaptation strategies to enhance operational resilience. These strategies will be detailed in FY2025 sustainability report.

# SUSTAINABILITY REPORT

## Recommended Disclosures

## Response

### Metrics and Targets

The metrics used by ESR-REIT to assess climate-related risks and opportunities in line with its strategy and risk management process

ESR-REIT uses the following metrics to assess climate-related risks and opportunities:

- GHG emissions
- Energy consumption and intensity
- Solar power capacity
- Water intensity
- Green Building Certification

We will continue to explore other metrics to measure climate-related risks and opportunities where relevant.

Sustainability-related (climate included) performance metrics incorporated into remuneration policies

We incorporated sustainability targets into corporate, management level and employees' appraisal structure as follows:

- Corporate scorecard: 15.0% of the annual corporate score is attributed to Sustainability / ESG and Investor Relations
- Included three key performance indices for the Performance Unit Award for management level: Total Unitholder Return, Price/Book Multiple and Sustainability Targets
- Appraisal form for employees' performance: employees are rated based on their demonstration of corporate values in inclusion and sustainability

Recommended Disclosures	Response
Industry-based metrics	Please refer to the Appendix D on page 184.
The targets set by ESR-REIT to mitigate and adapt to climate-related risks and opportunities	<p><b>Energy</b></p> <ul style="list-style-type: none"> <li>• Achieve 7.0% reduction in absolute energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023</li> <li>• Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023</li> </ul> <p><b>GHG emissions</b></p> <ul style="list-style-type: none"> <li>• Achieve Net Zero by 2050</li> <li>• Achieve total 15.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023</li> <li>• Achieve total 25.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023</li> </ul> <p><b>Solar capacity</b></p> <ul style="list-style-type: none"> <li>• Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030</li> </ul> <p><b>Green Building Certification</b></p> <ul style="list-style-type: none"> <li>• Achieve Green Building Certification for 80.0% of Singapore properties (by GFA) by FY2030</li> <li>• Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>• Obtain WEB Certification for all MTBs in Singapore by FY2025</li> <li>• Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operational control by FY2030, compared to FY2023</li> </ul>

# SUSTAINABILITY REPORT

## MATERIAL TOPIC: WATER

Targets	Time Horizon	2024 Performance
Obtain Water Efficiency Building ("WEB") Certification for all MTBs in Singapore by FY2025	Short Term	27 out of 32 MTBs in Singapore are WEB certified as at FY2024
Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operation control by FY2030, compared to FY2023	Medium Term	Water intensity decreased by 1.8% from FY2023 to FY2024

### Impact of Water Management to Stakeholders

The extent of water-related risks faced by ESR-REIT depends on the specific location of our properties and the nature of our building tenants' operations. Water-related challenges such as contaminated water discharge and large water consumption may lead to increased costs and potential conflicts with local communities and regulations.

### How We Manage Water as a Resource

In Singapore, we are aligning with national water conservation efforts by upgrading our buildings with water-efficient fixtures rated at 3-ticks under PUB's Water Efficiency Labelling Scheme. To influence our tenants to conserve water, we provide guidance on the installation of water fixtures and behaviours to reduce water consumption within our Green Lease clauses.

In response, we are implementing proactive measures to manage water consumption, including closely monitoring tenant activity levels, introducing educational programmes to raise awareness of water conservation and identifying potential water leakage risks to improve overall water efficiency across our properties.

Our Plan for Water Efficiency Improvement is as follows:

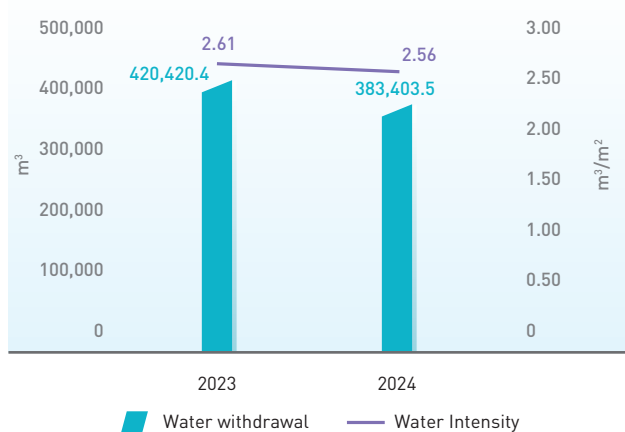
1. **Smart Metering for Improved Tracking and Monitoring:** We have launched a Smart Metering Replacement Program to digitalise data collection and trend analysis. By 2026, all Singapore properties will be equipped with smart meters integrated into our Integrated Utilities Management System ("IUMS"). This will streamline operational management, tenant billing, and provide real-time data analytics. This allows for continuous monitoring of consumption patterns, enabling comparisons across buildings and tenants, allowing our property managers to detect leaks early to prevent water wastage and improve efficiency.
2. **Upgrading Water Fittings for Enhanced Efficiency:** As part of ongoing AEI and property upgrades, we are planning the installation of water-efficient plumbing and sanitary fittings. Currently, 27 of our MTBs hold the WEB certification. Moving forward, we are reassessing and upgrading the plumbing and sanitary fittings with improved water-efficient level within our properties, ensuring compliance to PUB WEB requirement.
3. **Education and Awareness Programme:** Achieving water conservation goals require collaboration between ESR-REIT and our tenants. In addition to building system and fixture upgrades, we are actively engaging tenants through educational initiatives. These efforts are reinforced through our Green Lease clauses, which provide tenants with clear guidelines on sustainable water usage practices. These educational programmes will build upon existing initiatives and incorporate the insights gained from our enhanced monitoring capabilities to maximise their impact.



## 2024 PERFORMANCE: WATER WITHDRAWAL

### Singapore

#### Water withdrawal and intensity for Singapore MTBs



Water consumed by ESR-REIT's Singapore properties was withdrawn from the Public Utilities Board municipal water supply and NEWater. The utilisation of NEWater, which is high-grade recycled water produced from treated used water, reduces our demand of other water sources and improves water conservation.

FY2023 data has been restated to align on the scoping of tenant and landlord's water consumption across ESR-REIT's portfolio, and to express water withdrawal in m³.

To track the effectiveness of our initiatives, we have set water intensity reduction targets for our Singapore MTBs, aiming to reduce water intensity by 14.0% from FY2023 to FY2030. In FY2024, there was an 8.8% reduction in absolute water withdrawal, and a corresponding decrease in water intensity by 1.8%. The reduction in absolute water withdrawal is largely attributed to 2 Fishery Port Road as it was vacated and decommissioned since late FY2023.

### Japan

Whole building water withdrawal for Japan portfolio was 1,503.0 m³ in FY2024, reduced from the 1,564.0 m³ in FY2023. Absolute water withdrawal for common area was 351.0 m³ in FY2024, and the water intensity is at 0.23m³/m², largely attributed to the water consumption in ESR Yatomi Kisosaki Distribution Centre from its date of acquisition. Due to the limitations of metered data, water consumption in the common area of ESR Sakura Distribution Centre is currently calculated based on utility bills and tenant recovery, resulting in a negative value. This will be improved in future years as we continue to enhance our data collection and monitoring systems.

## MATERIAL TOPIC: WASTE

### Impact of Waste Management to Stakeholders

REITs can generate significant waste due to their large property portfolios and tenant activities. Effective waste management is crucial to reduce environmental impact and operational costs. This presents an opportunity for property managers to adopt effective waste management practices and involve tenants in these initiatives. On a large scale, these initiatives can decrease operational cost, reduce unnecessary resource consumption and divert waste from landfills.

### How We Manage Waste

The team implements waste management strategies aligned with Singapore's Zero-Waste Masterplan: Reduction, Reuse then Recycling of waste. To promote recycling, we have provided recycling bins in Singapore and Japan properties. We also comply with Singapore's National Environment Agency's ("NEA") Mandatory Waste Reporting scheme to report our monthly waste disposal and recycling rates.

In FY2024, we conducted a detailed analysis of waste collection data in Singapore's MTBs, focusing on common areas. This assessment aimed to evaluate total waste generation and the recycling rate. General waste from business parks contributed to higher waste generation, highlighting them as critical targets for improvement. Our business parks and 7000 Ang Mo Kio Avenue 5 have successfully implemented on-site waste segregation and recycling programs. These initiatives will provide us with benchmarks for our waste management efforts, enabling the establishment of measurable improvement targets aligned with the NEA Mandatory Waste Reporting scheme for industrial premises in future.

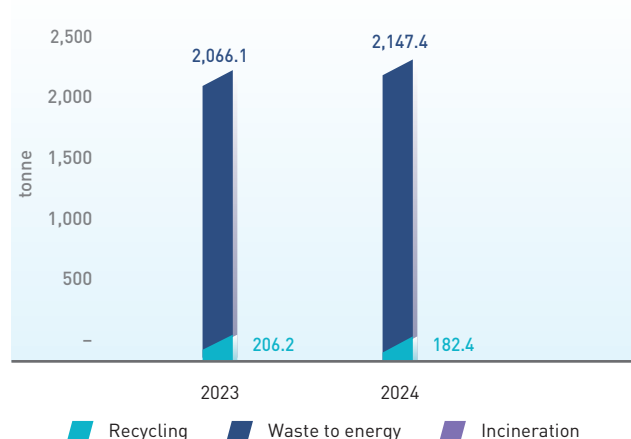
Looking ahead, we are preparing to conduct a waste audit for properties identified with high waste generation in FY2025. This audit will help us pinpoint opportunities to broaden our waste collection and recycling practices, especially within business parks. By gaining insights into waste generation behaviours and identifying the factors contributing to low recycling rates, we can formulate targeted strategies aimed at enhancing waste reduction and boosting recycling efficiency across our portfolio. This data-drive approach ensures that our waste management initiatives are both focused and impactful, reinforcing our commitment to advance a more sustainable built environment.

# SUSTAINABILITY REPORT

## 2024 Performance: Waste Management

### Singapore

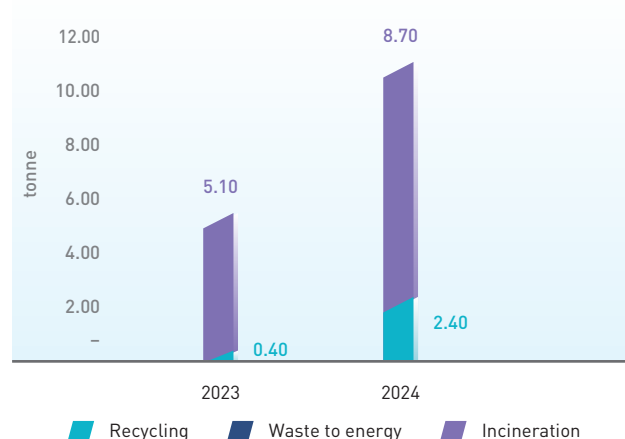
#### Waste generation and management for Singapore MTBs



In FY2024, there is an absolute increase in waste generation of 2.5%. The proportion of waste recycled reduced slightly from 9.1% to 7.8%. Moving forward, the team has plans to conduct a waste audit for properties with higher waste generation to better understand the waste generated and tailor strategies to minimise waste generation and improve recycling rates.

### Japan

#### Waste generation and management for Japan MTBs



In FY2024, the 101.8% increase in waste generation is attributed partly to the increase in waste generated from ESR Sakura Distribution Centre and the acquisition of ESR Yatomi Kisosaki Distribution Centre. In the coming years, the team is looking to better encourage recycling within the common areas and initiatives to reduce waste.

## SOCIAL

### MATERIAL TOPIC: EMPLOYEE ENGAGEMENT AND SATISFACTION

Targets	Time Horizon	2024 Performance
Achieve >75.0% employee satisfaction rate	Perpetual	Achieved employee satisfaction rate at 84.2%
Achieve >80.0% survey response rate	Perpetual	Achieved employee response rate at 93.9%
Achieve 16.0 training hours on average per year per employee	Perpetual	Achieved average of 36.5 training hours per employee

#### Impact of Employee Engagement and Satisfaction

Ensuring our employees remain engaged and satisfied is a key priority. By fostering a positive work environment, we create an ecosystem that encourages collaboration, innovation and growth. This, in turn, drives business success and contributes to the well-being of our employees and the communities we serve.

Aligned with ESR Group's ESG policies and guided by global human rights standards such as the International Labour Organisation ("ILO")'s Declaration on Fundamental Principles and Rights at Work, we prioritise the health, well-being and safety of our employees by upholding the principles outlined in ESR Group's Human Rights Policy and Diversity, Equity and Inclusion Policy. These policies are available on the Group's corporate website<sup>5</sup>.

#### How We Manage Employee Engagement and Satisfaction

We empower our employees through comprehensive training programmes that equip them with the skills and knowledge to excel in their roles. New hires receive onboarding sessions to ensure a smooth transition into their roles and departments. To promote our employees'

growth, we offer regular performance and career development reviews, with 96.5% of employees appraised in FY2024 excluding contract staff and employees who left.

We leverage LinkedIn Learning's diverse range of courses to cater to the unique needs and interests of our employees. Our internal training initiatives are designed to be accessible and relevant, addressing specific business needs on compliance and IT security and supporting employee growth. Through the platform, we can cascade mandatory trainings, such as the Manager's core values and tap on the Artificial Intelligence functionality offered to allow employees to access training programmes related to their interests and career aspirations. We ensure that the managers receive the necessary resources to mentor employees, including self-management skills and industry-specific knowledge.

As part of our ongoing staff engagement initiatives, we have introduced various activities to support our employees' physical and mental well-being. Our annual health screening programme provides employees with an opportunity to monitor their health and receive advice on maintaining a healthy lifestyle.

<sup>5</sup> [https://www.esr-reit.com.sg/sustainability\\_corporate\\_policies.html](https://www.esr-reit.com.sg/sustainability_corporate_policies.html)

# SUSTAINABILITY REPORT

We organised a staff engagement programme on “Body Gua Sha for Tension and Toning” to promote well-being among our employees. The 1-hour session, led by Mr. Chua Hong Leong, a renowned entrepreneur and wellness advocate, introduced employees to the benefits of Gua Sha techniques and aromatherapy using essential oils. The session aimed to help employees alleviate body aches caused by stress and promote relaxation. A brief consultation period was also provided for employees who had specific concerns or body ailments.



ESR-REIT Staff Attending the Body Gua Sha for Tension and Toning



Consultation with Mr. Chua during the session

## 2024 Performance: Employee Satisfaction

To maintain a workplace environment where employees feel valued, motivated and empowered to excel, we conducted an annual Employee Engagement survey to identify areas for improvement and gain insights into employee sentiment. The survey delved into areas such as career development, job satisfaction and mental health and well-being, along with an additional category on employee recognition this year.

The FY2024 survey achieved a 93.9% response rate, with a satisfaction rating of 84.2%. This marks the eighth consecutive year with satisfaction scores above 80.0%, a testament to our ongoing engagement to fostering a culture of recognition and growth that inspires employees to thrive in their roles.

## 2024 Performance: Training and Education

	Average no. of hours of training
<b>By gender</b>	
Male	38.5
Female	35.8
<b>By employment category</b>	
Senior management level	53.2
Middle management level	33.2
Executive level	36.2
<b>Total average</b>	<b>36.5</b>

By regularly monitoring training hours per employee, and other key performance indicators, we track the effectiveness of our training initiatives and our Human Resources Department continued to refine our programmes to meet the evolving needs of our employees. In FY2024, our average training hours per employee was 36.5, a 27.0% increase from FY2023.

**MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY**

Targets	Time Horizon	2024 Performance
Have four age group categories represented on the Board: 30–50, 50–60, 60–70 and >70 age groups	Perpetual	All four age groups are represented
Have board members with various tenures with the Manager's Board	Perpetual	Board members are from the '0-3', '3-5' and '5-7' years tenures
Appoint a female Board or NRC Chairperson	Perpetual	Appointed female Board Chairperson
Have at least two female directors on the Board	Perpetual	Two female directors are represented on the Board
Appoint at least two different ethnic groups on the Board	Perpetual	Three ethnic groups have been represented
Appoint at least 50.0% independent Board members	Perpetual	Achieved regulatory requirement of having at least 50.0% of the Board being independent
Appoint at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	<p>One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment</p> <p>Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at the date of this report, they do not have other listed company board representation besides the Board of the Manager.</p>

Note: Refer to details in Principle 2 Board Composition and Guidance of Corporate Governance section on page 97.

**Impact of Diversity and Equal Opportunity**

People are our greatest asset and we strive to create a workplace where everyone can thrive. This means fostering an environment of inclusivity, respect and understanding, where diverse perspectives, skills and experiences are valued and leveraged. Our diverse workforce enables us to better serve the geographies we operate in, reflecting their changing needs, unique cultures and values.

**How We Manage Diversity and Equal Opportunity**

In accordance with the Tripartite Guidelines on Fair Employment Practices<sup>6</sup> and the Ministry of Manpower's Fair Consideration Framework<sup>7</sup>, we ensure that our hiring processes are free from bias, transparent and focused on individual merit.

Our talent assessments are designed to evaluate candidates based on their skills, qualifications and potential for growth. To maintain an environment that reflects and safeguards the diversity of our community, we provide training and development opportunities that cater to the needs of all employees while promoting open communication and addressing unconscious bias.

We remain committed to forming a diverse Board of Directors that accounts for the complexity of our business and the evolving industry landscape. Our formal Board Diversity Policy, established in FY2019 and reviewed in FY2023, prioritises the appointment of directors who can effectively mentor the Management to achieve our long-term goals by actively considering factors like industry expertise, age, gender, ethnicity, tenure and alignment with SGX-ST's requirements.

<sup>6</sup> <https://www.tal.sg/tafep/getting-started/fair/tripartite-guidelines>

<sup>7</sup> <https://www.mom.gov.sg/employment-practices/fair-consideration-framework>

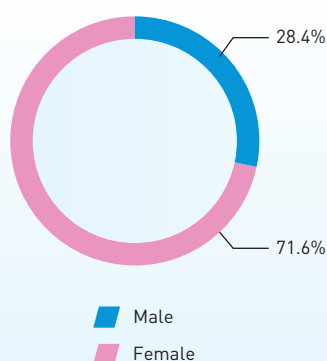


# SUSTAINABILITY REPORT

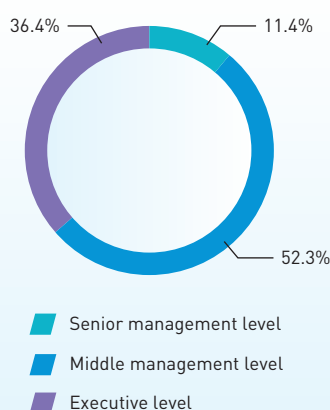
## 2024 Data: Our People

We are proud to have a workforce that reflects the diversity of our community. As at 31 December 2024, we have a total of 88 employees in Singapore, comprising 84 permanent full-time employees, one contracted part-time employee and three contracted full-time workers. In addition to our employees, we also rely on a team of contractors who support our operations at our MTBs. This group of 193 individuals include technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services.

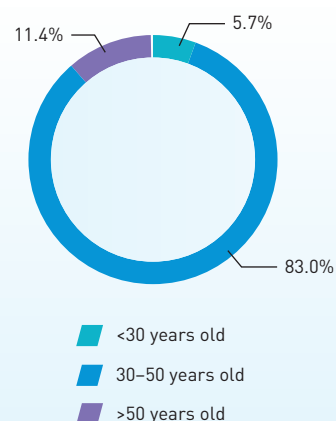
### Employees By Gender



### Employees By Employee Category

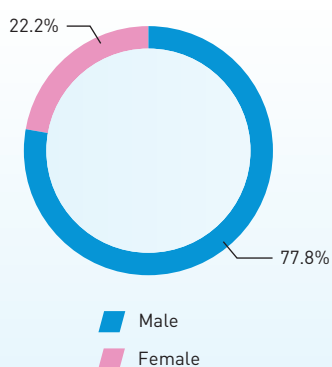


### Employees By Age Group

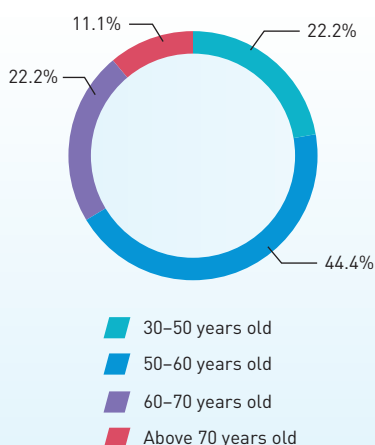


Our Board of Directors consists of nine members. Please refer to more information on our Board members in our Annual Report, pages 26 to 31.

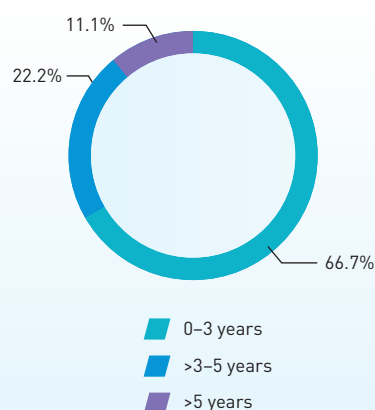
### Board of Directors by Gender



### Board of Directors by Age Group

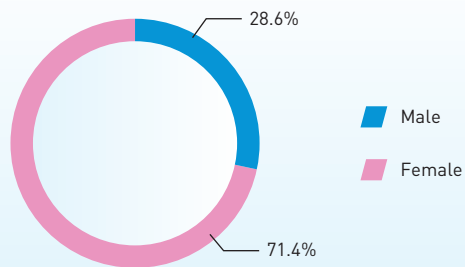


### Board of Directors by Tenure

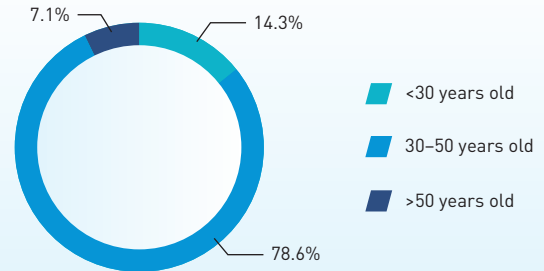


In FY2024, we welcomed 14 new colleagues.

**New Hire Employees by Gender**

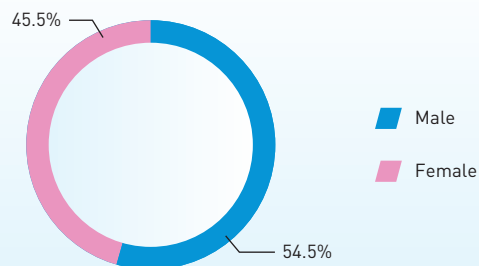


**New Hire Employees by Age Group**

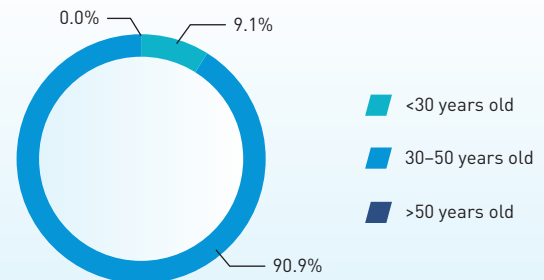


In FY2024, 11 employees left the company.

**Employee Turnover by Gender**



**Employee Turnover by Age Group**



# SUSTAINABILITY REPORT

## MATERIAL TOPIC: HEALTH AND SAFETY

Targets	Time Horizon	2024 Performance
Achieve zero Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")	Perpetual	Achieved zero WFIR and MIR in FY2024
Conduct quarterly health and safety committee meetings	Perpetual	Monthly health and safety committee meetings were held to review and improve on the WSH practices

### Impact of Health and Safety to Stakeholders

Occupational health and safety ("OHS") represents a fundamental pillar of our organisational sustainability. The implementation of robust OHS practices creates significant positive impacts to our stakeholders across our operations. For our employees, this translates to enhanced workplace safety, reduced accident risks, and improved overall well-being. At the enterprise level, our strong safety culture leads to increased operational efficiency, minimal disruptions, and lower insurance and medical expenses. Our tenants and visitors benefit from safer building environments, while our contractors and vendors operate under clear safety protocols that protect their workers.

However, we recognise potential risks inherent in property management operations, including workplace accidents, occupational illnesses, and safety incidents. To address these challenges, we have implemented comprehensive mitigation strategies and continue to enhance our safety frameworks.

### How We Manage Health and Safety

Our approach to health and safety management centres on prevention, continuous improvement, and stakeholder engagement. The cornerstone of this strategy is our Workplace Safety and Health ("WSH") policy framework, which extends beyond our employees to encompass vendors, tenants, and all building occupants. We implement Safety Management Systems, including a robust Permit-to-Work system, and conduct regular safety audits and inspections across all properties. Our comprehensive risk assessment and management protocols are supported by ongoing safety training and certification programs, while active stakeholder engagement ensures broad participation in safety practices.

### Our Workplace Safety and Health System

Our WSH system operates through a structured governance framework led by a dedicated committee. This committee, chaired by the General Manager of property management, includes representatives from all departments, ensuring comprehensive oversight of our safety initiatives. The WSH committee maintains a rigorous monthly meeting schedule to review safety incidents and industry trends, analyse property-specific WSH findings, update safety protocols based on learned experiences, and monitor the effectiveness of existing safety measures. This regular cadence ensures timely identification and resolution of potential safety concerns.

Stakeholder engagement remains integral to our safety management. Regular consultations with employees, feedback integration from service providers, tenant involvement in safety programs, and accessible reporting channels foster an environment where protection becomes a shared responsibility.

We implement a multi-tiered approach through these key standards and initiatives:

- We are certified to ISO 45001:2018 Occupational Health and Safety System, which has been internally and externally audited, aligning with Singapore's Ministry of Manpower ("MOM") regulations and guidelines. This system minimises hazards and risks across project sites and properties, establishing safeguards while protecting our workforce of 84 full-time staff members, four contract personnel, and one external service provider.
- Inspection protocols embedded within daily operations and tenant activities, facilitating proactive hazard recognition. Each incident, regardless of magnitude, necessitates reporting to MOM and triggers a formal investigation. The property managers implement remedial actions, working with vendors to establish preventive solutions.
- WSH audits conducted monthly across our properties by external consultants, encompassing structural integrity, workplace conditions, fire safety systems and emergency preparedness. As of end FY2024, assessments were completed for properties in Singapore, with no regulatory non-compliance.
- Education on safety practices remains a priority through our employee training programme. All new employees undergo mandatory OHS training on fire escape plans, appointed first aiders, location of safety kits and department-specific education. Our property management team completes compulsory training in occupational first aid which are renewed biennially, implementation of incident management process ("IIMP") and responding to fire incidents at the workplace ("RFIW").

We maintain a strong focus on continuous improvement by systematically incorporating lessons learned from safety audits and incidents into our operational procedures. This includes immediate implementation of corrective actions, regular policy reviews and updates, enhanced training programs based on identified needs and strengthened preventive measures. Our WSH system provides comprehensive safety oversight across our operations, with no exceptions to representation in safety committees, ensuring all workers are protected under our safety framework.

## 2024 Performance: Occupational Health & Safety

**In FY2024, we recorded 172,527 hours of work by employees, and 843,024 hours of work by other workers<sup>8</sup>**

Out of which, there were zero work-related fatalities, worked-related ill health, recordable work-related injuries and high-consequence work related injuries

### Supporting Employee Health & Wellbeing

Building upon our robust safety framework, we recognise that employee well-being encompasses dimensions beyond physical workplace safety. The Manager has developed and implemented an extensive array of health and wellness initiatives that addresses the holistic needs of our workforce.

- Comprehensive Employee Insurance Coverage: Term Life, Personal Accident, Critical Illness, Hospital and Surgical, Panel General Practitioner and Outpatient Specialist, Dental and Travel
- Flexi-benefits scheme allowing reimbursements for approved expenditures
- Leave Benefits: Inclusive of examination and study leave provisions alongside standard entitlements
- Flexible working arrangements to support work-life integration
- Ongoing wellness education through wellness webinar series
- Bi-weekly social gatherings featuring refreshments at the office pantry
- Direct communication channel to HR for confidential support and guidance when needed
- Mental health feeds sent to employees to increase awareness, promote well-being, foster a positive culture and boost productivity

<sup>8</sup> Workers include technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services. Worker manhours were estimated from daily rosters.

# SUSTAINABILITY REPORT

## MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT

Target	Time Horizon	2024 Performance
Updated 100.0% compliance of applicable Singapore vendors (Repair & Maintenance Service) with Green Procurement Policy by FY2028	Medium Term	25.0% of total applicable Singapore vendors met the Green Procurement Policy with other vendors identified to meet the policy requirement going forward

### Impact of Supply Chain Management to Stakeholders

For REITs, strategic supply chain management delivers multiple benefits across operations and sustainability. Inadequate management can result in environmental degradation, unsustainable resource consumption, worker exploitation, and disruption to local communities. We believe that well-managed supply chains not only minimise operational and reputational risks through reliable material sourcing and ethical practices but also accelerate project completion timelines, driving business growth. When executed thoughtfully, optimisation of procurement and logistics processes can substantially reduce waste generation and carbon emissions. Additionally, adherence to social legislation ensures fair labour standards throughout the supply chain.

### How We Manage Our Supply Chain

To address the social and environmental implications of our operational practices throughout our applicable supply chain, we first developed and published our Green Procurement Policy in FY2021. This framework, which aligns with ESR Group's Supplier Code of Conduct and its Sustainable Procurement Policy references Singapore authority guidelines such as the BCA Green Mark Certification and the Singapore Green Building Council database, serves as the foundation for implementing sustainable practices across our applicable supply chain network. In 2024, we established the detailed scope and evaluation criteria for this policy, ensuring all vendors providing goods and services to our property management division, including contractors engaged in development activities for ESR-REIT, comply with these standards. Full policy details are accessible on our website at [https://www.esr-reit.com.sg/sustainability\\_corporate\\_policies.html](https://www.esr-reit.com.sg/sustainability_corporate_policies.html).

### Screening of Suppliers

Since FY2019, we have maintained direct management of our Singapore portfolio, working with a diverse network of local repair & maintenance suppliers to deliver exceptional service to our tenants.

To maintain high standards, we implement rigorous vendor screening through our due diligence process. This begins at the initial engagement phase, where potential suppliers must acknowledge and comply with our Green Procurement Policy and undergo our vendor tender pre-qualification assessment. Only approved vendors who successfully complete this evaluation are included in our Green Procurement Compliance List and are eligible to participate in tenders or Request for Quotations.

Our supply chain management system operates on two fundamental principles: regulatory compliance and ethical conduct. All suppliers and vendors must adhere to applicable laws and regulations while maintaining business practices that align with our internal Code of Conduct and Business Ethics. More information on these requirements is available at <https://www.esr.com/environmental-social-governance/>.

To ensure ongoing compliance, we implement a systematic contract renewal assessment process. Our evaluation includes:

1. Verification of continued adherence to our Green Procurement Policy
2. Review of operational policies and procedures
3. Assessment of process documentation
4. Recognition of newly acquired sustainability certifications

For vendors who fall short of our requirements, we provide a structured improvement period, allowing them to enhance their practices before their next contract renewal. However, persistent non-compliance results in removal from our approved vendor list and disqualification from future tender participation. These assessments are conducted either by our internal Contracts and Procurement team or by independent third-party evaluators.



## 2024 Performance: Supply Chain Management

**100.0%** of new suppliers underwent environment and social criteria screening

During tender evaluation, we prioritise suppliers demonstrating strong environmental commitment. This year, we have screened 100.0% of new suppliers based on our environmental and social criteria. Meanwhile, existing suppliers under Repair & Maintenance services have been reviewed during our bi-annual vendor screening exercise.

- Suppliers that lack the necessary credential or found to be non-compliant to Authority Requirements are deemed to have a higher risk of causing negative impact. This includes workplace accidents and health and safety issues. We strictly adhere to the compliance requirements to ensure the well-being of our employees, suppliers and tenants.
- Suppliers are recommended to use products/services following local environmental standards, such as products under Singapore Green Building Labelling Scheme ("SGLS"), Energy Star and Singapore Green Building Product ("SGBP"). Relevant teams are working together with their suppliers to align to the requirements to mitigate the environmental impacts of the goods and services.

## MATERIAL TOPIC: COMMUNITY

Target	Time Horizon	2024 Performance
Achieve 500 hours or more employee volunteerism per year	Perpetual	Achieved 568 hours in FY2024

### Impact of Community Engagement to Stakeholders

We believe in meaningful community engagement, and creating lasting partnerships that benefit both the society and our business. Through collaboration with communities, government bodies and various stakeholders, we foster civic responsibility while addressing environmental and social challenges in an integrated approach to create a resilient, sustainable, and inclusive environment for all parties involved.

### How We Manage Community Engagement

The Manager holds regular consultation with grassroots organisations to identify pressing community needs, followed by the development of targeted programmes that leverage our resources and expertise. Through strategic allocation of financial and human capital, we work to maximise positive impact across all our initiatives. This is supported by continuous monitoring and evaluation to ensure effectiveness. We receive feedback on our community programmes, which guide improvements and implementation of future programme iterations.

Our community support model encompasses structured donations aligned with community needs, in-kind contributions of resources and expertise, and partnership programs with local organisations. Employee volunteerism remains a cornerstone of our community engagement strategy, and two days of annual volunteer leave are provided for all employees. In FY2024, 97.7% of our employees have participated in at least one community activity organised by the company, reflecting strong employee commitment to community service and 568 hours of staff volunteerism.

Management is in the midst of developing a Corporate Social Responsibility ("CSR") policy in FY2025 that aligns with our organisational values and stakeholder needs, and is in accordance with ESR Group's Community Development Policy and three Group Social Impact focus areas: Strengthening Social Resilience, Health & Well-being, Promoting Education & Upskilling, and Protecting the Environment.

# SUSTAINABILITY REPORT

## 2024 Performance: Community Engagement Efforts

### Activity highlights

#### Environmental protection through small actions

##### Beach clean-up

ESR-REIT employees spent a day with volunteers from the Kembangan-Chai Chee Community Club and PassionWave for a beach cleanup at East Coast Park. Together, we removed waste from the beach and surrounding waters. The clean-up was followed by a team lunch, where participants shared their experiences and discussed the importance of raising awareness on responsible waste disposal and marine pollution.

##### One Million Tree Movement

ESR-REIT also contributed to the East Coast group representation constituency's ("GRC") One Million Tree Movement. Our CEO, Mr. Adrian Chui, planted a tree on behalf of the organisation as a symbol of our commitment to improving our urban environment and enhancing our resilience towards climate change.

#### Contributing to the community

##### ESR-REIT Kidzcare Tuition Centre

Since 2019, the Manager has collaborated with Kidzcare@Kembangan-Chai Chee, an initiative to provide underprivileged primary school students with safe and conducive space to learn. The Manager provides three air-conditioned units at ESR BizPark @ Chai Chee for tuition lessons to be conducted and provides certified tutors for the programme.

##### Enrichment Lessons

This year we launched a pilot programme to provide non-academic enrichment lessons for the youths of Kembangan Chai Chee in the form of guitar and art lessons to supplement the ongoing ESR-REIT Kidzcare Tuition Centre initiative, for a more holistic approach to youth development.

We collaborated with our tenants, The Music Works and Artlette Art Studio to provide art and music lessons. This marks a significant milestone in our CSR journey as we increasingly seek to involve our stakeholders (tenants and community partner Kembangan-Chai Chee) in our CSR initiatives to make meaningful impact within our community.

##### Laptop Donation

Recognising the growing importance of digital tools in modern education, especially in the wake of the global shift to online learning, ESR-REIT donated 10 refurbished laptops to underprivileged students to support their education journey and enable access to online learning resources.



#### ESR-REIT Lunch-time Rescued Vegetable Distribution Initiative

In FY2024, the Manager continued with its Lunch Time Rescued Vegetable Distribution initiative. Unsold “ugly” but perfectly edible vegetables from the Pasir Panjang Wholesale Center that are to be discarded due to aesthetic imperfections are collected and distributed to underprivileged families. This initiative aims to reduce food waste while helping to alleviate grocery costs for needy families.

Twice a month on a rotational basis, ESR-REIT employees, head to the heartlands to sort and distribute these rescued vegetables to residents during their lunch break. The Manager also sponsors the transportation of these vegetables from the wholesale centre to Kembangan-Chai Chee for distribution.



#### Encouraging healthy lifestyle through fun and games

##### Marine Parade Cluster Family Day & Health Fiesta 2024

The Manager was the F&B sponsor for the Marine Parade Cluster Family Day & Health Fiesta 2024, a community event promoting health and wellness. The event featured activities such as obstacle courses, carnival games, health screenings, and exercise sessions which were designed to engage families and encourage healthy lifestyles. This sponsorship reflects our commitment to strengthening community bonds and supporting community well-being.

#### Supporting women, building capabilities

##### Commitment to Empowering Lower-Income Women through the SHE Initiative

To support the empowerment of lower-income women, the Manager participated in the Singapore Her Empowerment (“SHE”) annual fundraising event. The Manager showcased its dedication to fostering gender equality and supporting women in workforce re-entry by purchasing a table at the event, which was attended by 10 of its female employees.

The funds raised at the event will empower lower-income women through training, mentorship, and mental health support, and help them re-enter the workforce.





## GOVERNANCE

### MATERIAL TOPICS: REGULATORY COMPLIANCE, GOVERNANCE, AND ENTERPRISE RISK MANAGEMENT

Targets	Time Horizon	2024 Performance
Achieve zero lapse in corporate governance or corruption	Perpetual	Achieved zero lapses in corporate governance or corruption
Achieve zero material incidents of non-compliance with socio-economic laws and regulations	Perpetual	Achieved zero material incidents of non-compliance with socioeconomic or environmental laws

#### Impact of Regulatory Compliance, Governance and ERM to Stakeholders

Strong governance and compliance form the cornerstone of our business management, fostering stakeholder trust and sustainable value creation. For REITs, effective governance practices serve multiple critical functions under key regulatory frameworks including the Code of Corporate Governance 2018, SGX-ST Listing rules and the Code on Collective Investment Schemes. These frameworks establish essential requirements for Board composition and stakeholder protection, ensuring we maintain high standards of corporate conduct while protecting Unitholder interests. Through robust risk management and compliance frameworks, we manage various business risks, enhance our market reputation, and create enduring value. Our commitment to regulatory adherence not only safeguards against potential legal risks and financial penalties but also strengthens our position as a trusted market participant.

#### How We Manage Regulatory Compliance, Governance and ERM

We have implemented a comprehensive governance framework that upholds ethical conduct and responsible management throughout our operations, encompassing three key pillars: robust compliance mechanisms, proactive risk management, and continuous professional development.

We foster a strong compliance culture through continuous learning and development initiatives. Our approach includes annual compliance updates and comprehensive training programs delivered by the Compliance and Risk Management Department. In FY2024, the Compliance team conducted one compliance training and employees also attended a Group-level training to reinforce understanding of the Group's internal policies and procedures.

We have strict internal policies and procedures to ensure that ESR-REIT upholds the conditions specified in the Trust Deed and all applicable laws and regulations, including the Code of Corporate Governance 2018, the Code on Collective Investment Schemes and SGX-ST's Listing Rules.

As part of the Group's broader compliance programme, all employees complete mandatory online training covering essential topics such as conflict of interest management, anti-bribery measures, anti-corruption practices, and corporate compliance policies. Detailed information about these policies are available [here](#).

### Open Communication for Transparency

The ARCC and the Board emphasise transparency and open communication throughout the organisation, which is underscored in the Policy on Conflict of Interest. The Manager bolsters this by upholding a zero-tolerance stance on corruption. Ethical conduct and anti-corruption measures include incorporating internal guidelines on the receipt and offering of gifts and entertainment within the policy, ensuring employees are equipped with the knowledge and resources to navigate potential conflicts.

We maintain a robust whistleblowing system that enables both internal and external stakeholders to report potential improprieties confidentially. The Policy on Whistleblowing has been communicated to all employees and details are available on our corporate website. Employees of the Managers and external parties can raise their concerns by filling in a form found on ESR-REIT's website and submitting it to [whistleblowing@esr-reit.com.sg](mailto:whistleblowing@esr-reit.com.sg). The case will be routed directly to the ARCC Chairman and designated officers, to allow independent investigation of the matter raised and appropriate follow-up actions. Internally, employees can also choose to report any observed incident to their immediate supervisor, any Heads of Departments, the Head of Compliance, Risk Management & Sustainability<sup>9</sup>, the ARCC Chairperson or the CEO. Employees can refer to the internal telephone directory for the contacts information of the various points of contact.

Our investigation process ensures independent examination of all valid reports under the direct oversight of the ARCC Chairperson, with quarterly review of all cases by the ARCC. We handle all information confidentially to protect whistleblower interests.

For internal grievance handling, we maintain clear escalation pathways for workplace concerns, including a structured process for addressing issues such as compensation fairness, working conditions, and interpersonal conflicts. Employees can directly consult with department heads for policy clarification, and we provide a formal escalation mechanism through our Grievance Handling Policy.

### Enterprise Risk Management

The Manager has established a risk management system to identify, measure, prioritise and respond to potential risks that may significantly affect ESR-REIT's operations. We take a systematic four-step process to effective risk management:

1. Risk Identification and Assessment
2. Risk Management Application
3. Risk Monitoring
4. Reporting

As part of risk identification and assessment, we have assessed environmental risks across our portfolio in Singapore, Australia and Japan using an Environmental Risk and Control Matrix. This matrix identifies, assesses, and manages environmental risks, encompassing regulatory compliance, resource efficiency, and climate-related risks (transition: policy & legal, technology, market, reputation; physical: acute and chronic) across short-, medium-, and long-term time horizons. The matrix utilises 27 risk descriptors and is reviewed bi-annually to account for emerging risks, with quarterly updates from Heads of Department ensuring the effectiveness of existing controls. Incremental risk descriptors are reported to the board quarterly. For more details about our governance practices and risk management activities, please refer to the Risk Management and Corporate Governance sections from page 86 to 120 of the Annual Report.

There were no material incidents of non-compliance with socioeconomic or environmental laws and regulations in FY2024.

<sup>9</sup> Head of Compliance, Risk Management & Sustainability has stepped down in November 2024 and was replaced by the ESR Group Head of Governance & Sustainability.



# SUSTAINABILITY REPORT

## Sustainability Governance

Building on our commitment to responsible governance, the Board Sustainability Committee has been established to enhance governance by providing oversight and strategic guidance on ESG matters. This establishment underscores our move to align closely with stakeholder expectations and global best practices. The committee, comprising two board members and an external consultant, met once in FY2024 to discuss ESR-REIT's ESG strategies and performance. 100.0% of the BOD completed the SGX-prescribed sustainability training, which equipped them with essential knowledge of ESG principles and frameworks. To assess the effectiveness of this training, we conducted post-training assessments that measured knowledge improvement, ensuring directors are prepared to integrate ESG insights into board discussions and strategic decisions.

Moreover, all employees took part in the "Introduction to Sustainability" training provided by the Compliance and Risk Management Department, which aimed at strengthening our internal capacity for effectively managing ESG matters. Similar post-training assessments were implemented to evaluate knowledge enhancement, empowering employees to integrate sustainability principles into their day-to-day work.

## 2024 Performance: Compliance to Laws and Regulations

**100.0%** of operations assessed for risks related to corruption

**100.0%** of employees received training on anti-corruption

## APPENDIX A: METHODOLOGY SUMMARY

This section outlines the scope, definitions, methodologies and assumptions used in calculating ESR-REIT's ESG data.

### Environmental

#### Control approach

ESR-REIT refers to the operational control approach as per the GHG Protocol Corporate Standards to consolidate environmental information. This requires ESR-REIT to account for 100.0% of the environmental data from operations over which it has operational control i.e. possessing complete authority to introduce and implement operating policies within the operations. This refers to the MTBs in ESR-REIT's portfolio where there is landlord control of the common areas in the properties. The calculation excluded data from properties divested and included data from properties invested in the reporting year.

In FY2024, this refers to a total of 38 properties — 32 in Singapore, four in Australia and two in Japan.

MTBs in ESR-REIT's portfolio:

Business Park	High-Specifications Industrial	Logistics	General Industrial
2	7	10	19

#### Electricity and Cooling Consumption

##### Grid Electricity Consumption

Electricity consumed by properties in ESR-REIT's portfolio includes grid electricity, expressed in kWh. Landlord energy consumption refers to the energy consumed by common areas and shared services that ESR-REIT has operational control over.

Data Source: National Utility Providers.

##### Cooling Electricity Consumption (Singapore)

Electricity used for cooling purposes by properties in ESR-REIT's portfolio includes on-site Chilled Water System ("CWS") Consumption and off-site District Cooling System ("DSC") Consumption, expressed in kWh. Landlord Cooling energy consumption refers to the energy consumed for common area cooling that ESR-REIT has operational control over. The on-site CWS Consumption has been included under the building's grid electricity consumption if the power supply of it was tapped from building's main switchboard; otherwise, it has not been included under and shall be accounted separately. The off-site DCS consumption is not accounted under the building's grid electricity consumption, but is calculated separately and added to the Landlord Energy Consumption.

#### Energy intensity (Singapore)

Energy intensity per square metre is calculated by the energy consumed in the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial energy consumption data would be extrapolated for a full year for annualisation purposes.

Two intensity values were provided: one considers grid and renewable electricity consumption and the second considers only grid electricity consumption. Both intensity values are expressed in kWh/m<sup>2</sup>.

#### Solar energy consumption

For properties with on-site solar system installed, the solar energy generated was partially fed into the main switchboard of the building for direct consumption, and partially exported to the national grid. The breakdown of tenant and landlord solar consumption was not readily available due to site constraint of metering arrangement. Hence, the solar consumption breakdown was estimated based on the ratio between overall energy consumption of landlord and tenants.

# SUSTAINABILITY REPORT

## GHG Emission

ESR-REIT's Scope 1 relates to diesel used for back-up generator sets at our properties and fugitive emissions from our chillers and refrigeration units, expressed in tCO<sub>2</sub>e. GHG Emission values were calculated using emission factors of grid electricity and fuel use into tCO<sub>2</sub>e. Specifically for fuel emission factors, the gases CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> were included in the calculations. Emissions were calculated from the use of energy in common areas and shared services.

Data Source:

- Scope 1 stationary combustion emission factors are referenced from the GHG Protocol Emission Factors from Cross-Sector Tools
- Scope 1 fugitive emission factors are referenced from the Global Warming Potential values for 100-year time horizon from the IPCC Sixth Assessment Report
- Scope 2 grid emission factor for Singapore (2023) is provided by the EMA, while emission factor Japan (2022) is provided by the Agency for Natural Resources and Energy

## GHG Emission Intensity

GHG intensity per square metre is calculated by the GHG emissions from the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial emissions data would be extrapolated for a full year for annualisation purposes.

GHG emission intensity is expressed in tCO<sub>2</sub>e/m<sup>2</sup>.

## Water Withdrawal

Water withdrawn by properties in ESR-REIT's portfolio includes municipal water and NEWater, expressed in m<sup>3</sup>. This refers to the water withdrawn by common areas and shared services that ESR-REIT has operational control over. Due to the nature of ESR-REIT's business, minimal water is consumed<sup>1</sup> in our business operations. Hence, we assume water withdrawn equals to water discharged.

Data Source: National Utility Providers.

Cooling System Water Consumption refers to water consumed on-site in ESR-REIT's portfolio, for cooling purposes in Singapore. Landlord Cooling System Water consumption refers to the water consumed for common area cooling that ESR-REIT has operational control over.

The on-site CWS Water Consumption has been included under the building's grid electricity consumption if the power supply of it was tapped from building's main water meter; otherwise, it has not been included under and shall be accounted separately. The off-site DCS water consumption is not accounted for under building's water consumption and shall not be included as aligned with industry practices.

## Water intensity (Singapore)

Water intensity per square metre is calculated by the water withdrawn in the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial water withdrawal data would be extrapolated for a full year for annualisation purposes.

Water intensity is expressed in m<sup>3</sup>/m<sup>2</sup>.

## Waste Generation

Waste generated by properties in ESR-REIT's portfolio includes hazardous and non-hazardous waste, expressed in tonnes. This refers to the waste generated in the common areas and shared services that ESR-REIT has operational control over.

## Social

### Employee

Employees considers the staff who are directly employed by the Managers, including full-time, part-time and temporary staff.

### Workers who are not employees

This refers to workers that are contracted to provide services to the Managers' business operations.

### New Hires and Turnover

New hire and turnover records present the number of employees at the end of each financial year, reflecting employee movement throughout the year. New hires refer to employees that joined the Managers during the year. Turnovers refer to employees who left the Managers during the year, including voluntary resignation, dismissal, retirement, or death.

## Governance

### Corruption

Corruption refers to actions including conflict of interest, bribery, embezzlement, fraud and unfair business practices that contribute to dishonest and illegal business dealings.

<sup>1</sup> As per GRI 303 Water and Effluents, water consumption measures water used by an organisation such that it is no longer available for use by the ecosystem or local community.

**APPENDIX B: ESG DATA SUMMARY****Economic**

Metric	Unit	2023	2024
<b>Green Building Certifications</b>			
Certified properties in Singapore	GFA (%)	16.6	28.0
<b>Tenancy</b>			
Tenant occupancy rate	%	92.8	92.3
Tenant retention rate	%	75.5	76.0
Tenant satisfaction rating (Singapore, Japan)	%	78.0	78.2

**Environment**

Metric	Unit	2023	2024
<b>Landlord Solar Energy</b>			
<i>Singapore</i>			
Solar generation	kWh	15,359,872.1	15,225,359.1
Solar consumption	kWh	3,179,701.8	2,228,222.1
<i>Japan</i>			
Solar generation	kWh	2,021,594.0	2,241,682.0
Solar consumption	kWh	0	51,158.7 <sup>1</sup>
<b>Landlord Electricity Consumption</b>			
<i>Singapore</i>			
Number of properties captured in the data <sup>2</sup>	Number	30	30
Purchased Energy (including grid electricity, solar energy and district cooling)	kWh	37,248,870.8	29,604,512.0
Energy intensity	kWh/m <sup>2</sup>	231.2	190.3
Energy intensity excluding green energy	kWh/m <sup>2</sup>	211.4	176.3
District cooling <sup>3</sup>	kWh	567,076.6	583,035.4
Energy intensity (District cooling)	kWh/m <sup>2</sup>	47.0	48.5
<i>Japan</i>			
Number of properties captured in the data <sup>4</sup>	Number	1	2
Purchased Energy (including grid electricity and solar energy)	kWh	300,719.0	441,766.0
Energy intensity	kWh/m <sup>2</sup>	76.8	66.4
Energy intensity excluding green energy	kWh/m <sup>2</sup>	76.8	24.6

1 Solar consumption breakdown between landlord and tenants was estimated based on the overall energy consumption ratio between landlord and tenant.

2 Properties with operational control.

3 Includes only MTBs with district cooling consumption directly managed by the property management team.

4 Properties with operational control.

# SUSTAINABILITY REPORT

Metric	Unit	2023	2024
<b>Landlord GHG Emissions</b>			
<i>Singapore</i>			
Scope 1	tCO <sub>2</sub> e	457.8	<b>837.4</b>
Scope 2 (Location-Based)	tCO <sub>2</sub> e	15,525.3	<b>12,197.1</b>
Scope 2 (Market-Based)	tCO <sub>2</sub> e	14,200.0	<b>11,268.3</b>
Scope 1 & 2 (Location-Based)	tCO <sub>2</sub> e	15,983.1	<b>13,034.5</b>
Scope 1 & 2 (Market-Based)	tCO <sub>2</sub> e	14,657.8	<b>12,105.8</b>
GHG intensity (Location-Based)	tCO <sub>2</sub> e/m <sup>2</sup>	0.099	<b>0.084</b>
GHG intensity (Market-Based)	tCO <sub>2</sub> e/m <sup>2</sup>	0.091	<b>0.078</b>
<i>Japan</i>			
Scope 1	tCO <sub>2</sub> e	0	<b>8.3</b>
Scope 2 (Location-Based)	tCO <sub>2</sub> e	130.5	<b>191.7</b>
Scope 2 (Market-Based)	tCO <sub>2</sub> e	130.5	<b>169.5</b>
Scope 1 & 2 (Location-Based)	tCO <sub>2</sub> e	130.5	<b>200.0</b>
Scope 1 & 2 (Market-Based)	tCO <sub>2</sub> e	130.5	<b>177.8</b>
GHG intensity (Location-Based)	tCO <sub>2</sub> e/m <sup>2</sup>	0.033	<b>0.029</b>
GHG intensity (Market-Based)	tCO <sub>2</sub> e/m <sup>2</sup>	0.033	<b>0.011</b>
<b>Landlord Water Consumption</b>			
<i>Singapore</i>			
Number of properties captured in the data <sup>5</sup>	Number	30	<b>30</b>
Total water withdrawal	m <sup>3</sup>	420,420.4	<b>383,403.5</b>
Water withdrawal intensity	m <sup>3</sup> /m <sup>2</sup>	2.61	<b>2.56</b>
<i>Japan</i>			
Number of properties captured in the data <sup>6</sup>	Number	1	<b>2</b>
Total water withdrawal	m <sup>3</sup>	-32.0 <sup>7</sup>	<b>351.0<sup>7</sup></b>
Water withdrawal intensity	m <sup>3</sup> /m <sup>2</sup>	-0.008	<b>0.23</b>
<b>Waste Generation</b>			
<i>Singapore</i>			
Number of properties captured in the data <sup>8</sup>	Number	28	<b>28</b>
Hazardous waste generated	kg	0	<b>0</b>
Non-hazardous waste generated	tonnes	2,272.3	<b>2,329.8</b>
Waste diverted from disposal (Recycled)	tonnes	206.2	<b>182.4</b>
Waste directed to disposal (Waste-to-energy facilities)	tonnes	2,066.1	<b>2,147.4</b>

<sup>5</sup> Properties with operational control.

<sup>6</sup> Properties with operational control.

<sup>7</sup> As there is limited visibility on landlord consumption of water from metered data, landlord water consumption in ESR Sakura Distribution Centre was estimated based on utility bills and tenant recovery, hence the negative value obtained. This will be improved upon in future years.

<sup>8</sup> Includes only MTBs with waste disposal directly managed by the property management team.



Metric	Unit	2023	2024
<i>Japan</i>			
Number of properties captured in the data	Number	1	2
Hazardous waste generated	tonnes	0	0
Non-hazardous waste generated	tonnes	5.5	11.1
Waste diverted from disposal (Recycled)	tonnes	0.4	2.4
Waste directed to disposal (incineration)	tonnes	5.1	8.7

## Social

Metric	Unit	2023	2024
Employee Satisfaction			
Employee Survey response rate	%	89.0	93.9
Satisfaction rating	%	80.5	84.2
Employee Appraisal			
Employees that underwent appraisal	%	100.0	96.5
Training and Education (Gender and Employment Category)			
Male	Average number of training hours	32.8	38.5
Female		27.0	35.8
Senior management		26.4	53.2
Middle management		29.7	33.2
Executive		28.6	36.2
Current Employees (Gender, Employment Category and Age)			
Male	Number	27	25
Female		58	63
Senior management		10	10
Middle management		40	46
Executive		35	32
<30 years old	%	5	5
30–50 years old		71	73
>50 years old		9	10
Male		31.8	28.4
Female		68.2	71.6
Senior management	%	11.8	11.4
Middle management		47.1	52.3
Executive		41.2	36.4
<30 years old		5.9	5.7
30–50 years old		83.5	83.0
>50 years old		10.6	11.4

# SUSTAINABILITY REPORT

Metric	Unit	2023	2024
Workers who are not employees			
Workers who are not employees	Number	189	193
New Hires (Gender and Age)			
Male	Number	6	4
Female		17	10
<30 years old		3	2
30–50 years old		20	11
>50 years old		0	1
Male	%	26.1	28.6
Female		73.9	71.4
<30 years old		13.0	14.3
30–50 years old		87.0	78.6
>50 years old		0.0	7.1
Turnover (Gender and Age)			
Male	Number	10	6
Female		11	5
<30 years old		3	1
30–50 years old		14	10
>50 years old		4	0
Male	%	47.6	54.5
Female		52.4	45.5
<30 years old		14.3	9.1
30–50 years old		66.7	90.9
>50 years old		19.0	0.0
Board of Directors (Gender, Age and Tenure)			
Male	%	80.0	77.8
Female		20.0	22.2
30–50 years old		20.0	22.2
50–60 years old		50.0	44.4
60–70 years old		20.0	22.2
>70 years old		10.0	11.1
<3 years		70.0	66.7
3–5 years		20.0	22.2
>5 years		10.0	11.1

Metric	Unit	2023	2024
<b>Employee OHS</b>			
No. of work-related fatalities	Number	0	0
No. of work-related ill health	Number	0	0
Fatality rate (per 1,000,000 hours worked)	%	0	0
No. of recordable work-related injuries	Number	0	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	%	0	0
No. of high-consequence work-related injuries	Number	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	%	0	0
Total manhours worked	Hours	165,360	172,527
<b>Other workers OHS</b>			
No. of work-related fatalities	Number	0	0
No. of work-related ill health	Number	0	0
Fatality rate (per 1,000,000 hours worked)	%	0.0	0.0
No. of recordable work-related injuries	Number	0	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	%	0.0	0.0
No. of high-consequence work-related injuries	Number	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	%	0.0	0.0
Total manhours worked <sup>9</sup>	Hours	827,820	843,024
<b>Supply Chain Management</b>			
New suppliers that underwent environment and social criteria screening	%	100.0	100.0
<b>Employee volunteerism</b>			
Total hours of employee volunteerism	Number	528.5	568.0

## Governance

Metric	Unit	2023	2024
<b>Compliance</b>			
Material incident of non-compliance with socioeconomic or environmental laws and regulations	Number	0.0	0.0
Operations assessed for risks related to corruption	%	Not tracked	100.0
Employees trained on anti-corruption	%	100.0	100.0

<sup>9</sup> The total manhours worked were estimated from daily rosters, including the hours worked by technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services.

# SUSTAINABILITY REPORT

## APPENDIX C: GRI CONTENT INDEX

Statement of use	ESR-REIT has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 in accordance with the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
<b>The organisation and its reporting practices</b>			
2-1	Organisational details		
2-2	Entities included in the organisation's sustainability reporting	About ESR-REIT's Sustainability Report 2024, page 121	
2-3	Reporting period, frequency and contact point	About ESR-REIT's Sustainability Report 2024, page 121	
2-4	Restatements of information	About ESR-REIT's Sustainability Report 2024, page 122	
2-5	External assurance	About ESR-REIT's Sustainability Report 2024, page 122	
<b>Activities and Workers</b>			
2-6	Activities, value chain and other business relationships	Annual Report: About Us, page 4 Annual Report: Message to Unitholders, page 12 About ESR-REIT's Sustainability Report 2024, page 121	
2-7	Employees	Material topic: Employee Engagement and Satisfaction, page 155 Appendix B: ESG Data Summary, page 173	
2-8	Workers who are not employees	Appendix B: ESG Data Summary, page 173	
<b>Governance</b>			
2-9	Governance structure and composition	Annual Report: Board of Directors, pages 26 to 31 How We Manage Sustainability, Sustainability Governance, pages 129 to 130 Material topic: Diversity and Equal Opportunity, page 158	
2-10	Nomination and selection of the highest governance body	Annual Report: Corporate Governance, Selection and Appointment of Directors, page 103	
2-11	Chair of the highest governance body	Annual Report: Corporate Governance, Principle 2: Board Composition and Guidance, page 97	

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
2-12	Role of the highest governance body in overseeing the management of impacts	How We Manage Sustainability, Our Sustainability Leaders at ESR-REIT, pages 129 to 130	
2-13	Delegation of responsibility for managing impacts	How We Manage Sustainability, Our Leaders at ESR-REIT, pages 129 to 130	
2-14	Role of the highest governance body in sustainability reporting	Board Statement, page 125	
2-15	Conflicts of interest	Annual Report: Corporate Governance, Role of Board, pages 93 to 94 Annual Report: Corporate Governance, Principle 8: Disclosure on Remuneration, pages 106 to 108 Annual Report: Corporate Governance, Dealings with Potential Conflicts of Interest, pages 117 to 118	
2-16	Communication of critical concerns	How We Manage Sustainability, Stakeholder Engagement, pages 131 to 132	
2-17	Collective knowledge of the highest governance body	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, Sustainability Governance, page 168	
2-18	Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance, Principle 5: Board Performance, page 104	
2-19	Remuneration policies	Annual Report: Corporate Governance, Principle 6: Procedures for Developing Remuneration Policies, page 104	
2-20	Process to determine remuneration	Annual Report: Corporate Governance, Principle 7: Level and Mix of Remuneration, pages 104 to 105	
2-21	Annual total compensation ratio	NIL	Not disclosed due to confidentiality constraints.

#### Strategy, Policies and Practices

2-22	Statement on sustainable development strategy	Board Statement, page 125	
2-23	Policy commitments	Material topic: Energy and Carbon Footprint, page 140 Material topic: Supply Chain Management, page 162 Material topic: Employee Engagement and Satisfaction, page 155 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	



# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
2-24	Embedding policy commitments	Material topic: Energy and Carbon Footprint, page 140 Material topic: Supply Chain Management, page 162 Material topic: Employee Engagement and Satisfaction, page 155 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-25	Processes to remediate negative impacts	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-26	Mechanisms for seeking advice and raising concerns	How We Manage Sustainability, Stakeholder Engagement, pages 131 to 132 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 167	
2-27	Compliance with laws and regulations	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168	
2-28	Membership associations	How We Manage Sustainability, Stakeholder Engagement, page 132	
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	How We Manage Sustainability, Stakeholder Engagement, page 131	
2-30	Collective bargaining agreements	NIL	All employees within the scope of this report are not covered by collective bargaining agreements, as they are considered as professionals.
<b>Topic Specific Disclosures</b>			
<b>Disclosures on Material Topics</b>			
3-1	Process to determine material topics	How We Manage Sustainability, Our Material Factors, page 133	
3-2	List of material topics	How We Manage Sustainability, Our Material Factors, page 133	

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
<b>Investment Management — Quality of Assets and Services</b>			
N/A	Responsible investing and quality of assets and services	Material topic: Investment Management — Quality of Assets and Services, page 134	
3-3	Management of material topics	Material topic: Investment Management — Quality of Assets and Services, page 134	
<b>Tenant Engagement and Satisfaction</b>			
N/A	Tenant engagement and satisfaction	Material topic: Tenant Engagement and Satisfaction, page 137	
3-3	Management of material topics	Material topic: Tenant Engagement and Satisfaction, page 137	
<b>Energy and Carbon Footprint</b>			
3-3	Management of material topics		
302-1	Energy consumption within the organisation	Appendix B: ESG Data Summary, page 171	
302-2	Energy consumption outside of the organisation	NIL	There is no material energy consumed outside of the organisation boundaries.
302-3	Energy intensity	Appendix B: ESG Data Summary, page 171	
302-4	Reduction of energy consumption	NIL	While we are unable to provide a breakdown of reduction in energy consumption corresponding to each efficiency initiative, we can attribute the reduction in energy consumption in FY2024 to a combination of efficiency initiatives and tenant engagement efforts.
302-4	Reductions in energy requirements of products and services	NIL	We plan to quantify energy reductions from more efficient products and services in the future.
305-1	Direct (Scope 1) GHG emissions	Appendix B: ESG Data Summary, page 172	

# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
305-2	Energy indirect (Scope 2) GHG emissions	Appendix B: ESG Data Summary, page 172	
305-3	Other indirect (Scope 3) GHG emissions	NIL	We are calculating our Scope 3 emissions in FY2024, which is not ready for disclosure at the time of publication of this report. Please refer to Material topic: Energy and Carbon Footprint, page 144 for more information on our Scope 3 Inventory Plans.
305-4	GHG emissions intensity	Appendix B: ESG Data Summary, page 172	
305-5	Reduction of GHG emissions	NIL	While we are unable to provide a breakdown of reduction in GHG emissions corresponding to each decarbonisation initiative, we can attribute the reduction in GHG emissions in FY2024 to a combination of increased use of solar energy and efficiency initiatives.
305-6	Emissions of ozone-depleting substances (ODS)	NIL	ODS is not a material output of ESR-REIT's business operations.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	NIL	NOX, SOX and other air emissions are not significant outputs of ESR-REIT's business operations.

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
<b>Climate Change Adaptation</b>			
N/A	Climate change adaptation	Material topic: Climate Change Adaptation, page 145	
3-3	Management of material topics	Material topic: Climate Change Adaptation, pages 145-151	
<b>Water</b>			
3-3	Management of material topics	Material topic: Water, page 153	
303-1	Interactions with water as a shared resource	Material topic: Water, page 153	
303-2	Management of water as a shared resource	Material topic: Water, page 153	
303-3	Water withdrawal	Appendix B: ESG Data Summary, page 172	
303-4	Water discharge	Appendix A: Methodology Summary, page 170	The Manager's properties discharge water to local sewer systems and do not directly discharge into surface water, groundwater or seawater bodies.
303-5	Water consumption	Appendix A: Methodology Summary, page 170	Due to the nature of the business, we assume water withdrawal is the same as water discharged.
<b>Waste</b>			
3-3	Management of material topics	Material topic: Waste, page 153	
306-1	Waste generation and significant waste-related impacts	Appendix B: ESG Data Summary, pages 172-173	
306-2	Waste by type and disposal method	Appendix B: ESG Data Summary, pages 172-173	
306-3	Waste generated	Appendix B: ESG Data Summary, pages 172-173	
306-4	Waste diverted from disposal	Appendix B: ESG Data Summary, pages 172-173	
306-5	Waste directed to disposal	Appendix B: ESG Data Summary, pages 172-173	
<b>Employee Engagement and Satisfaction</b>			
3-3	Management of material topics	Material topic: Employee Engagement and Satisfaction, page 155	
404-1	Average hours of training per year per employee	Material topic: Employee Engagement and Satisfaction, page 156	

# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
404-2	Programmes for upgrading employee skills and transition assistance programmes	Material topic: Employee Engagement and Satisfaction, page 155	
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix B: ESG Data Summary, page 173	
<b>Diversity and Equal Opportunity</b>			
3-3	Management of material topics	Material topic: Diversity and Equal Opportunity, page 157	
401-1	New employee hires and employee turnover	Appendix B: ESG Data Summary, page 174	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NIL	Not disclosed due to confidentiality constraints.
401-3	Parental leave	NIL	We plan to disclose in future reports.
405-1	Diversity of governance bodies and employees	Appendix B: ESG Data Summary, pages 173-174	
405-2	Ratio of basic salary and remuneration of women to men	NIL	Not disclosed due to confidentiality constraints.
<b>Health and Safety</b>			
3-3	Management of material topics	Material topic: Health and Safety, page 160	
403-1	Occupational health and safety management system	Material topic: Health and Safety, pages 160-161	
403-2	Hazard identification, risk assessment and incident investigation	Material topic: Health and Safety, page 161	
403-3	Occupational health services	Material topic: Health and Safety, page 161	
403-4	Worker participation, consultation and communication on occupational health and safety	Material topic: Health and Safety, page 161	
403-5	Worker training on occupational health and safety	Material topic: Health and Safety, page 161	
403-6	Promotion of worker health	Material topic: Health and Safety, page 161	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Material topic: Health and Safety, page 161	



Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
403-8	Workers covered by an occupational health and safety management system	Material topic: Health and Safety, page 161	
403-9	Work-related injuries	Appendix B: ESG Data Summary, page 175	
403-10	Work-related ill health	Appendix B: ESG Data Summary, page 175	
<b>Supply Chain Management</b>			
3-3	Management of material topics	Material topic: Supply Chain Management, pages 162	
308-1	New suppliers that were screened using environmental criteria	Appendix B: ESG Data Summary, page 175	
308-2	Negative environmental impacts in the supply chain and actions taken	Material topic: Supply Chain Management, page 162	
<b>Community</b>			
3-3	Management of material topics	Material topic: Community, pages 163-165	
413-1	Operations with local community engagement, impact assessments and development programs	Material topic: Community, pages 163	
413-2	Operations with significant actual and potential negative impacts on local communities	NIL	We plan to disclose in future reports.
<b>Governance and Enterprise Risk Management</b>			
205-1	Operations assessed for risks related to corruption	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168 Appendix B: ESG Data Summary, page 175	
205-2	Communication and training about anti-corruption policies and procedures	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, pages 167-168	
205-3	Confirmed incidents of corruption and actions taken	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168	
<b>Regulatory compliance</b>			
3-3	Management of material topics	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-27	Compliance with laws and regulations	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 167-168	

# SUSTAINABILITY REPORT

## APPENDIX D: SASB CONTENT INDEX

Topic	SASB Code	Accounting Metric	2024				2023			
			Business Park	High-Specifications Industrial	Logistics	General Industrial	Business Park	High-Specifications Industrial	Logistics	General Industrial
Energy MGMT	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector <sup>1</sup>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	IF-RE-130a.2	(1) Total energy (GJ) consumed by portfolio area with data coverage, by property subsector	49,095.1	27,573.2	35,654.4	14,668.1	45,162.5	25,281.7	77,326.9	9,133.7
	IF-RE-130a.2	(2) Percentage of energy consumed that was supplied from grid electricity, by property subsector	74.1%	100.0%	77.6%	98.4%	72.7%	100.0%	85.6%	96.9%
	IF-RE-130a.2	(3) Percentage of energy consumed that was renewable energy, by property subsector	0.0%	0.0%	22.4%	1.6%	0.0%	0.0%	14.4%	3.1%
	F-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	8.7%	9.1%	-53.9%	60.6%	ESR-REIT only started reporting in alignment with SASB in 2023. Hence, like-for-like change in energy consumption is tracked from 2023 onwards.			
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Building energy management considerations are integrated into our climate targets. ESR-REIT has set targets to achieve 7.0% reduction in energy intensity for Singapore MTBs' common area by progressive reduction of 1.0% per annum from FY2023 to FY2030. We also aim to add rooftop solar panels to 21 more properties in Singapore over the next 2 years.							
Water MGMT	IF-RE-140a.1	(1) Water withdrawal data coverage as a percentage of total floor area, by property subsector <sup>1</sup>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage	0.096	0.137	0.073	0.077	0.118	0.136	0.103	0.063
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	-18.5%	0.1%	-28.6%	22.0%	ESR-REIT only started reporting in alignment with SASB in 2023. Hence, like-for-like change in water withdrawn is tracked from 2023 onwards.			
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water scarcity poses a long-term risk, threatening operational efficiency and increasing costs. For mitigation of our water management risk, ESR-REIT has set targets to obtain WEB Certification for all MTBs in Singapore by FY2025, and achieve 14.0% water intensity reduction from year FY2023 by FY2030.							

<sup>1</sup> We report consumption data only for common areas of MTBs, for which we have operational control over. In the coming years, we will gradually increase the scope of consumption data coverage to report data for the entire portfolio.

Topic	SASB Code	Accounting Metric	2024				2023			
			Business Park	High-Specifications Industrial	Logistics	General Industrial	Business Park	High-Specifications Industrial	Logistics	General Industrial
MGMT Tenant Sustainability Impacts	IF-RE-410a.3	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	ESR-REIT has set a new target to apply Green Leases to 100% of our Singapore portfolio's NLA by FY2028. Our Green Lease clauses provide tenants with clear guidelines on sustainable water usage practices, efficient fit-out plans and installation of smart metering allows for continuous monitoring provides insights to water consumption patterns. The asset management team have also worked with five STB tenants to install solar panels.							
Climate Change Adaption	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	ESR-REIT will conduct an assessment to assess properties located in 100-year flood zones in our next climate scenario analysis.							
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	Please refer to Material topic: Climate Change Adaptation from pages 145 to 151, and Appendix E: Qualitative Climate Risk Assessment from pages 186 to 187.							
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector <sup>2</sup>	2	7	11	12	2	7	10	12
	IF-RE-000.B	Leasable floor area, by property subsector	1,787,821.3	1,844,585.0	8,384,631.3	2,424,944.1	1,786,958.1	1,599,827.7	6,545,752.4	2,379,317.0
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector <sup>3</sup>	2.9%	7.8%	21.4%	34.6%	2.9%	8.6%	38.3%	41.0%
	IF-RE-000.D	Average occupancy rate, by property subsector <sup>4</sup>	79.5%	77.6%	76.8%	79.1%	68.2%	78.3%	91.4%	86.5%

<sup>2</sup> We only report the number of MTBs, for which we have operational control over, to ensure consistency with the energy and water consumption data disclosed.

<sup>3</sup> We report percentage of STBs over MTBs across our entire portfolio.

<sup>4</sup> We only report the average occupancy rate of MTBs, for which we have operational control over, to ensure consistency with the energy and water consumption data disclosed.

# SUSTAINABILITY REPORT

## APPENDIX E: QUALITATIVE CLIMATE RISK ASSESSMENT

Country	Risks identified
Singapore	<p><b>Transition risk</b></p> <ul style="list-style-type: none"> <li>Regulatory Changes (Medium and Long Term): Singapore's Green Building Masterplan ("SGBMP") "80-80-80" target by 2030 mandates 80% of buildings by GFA will have Green Building Certifications. There will be increased mandatory environmental sustainability standards for new buildings and existing buildings to undergo a major retrofit to raise minimum energy performance and align with mandatory sustainable construction practices.</li> </ul> <p>The rising carbon tax (projected to reach \$50-\$80/tCO<sub>2</sub>e by 2030) will directly impact operational expenditure. These factors necessitate substantial capital expenditure for upgrades to meet stricter energy performance standards and sustainable construction practices for both new and existing buildings. By 2050, further regulatory tightening and evolving stakeholder expectations are anticipated, requiring ongoing adaptation and investment.</p> <ul style="list-style-type: none"> <li>Evolving Stakeholder Expectations (Medium and Long Term): Growing stakeholder pressure for enhanced sustainability performance will influence tenant selection criteria, potentially impacting lease agreements and rental rates. We aim to capitalise of these opportunities by proactively pursuing of green building opportunities.</li> </ul> <p><b>Physical Risks</b></p> <ul style="list-style-type: none"> <li>Rising Temperatures (Long Term): Increased frequency of extreme heat events will lead to higher cooling loads, resulting in increased energy consumption and operational costs for air conditioning systems. This risk requires long-term planning for energy efficiency upgrades and potentially alternative cooling solutions.</li> <li>Flooding (Medium and Long Term): The increased risk of flooding, due to rising sea levels and more intense rainfall, poses an acute threat to coastal assets. Disruptions to transportation networks and asset accessibility could lead to significant short-term financial losses (rental income reduction) and potential long-term damage to asset value. This requires immediate and ongoing investment in flood mitigation measures.</li> <li>Water Stress (Long Term): As a chronic long-term risk, water scarcity could impact operational efficiency and increase costs. Addressing this requires implementation of water management strategies.</li> </ul>

Country	Risks identified
Australia	<p><b>Transition Risks</b></p> <ul style="list-style-type: none"> <li>Regulatory Changes (Medium and Long Term): Australia's "Trajectory for Low Energy Buildings" national plan, aiming for zero-energy and carbon-ready buildings by 2050, presents a significant transition risk. Meeting the 40% energy productivity improvement target by 2030 will require substantial capital expenditure in upgrades to existing assets and the implementation of energy-efficient design in new developments. This necessitates investment in energy-efficient technologies and building designs to comply with evolving regulations and maintain a competitive edge in the market.</li> </ul> <p><b>Physical Risks</b></p> <ul style="list-style-type: none"> <li>Flooding (Short, Medium and Long Term): Australia already experiences frequent flooding, exacerbated by projected increase in intense rainfall and rising sea levels. This poses a significant risk to assets, particularly those located in low-lying coastal areas. The potential for damage, business interruption and loss of rental income requires both short-term mitigation strategies (e.g., improved drainage) and long-term adaptation measures (e.g., relocation or building design adjustments).</li> <li>Water Stress (Long Term): Decreased rainfall, as documented in the Australian Government's Bureau of Meteorology's State of the Climate 2020 report, poses a chronic long-term risk. Water scarcity could impact operational efficiency and increase costs. Implementation of water management strategies, including water conservation and exploring alternative water sources, are necessary to mitigate this risk.</li> </ul>
Japan	<p><b>Transition Risks</b></p> <ul style="list-style-type: none"> <li>Regulatory Changes (Medium and Long Term): Japan's strengthened Building Energy Efficiency Act of 2016, mandating energy-saving standards for mid-size buildings, presents a medium-term risk. Further tightening of energy conservation targets by the METI, potentially increasing by around 10%, will increase capital expenditure for upgrades to meet stricter standards. This requires investment in energy-efficient technologies and building designs to ensure compliance and maintain a competitive edge. Further regulatory changes are anticipated beyond 2030, requiring ongoing adaptation.</li> </ul> <p><b>Physical Risks</b></p> <ul style="list-style-type: none"> <li>Flooding (Medium and Long Term): Japan's high rainfall and the projected nine-fold increase in flood damage by 2100 (Bank of Japan research) represent a significant and escalating threat. This necessitates both immediate mitigation strategies (improved drainage, flood defences) and long-term adaptation measures (e.g., relocation of vulnerable assets, building design adjustments) to protect assets and minimize financial losses.</li> <li>Earthquakes (Short, Medium and Long Term): While not directly climate-related, the potential for increased earthquake frequency due to climate change warrants consideration alongside other physical risks. Japan's geographical vulnerability requires robust earthquake-resistant building design and disaster preparedness measures to minimise damage and operational disruption.</li> </ul>



# SUSTAINABILITY REPORT

## APPENDIX F: ASSURANCE STATEMENT

### Independent Verification Report Summary

#### SGS INTERNATIONAL CERTIFICATION SERVICES SINGAPORE PTE LTD'S REPORT ON VERIFICATION OF ESR-REIT'S ENERGY INTENSITY, WATER INTENSITY, AND SOLAR POWER CAPACITY DISCLOSURES

##### Nature of the Verification

SGS International Certification Services Singapore Pte Ltd (hereinafter referred to as "SGS") was commissioned by ESR-REIT Management (S) Limited (hereinafter referred to as "ESR-REIT") to commence a limited assurance external verification. The verification is limited to the disclosures of the performance level of three Key Performance Indicators ('KPIs') and for the reporting period 1 January 2024 to 31 December 2024.

The KPIs are as follows:

- KPI 1: Energy intensity (excluding Solar Energy) in common areas of multi-tenanted buildings in Singapore
- KPI 2: Water intensity in common areas of multi-tenanted buildings in Singapore
- KPI 3: Solar power capacity in Singapore

##### Intended Users of This Verification Report

This verification report is provided with the intention of informing all ESR-REIT's stakeholders and bank (lender) based in Singapore as part of the requirement under the SLL.

##### Responsibilities

The disclosures of the performance level of the three KPIs, its presentation, and supporting documents provided to SGS are the responsibility of the directors, governing body, and the management of ESR-REIT. SGS has not been involved in the preparation of any of the material included in the disclosures.

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of verification with the intention of informing all the intended users.

##### Assurance Standards, Type, and Level of Assurance

SGS performs the engagement based upon internationally recognized assurance guidance and standards. The verification engagement has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
International Standard on Assurance Engagements — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000)	Limited

### Scope of Verification

The scope of the verification included evaluation of quality, accuracy, and reliability of disclosed and specified performance information. The limited assurance external verification agreed with ESR-REIT includes the performance level of the following KPIs:

Key Performance Indicators	Scope	Reported Value	Units
KPI 1: Energy intensity (excluding Solar Energy) in common areas	Multi-Tenanted Buildings (MTBs) in Singapore	176.3	kWh/sqm
KPI 2: Water intensity in common areas	Multi-Tenanted Buildings (MTBs) in Singapore	2.56	m <sup>3</sup> /sqm
KPI 3: Solar power capacity	Multi-Tenanted Buildings (MTBs) and Single-Tenanted Buildings (STBs) in Singapore	15.5	MWp

Reported values for KPI 1, 2 and 3 in 2024 is calculated based on the updated KPI quantification approach as documented in the Basis of Environmental Targets dated 12 March 2025, which was developed by ESR-REIT. Thus, where applicable, the baseline performance in 2023 will be restated to conform with the updated approach to ensure comparability. For the avoidance of doubt, assessing the accuracy or conformance of the restated baseline to the updated KPI quantification approach is beyond the scope of the current engagement.

### Verification Methodology

The verification comprised a combination of pre-verification research, interviews with relevant employees such as the asset management and property management team member(s) at ESR-REIT, documentation and data records review as well as data validation carried out from 16 January 2025 to 13 March 2025. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling KPI information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of KPI's and related themes.

### Limitations and Mitigation

SGS assurance engagements are based on the assumption that the data and information provided by ESR-REIT have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

### Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from ESR-REIT, being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The verification team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors and sustainability professionals specializing in the Environmental, Social, and Governance (ESG), environmental and carbon fields. The verification team conducted the engagement in accordance with the SGS Code of Integrity.

# SUSTAINABILITY REPORT

## Findings and Conclusions

### Verification Opinion

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

### Quality and Reliability of Specified Performance Information

During the assurance engagement, some examples of good practice and opportunities for improvement in underlying processes were identified and reported to the organisation, with the aim of enabling a process of continual improvement in collecting and reporting KPI data.

### Good Practice

- Notwithstanding that it is ESR-REIT's first year undertaking external assurance, the organisation demonstrates strong inter-departmental teamwork across the asset management, finance and property management teams to ensure timely closure of audit findings.
- The organisation exhibits strong willingness and agility to improve reporting procedures. Notably, ESR-REIT proactively developed a basis of preparation in consultation with consultants, enhancing transparency of reported data.
- SGS noted that the organisation had conducted pre-assurance on the reported data prior to the external audit. The organisation is encouraged to continue implementing such review measures as a good practice. For example, the organisation may consider implementing a formal internal audit annually for future reporting years.

### Opportunities for Improvement

- The organisation could consider leveraging technology to automate data collection and reporting, especially concerning energy and water consumption recovered from tenants. SGS noted that, as of March 2025, ESRREIT is in the process of adopting such technology.
- As the organisation's portfolio contains assets with different submetering setups, it may consider conducting a sensitivity analysis on alternative approaches to the current quantification method. For example, while tenants' usage of electricity and water use attributed to chilled water is currently estimated, the organisation may consider using billing data to ascertain usage by tenants, where possible, to optimise accuracy and ease of data collection.
- Organisation may consider elaborating on criteria for including or excluding assets that may not be operating under normal conditions during the reporting year within the scope of the KPI.

Signed:



**Priyanka Mehta**

*Sustainability & ESG Manager*

**SGS International Certification Services Singapore Pte Ltd**

13 March 2025

Verified by:

**Valerie Koh**



**Adrian Lamano**



## FINANCIAL CONTENTS

192	Report of the Trustee
193	Statement by the Manager
194	Independent Auditor's Report to Unitholders of ESR-REIT
199	Statements of Financial Position
200	Statement of Total Return
201	Distribution Statement
203	Statements of Movements in Unitholders' Funds
204	Investment Properties Portfolio Statements
227	Consolidated Statement of Cash Flows
229	Notes to the Financial Statements
308	Additional Information

## REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of ESR-REIT (formerly known as 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-REIT Management (S) Limited (formerly known as 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 199 to 307 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

18 March 2025



## STATEMENT BY THE MANAGER

In the opinion of the directors of ESR-REIT Management (S) Limited, the accompanying financial statements of ESR-REIT (the “Trust”) and its subsidiaries (the “Group”) set out on pages 199 to 307 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 2024, 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-REIT Management (S) Limited

Ms. Stefanie Yuen Thio  
Chairperson

Singapore

18 March 2025

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-REIT

For the financial year ended 31 December 2024

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of ESR-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 2024, 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 2024 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.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-REIT

For the financial year ended 31 December 2024

## Key audit matters (continued)

### 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 2024, the respective carrying value of directly held investment properties is \$5.5 billion, investment in joint venture is \$39.8 million, and investments at fair value through profit or loss is \$261.6 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.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-REIT

For the financial year ended 31 December 2024

## 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.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-REIT

For the financial year ended 31 December 2024

## 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.
- 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.



# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-REIT

For the financial year ended 31 December 2024

## Auditor's responsibilities for the audit of the financial statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

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 Low Yen Mei.

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

18 March 2025

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	4	5,548,674	4,686,985	1,287,655	1,292,290
Investments in subsidiaries	5	–	–	1,854,809	1,953,875
Investment in joint venture	6	39,806	41,233	39,806	41,233
Investments at fair value through profit or loss ("FVTPL")	7	261,576	300,347	71,567	75,910
Loans to subsidiaries	8	–	–	798,887	667,506
Derivative financial instruments	9	1,283	5,075	1,283	–
		5,851,339	5,033,640	4,054,007	4,030,814
<b>Current assets</b>					
Trade and other receivables	10	60,455	27,258	45,355	49,401
Derivative financial instruments	9	1,929	3,426	288	3,260
Cash and bank balances	11	83,945	41,985	8,834	10,131
		146,329	72,669	54,477	62,792
Investment property held for divestment	4	9,732	–	9,732	–
		156,061	72,669	64,209	62,792
<b>Total assets</b>		6,007,400	5,106,309	4,118,216	4,093,606
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	12	122,387	77,924	39,975	35,693
Lease liabilities for leasehold land	13	10,650	17,073	2,992	2,735
Interest-bearing borrowings	14	30,234	163,088	–	163,088
Derivative financial instruments	9	1,407	182	1,407	182
Amount due to non-controlling interests	15	76,742	70,928	–	–
		241,420	329,195	44,374	201,698
Liabilities directly attributable to investment property held for divestment	13	1,010	–	1,010	–
		242,430	329,195	45,384	201,698
<b>Non-current liabilities</b>					
Trade and other payables	12	42,576	35,854	17,311	15,909
Lease liabilities for leasehold land	13	597,173	574,972	131,063	129,355
Interest-bearing borrowings	14	2,223,766	1,392,799	1,305,499	984,165
Derivative financial instruments	9	2,874	2,674	2,433	2,674
Deferred tax liabilities	24	8,026	5,537	3,455	4,326
Amount due to non-controlling interests	15	214,879	–	–	–
		3,089,294	2,011,836	1,459,761	1,136,429
<b>Total liabilities</b>		3,331,724	2,341,031	1,505,145	1,338,127
<b>Net assets</b>		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	16	405,176	302,128	405,176	302,128
Non-controlling interest	17	56,605	–	–	–
		2,675,676	2,765,278	2,613,071	2,755,479
<b>Units in issue ('000)</b>	18	8,049,164	7,689,164	8,049,164	7,689,164
<b>Net asset value per Unit (cents)</b>		27.5	32.0	27.4	31.9

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

# STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2024

	Note	Group	
		2024 \$'000	2023 \$'000
<b>Gross revenue</b>	19	370,504	386,350
Property expenses	20	(108,850)	(113,191)
Net property income		261,654	273,159
Income from investments at FVTPL		7,803	9,215
Management fees	21	(20,724)	(21,924)
Trust expenses	22	(7,674)	(6,348)
Borrowing costs, net	23	(68,885)	(76,013)
Finance costs on lease liabilities for leasehold land	13	(31,469)	(32,176)
<b>Net income</b>		140,705	145,913
Foreign exchange gain/(loss)		4,151	(1,240)
Change in fair value of investments at FVTPL		(26,796)	(39,839)
Change in fair value of financial derivatives		(6,559)	(16,346)
Change in fair value of investment properties	4	(220,180)	(166,818)
Change in fair value of right-of-use of leasehold land	13	8,179	8,685
Share of results of joint venture	6	2,842	3,876
<b>Total loss for the year before income tax</b>		(97,658)	(65,769)
Income tax (expense)/credit	24	(9,956)	2,104
<b>Total loss for the year after income tax</b>		(107,614)	(63,665)
<b>Attributable to:</b>			
Unitholders of the Trust and perpetual securities holders		(127,779)	(67,449)
Non-controlling interest — perpetual securities holders		—	467
Non-controlling interests — others		20,165	3,317
<b>Total loss for the year</b>		(107,614)	(63,665)
<b>Earnings per Unit (cents)</b>			
Basic and diluted	25	(1.914)	(1.150)
<b>Distribution per Unit (cents)</b>	25	2.119	2.564

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

# DISTRIBUTION STATEMENT

For the financial year ended 31 December 2024

	Group	
	2024 \$'000	2023 \$'000
Total loss after income tax, before distribution for the year	(127,779)	(67,449)
Add: Distribution adjustments (Note A)	297,156	243,938
Amount reserved for distributions to perpetual securities holders	169,377	176,489
	(20,277)	(18,198)
<b>Net income available for distribution to Unitholders</b>	<b>149,100</b>	<b>158,291</b>
<b>Total amount available for distribution comprising:</b>		
– Taxable income	149,100	158,291
– Tax-exempt income	3,393	4,084
– Capital distribution	11,571	30,323
	<b>164,064</b>	<b>192,698</b>
Less: Distributions (Note B)	(86,231)	(101,508)
<b>Net amount available for distribution to Unitholders as at 31 December</b>	<b>77,833</b>	<b>91,190</b>
<b>Note A — Distribution adjustments</b>		
<b>Non-tax deductible/(chargeable) items and other adjustments:</b>		
Management fees paid/payable in Units	11,460	12,352
Property Manager's fees paid/payable in Units	2,940	3,200
Trustee's fees	665	956
Financing related costs, including amortisation of debt related costs	11,538	12,768
Unrealised foreign exchange (gain)/loss	(4,155)	1,435
Change in fair value of investments at FVTPL	26,796	39,839
Change in fair value of investment properties	220,180	166,818
Change in fair value of financial derivatives	6,559	16,346
Legal and professional fees	91	1,164
Adjustment for straight-line rent and lease incentives	(1,824)	(2,947)
Miscellaneous expenses	5,173	202
Share of results of joint venture	(2,842)	(3,876)
Distributable income from joint venture	4,214	3,876
Deferred tax expense/(credit)	4,272	(2,133)
Non-controlling interest share of non-tax deductible items	15,409	(519)
Interest income from subsidiary that was capitalised	–	1,053
Rollover adjustments from prior years	1,461	(36)
Tax interest adjustments	359	72
Net tax adjustments for income from subsidiaries and investments at FVTPL	(5,140)	(6,632)
<b>Net effect of distribution adjustments</b>	<b>297,156</b>	<b>243,938</b>

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

# DISTRIBUTION STATEMENT

For the financial year ended 31 December 2024

## Note B — Distributions

	Group	
	2024 \$'000	2023 \$'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 1.122 cents per Unit for the period from 1/1/2024 to 30/6/2024	86,231	–
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
	86,231	101,508
Distribution of 1.186 cents per Unit for the period from 1/7/2023 to 31/12/2023	91,193	–
Distribution of 1.540 cents per Unit for the period from 1/7/2022 to 31/12/2022	–	103,476
Total distributions to Unitholders during the financial year <sup>1</sup>	177,424	204,984

<sup>1</sup> Distributions during the year ended 31 December 2024 were fully paid in cash by ESR-REIT (2023: partially paid by issuing an aggregate of 14.8 million new Units amounting to \$5.2 million pursuant to the Distribution Reinvestment Plan).



# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2024

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Unitholders' Funds</b>				
<b>Balance at beginning of the year</b>	2,463,150	2,444,653	2,453,351	2,448,955
<b>Operations</b>				
Total loss for the year after tax attributable to Unitholders and perpetual securities holders	(127,779)	(67,449)	(154,049)	(86,001)
Less: Amount reserved for distribution to perpetual securities holders	(20,277)	(18,198)	(20,277)	(18,198)
<b>Net decrease in net assets resulting from operations</b>	(148,056)	(85,647)	(174,326)	(104,199)
<b>Movement in foreign currency translation reserve</b>	(30,069)	(4,451)	-	-
<b>Unitholders' transactions</b>				
Management fees paid in Units	14,167	16,223	14,167	16,223
Units issued through 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	-
Partial consideration paid in Units pursuant to the acquisition of subsidiaries	12,082	-	12,082	-
Equity issue costs pursuant to: (Note 26)				
– 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 to Unitholders	(177,424)	(204,984)	(177,424)	(204,984)
<b>Net (decrease)/increase in Unitholders' funds resulting from Unitholders' transactions</b>	(71,130)	108,595	(71,130)	108,595
<b>Balance at end of the year</b>	2,213,895	2,463,150	2,207,895	2,453,351
<b>Perpetual Securities Holders' Funds</b>				
<b>Balance at beginning of the year</b>	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
Distributions to perpetual securities holders	(17,229)	(18,198)	(17,229)	(18,198)
<b>Balance at end of the year</b>	405,176	302,128	405,176	302,128
<b>Non-controlling Interest</b>				
<b>— ALOG Trust's Perpetual Securities Holders</b>				
<b>Balance at beginning of the year</b>	-	102,306	-	-
Amount reserved for distribution to non-controlling interest — perpetual securities holders	-	467	-	-
Distributions to non-controlling interest — perpetual securities holders	-	(2,773)	-	-
Redemption of non-controlling interest — perpetual securities	-	(100,000)	-	-
<b>Balance at end of the year</b>	-	-	-	-
<b>Non-controlling Interest</b>				
<b>Balance at beginning of the year</b>	-	-	-	-
Acquisition of subsidiaries with non-controlling interest	41,613	-	-	-
Total return attributable to non-controlling interest	14,992	-	-	-
<b>Balance at end of the year</b>	56,605	-	-	-
<b>Total</b>	2,675,676	2,765,278	2,613,071	2,755,479

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Group</b>				
<b>Singapore</b>				
<b>Business Park Properties <sup>(1)</sup></b>				
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	32 <sup>(5)</sup>	16 International Business Park Singapore 609929
750-750E CHAI CHEE ROAD	Leasehold	60/43	6/6 <sup>(6)</sup>	750 to 750E Chai Chee Road Singapore 469000
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43 <sup>(7)</sup>	6/8 Changi Business Park Avenue 1 Singapore 486017
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43 <sup>(7)</sup>	2/4 Changi Business Park Avenue 1 Singapore 486015
<b>Total Business Park Properties</b>				
<b>High-Specifications Industrial Properties <sup>(2)</sup></b>				
21/23 UBI ROAD 1	Leasehold	30+30	32 <sup>(8)</sup>	21/23 Ubi Road 1 Singapore 408724/408725
11 CHANG CHARN ROAD	Leasehold	99	32 <sup>(9)</sup>	11 Chang Charn Road Singapore 159640
12 ANG MO KIO STREET 65	Leasehold	30+30	26 <sup>(10)</sup>	12 Ang Mo Kio Street 65 Singapore 569060
16 TAI SENG STREET	Leasehold	30+30	43 <sup>(11)</sup>	16 Tai Seng Street Singapore 534138
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	25 <sup>(12)</sup>	30 Marsiling Industrial Estate Road 8 Singapore 739193
19 TAI SENG AVENUE	Leasehold	30+30	43 <sup>(13)</sup>	19 Tai Seng Avenue Singapore 534054
21B SENOKO LOOP	Leasehold	30+30	28 <sup>(14)</sup>	21B Senoko Loop Singapore 758171
7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	32 <sup>(15)</sup>	7000 & 7002 Ang Mo Kio Avenue 5 Singapore 569877/569914
20 & 20A TUAS SOUTH AVENUE 14	Leasehold	30+30	43 <sup>(16)</sup>	20 & 20A Tuas South Avenue 14 Singapore 637312/637311
<b>Total High-Specifications Industrial Properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
100	100	27,700	26,400	1.25	1.07
73	79	162,500	193,000	7.34	7.84
71	61	332,000	368,000	15.00	14.94
100	100	115,000	155,000	5.19	6.29
		637,200	742,400	28.78	30.14
93	94	40,000	34,200	1.81	1.39
63	68	33,800	27,700	1.53	1.12
92	92	32,600	32,600	1.47	1.32
82	82	94,800	93,700	4.28	3.80
78	100	49,200	50,400	2.22	2.05
95	100	51,800	51,600	2.34	2.09
100	100	58,000	58,000	2.62	2.35
82	82	371,600	363,400	16.78	14.75
100	-	868,600	-	39.23	-
		1,600,400	711,600	72.28	28.87

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>Logistics Properties <sup>(3)</sup></b>				
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	7 <sup>(17)</sup>	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30 <sup>(18)</sup>	25 Changi South Avenue 2 Singapore 486594
160 KALLANG WAY	Leasehold	30+30	8 <sup>(19)</sup>	160 Kallang Way Singapore 349246
24 JURONG PORT ROAD	Leasehold	30+12	12 <sup>(20)</sup>	24 Jurong Port Road Singapore 619097
15 GREENWICH DRIVE	Leasehold	30	17 <sup>(21)</sup>	15 Greenwich Drive Singapore 534022
46A TANJONG PENJURU	Leasehold	30+14	25 <sup>(22)</sup>	46A Tanjong Penjuru Singapore 609040
30 PIONEER ROAD	Leasehold	30	12 <sup>(23)</sup>	30 Pioneer Road Singapore 628502
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
100	100	6,600	7,400	0.30	0.30
100	100	13,000	13,000	0.59	0.53
15	13	21,200	22,300	0.96	0.91
96	96	70,300	79,000	3.18	3.21
100	100	89,000	88,700	4.02	3.60
80	74	109,000	109,000	4.92	4.43
100	100	34,000	36,600	1.54	1.49
		343,100	356,000	15.51	14.47

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>Logistics Properties</b> <sup>(3)</sup> (continued)				
<i>Balance brought forward</i>				
COMMODITY HUB	Leasehold	29	11 <sup>(24)</sup>	24 Penjuru Road Singapore 609128
~ COLD CENTRE	Leasehold	30+30	41 <sup>(25)</sup>	2 Fishery Port Road Singapore 619746
SCHENKER MEGAHUB	Leasehold	30+30	40 <sup>(26)</sup>	51 Alps Avenue Singapore 498783
CHANGI DISTRICENTRE 1	Leasehold	30+30	41 <sup>(27)</sup>	5 Changi South Lane Singapore 486045
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	28 <sup>(28)</sup>	22 Loyang Lane Singapore 508931
GUL LOGISCENTRE	Leasehold	30	9 <sup>(29)</sup>	15 Gul Way Singapore 629193
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	19 <sup>(30)</sup>	1 Greenwich Drive Tampines LogisPark Singapore 533565

**Total Logistics Properties**

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
		343,100	356,000	15.51	14.47
91	98	227,700	244,700	10.29	9.93
-	-	40,000	103,500	1.81	4.20
100	100	100,000	96,700	4.52	3.93
92	92	96,000	93,600	4.34	3.80
100	100	12,500	12,500	0.56	0.51
100	100	24,200	28,500	1.09	1.16
100	100	163,000	165,000	7.36	6.70
		1,006,500	1,100,500	45.48	44.70

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties <sup>(4)</sup></b>				
30 TEBAN GARDENS CRESCENT	Leasehold	10+22	14 <sup>(31)</sup>	30 Teban Gardens Crescent Singapore 608927
128 JOO SENG ROAD	Leasehold	30+30	27 <sup>(32)</sup>	128 Joo Seng Road Singapore 368356
130 JOO SENG ROAD	Leasehold	30+30	27 <sup>(33)</sup>	130 Joo Seng Road Singapore 368357
136 JOO SENG ROAD	Leasehold	30+30	26 <sup>(34)</sup>	136 Joo Seng Road Singapore 368360
<sup>^</sup> 79 TUAS SOUTH STREET 5	Leasehold	30+30	35 <sup>(35)</sup>	79 Tuas South Street 5 Singapore 637604
31 TUAS AVENUE 11	Leasehold	30+30	29 <sup>(36)</sup>	31 Tuas Avenue 11 Singapore 639105
1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	36/41 <sup>(37)</sup>	1/2 Changi North Street 2 Singapore 498808/498775
9 TUAS VIEW CRESCENT	Leasehold	30+30	34 <sup>(38)</sup>	9 Tuas View Crescent Singapore 637612
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
71	77	23,800	26,200	1.08	1.06
96	96	14,000	12,600	0.63	0.51
94	88	17,800	16,400	0.80	0.67
100	98	13,700	13,400	0.62	0.54
100	100	8,722	9,700	0.39	0.39
100	100	11,300	11,700	0.51	0.48
100	100	23,300	23,200	1.05	0.94
100	100	11,300	11,100	0.51	0.45
		123,922	124,300	5.59	5.04

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties <sup>(4)</sup> (continued)</b>				
<i>Balance brought forward</i>				
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30 <sup>(39)</sup>	31 Changi South Avenue 2 Singapore 486478
54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	31 <sup>(40)</sup>	54 Serangoon North Avenue 4 Singapore 555854
60 TUAS SOUTH STREET 1	Leasehold	30	10 <sup>(41)</sup>	60 Tuas South Street 1 Singapore 639925
5/7 GUL STREET 1	Leasehold	29.5	13 <sup>(42)</sup>	5/7 Gul Street 1 Singapore 629318/629320
28 WOODLANDS LOOP	Leasehold	30+30	31 <sup>(43)</sup>	28 Woodlands Loop Singapore 738308
25 PIONEER CRESCENT	Leasehold	30+28	42 <sup>(44)</sup>	25 Pioneer Crescent Singapore 628554
<i>Balance carried forward</i>				

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
		123,922	124,300	5.59	5.04
100	100	12,800	13,700	0.58	0.56
73	99	18,500	18,500	0.84	0.75
100	100	3,600	3,800	0.16	0.15
63	63	9,300	10,400	0.42	0.42
100	100	20,000	18,300	0.90	0.74
100	100	17,800	16,800	0.80	0.68
		205,922	205,800	9.29	8.34

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties</b> <sup>(4)</sup> (continued)				
<i>Balance brought forward</i>				
11 WOODLANDS WALK	Leasehold	30+30	31 <sup>(45)</sup>	11 Woodlands Walk Singapore 738265
43 TUAS VIEW CIRCUIT	Leasehold	30	13 <sup>(46)</sup>	43 Tuas View Circuit Singapore 637360
13 JALAN TERUSAN	Leasehold	28	10 <sup>(47)</sup>	13 Jalan Terusan Singapore 619293
160A GUL CIRCLE	Leasehold	27	16 <sup>(48)</sup>	160A Gul Circle Singapore 629618
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	34 <sup>(49)</sup>	3 Tuas South Avenue 4 Singapore 637610
8 TUAS SOUTH LANE	Leasehold	30+16	29 <sup>(50)</sup>	8 Tuas South Lane Singapore 637302
120 PIONEER ROAD	Leasehold	30+28	30 <sup>(51)</sup>	120 Pioneer Road Singapore 639597
<i>Balance carried forward</i>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
		205,922	205,800	9.29	8.34
0	100	17,600	18,000	0.79	0.73
100	100	15,600	16,000	0.70	0.65
100	100	17,700	19,500	0.80	0.79
100	100	13,000	13,400	0.59	0.54
100	100	47,200	46,000	2.13	1.87
93	93	98,800	98,300	4.46	3.99
86	82	34,100	33,700	1.54	1.37
		449,922	450,700	20.30	18.28

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties</b> <sup>(4)</sup> (continued)				
<i>Balance brought forward</i>				
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	29/29 <sup>(52)</sup>	511/513 Yishun Industrial Park A Singapore 768768/768736
86/88 INTERNATIONAL ROAD	Leasehold	30+30	30 <sup>(53)</sup>	86/88 International Road Singapore 629176/629177
11 UBI ROAD 1	Leasehold	30+30/ 21+30	31 <sup>(54)</sup>	11 Ubi Road 1 Singapore 408723
29 TAI SENG STREET	Leasehold	30+30	42 <sup>(55)</sup>	29 Tai Seng Street Singapore 534120
11 LORONG 3 TOA PAYOH	Leasehold	60	4 <sup>(56)</sup>	11 Lorong 3 Toa Payoh Singapore 319579
+ 81 TUAS BAY DRIVE	Leasehold	60	–	81 Tuas Bay Drive Singapore 637308
<b>Total General Industrial Properties</b>				
<b>Total Singapore investment properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
		449,922	450,700	20.30	18.28
100	100	24,400	25,200	1.10	1.02
100	100	42,800	41,900	1.93	1.70
100	100	82,100	79,000	3.71	3.21
100	100	28,100	35,400	1.27	1.44
69	58	28,600	35,100	1.29	1.43
-	100	-	29,700	-	1.21
		655,922	697,000	29.60	28.29
		3,900,022	3,251,500	176.14	132.00

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Australia</b>				
<b>Logistics Properties <sup>(3)</sup></b>				
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	-	127 Orchard Road, Chester Hill, New South Wales, Australia
16-28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	-	16-28 Transport Drive, Somerton, Victoria, Australia
203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	-	203 Viking Drive, Wacol, Queensland, Australia
223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	-	223 Viking Drive, Wacol, Queensland, Australia
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	76-90 Link Drive, Campbellfield, Victoria, Australia
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	67-93 National Boulevard, Campbellfield, Victoria, Australia
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	-	41-51 Mills Road, Braeside, Victoria, Australia

**Balance carried forward**

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
100	100	68,245	79,838	3.08	3.24
100	100	31,622	33,086	1.43	1.34
100	100	28,655	28,771	1.29	1.17
100	100	14,412	14,565	0.65	0.59
100	100	16,362	16,723	0.74	0.68
100	100	37,132	39,020	1.68	1.58
100	100	38,574	43,336	1.74	1.76
		235,002	255,339	10.61	10.36

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Australia</b>				
<b>Logistics Properties</b> <sup>(3)</sup> (continued)				
<b>Balance brought forward</b>				
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	-	151-155 Woodlands Drive, Braeside, Victoria, Australia
41-45 HYDRIVE CLOSE, DANDENONG SOUTH, VICTORIA	Freehold	Freehold	-	41-45 Hydrive Close, Dandenong South, Victoria, Australia
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	16-24 William Angliss Drive, Laverton North, Victoria, Australia
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	217-225 Boundary Road, Laverton North, Victoria, Australia
+ 182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	-	182-198 Maidstone Street, Altona, Victoria, Australia
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	-	196 Viking Drive, Wacol, Queensland, Australia
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	-	11-19 Kellar Street, Berrinba, Queensland, Australia
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	-	47 Logistics Place, Larapinta, Queensland, Australia

**Balance carried forward**

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
		235,002	255,339	10.61	10.36
100	100	22,551	22,837	1.02	0.93
100	100	15,938	16,004	0.72	0.65
100	100	26,027	25,624	1.18	1.04
100	100	32,978	35,963	1.49	1.46
-	100	-	54,844	-	2.23
100	100	21,533	20,094	0.97	0.82
100	100	15,061	15,734	0.68	0.64
100	100	15,849	16,318	0.72	0.66
		384,939	462,757	17.39	18.79

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Australia</b>				
<b>Logistics Properties</b> <sup>(3)</sup> (continued)				
<i>Balance brought forward</i>				
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	38 <sup>(57)</sup>	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	35 <sup>(58)</sup>	8 Curlew Street, Port of Brisbane, Queensland, Australia
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	35 <sup>(59)</sup>	53 Peregrine Drive, Port of Brisbane, Queensland, Australia
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	35 <sup>(60)</sup>	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland
<b>Total Logistics Properties</b>				
<b>Total Australia investment properties</b>				
<b>Japan</b>				
<b>Logistics Properties</b> <sup>(3)</sup>				
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	–	2464-11 and others, Ota, Sakura-shi, Chiba-ken
ESR YATOMI KISOSAKI DISTRIBUTION CENTRE	Freehold	Freehold	–	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie
<b>Total Logistics Properties</b>				
<b>Total Japan investment properties</b>				
<b>Total Group's investment properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2024 %	2023 %	2024 \$'000	2023 \$'000	2024 %	2023 %
100	100	384,939	462,757	17.39	18.79
		51,290	55,293	2.32	2.24
		42,092	44,954	1.90	1.83
		24,818	30,389	1.12	1.23
		47,221	76,602	2.13	3.11
100	100	550,360	669,995	24.86	27.20
		550,360	669,995	24.86	27.20
		161,755	173,445	7.31	7.04
		337,436	-	15.24	-
		499,191	173,445	22.55	7.04
		499,191	173,445	22.55	7.04
		4,949,573	4,094,940	223.55	166.24
93	-				

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

			Percentage of net assets attributable to Unitholders	
	2024 \$'000	2023 \$'000	2024 %	2023 %
<b>Trust</b>				
Investment properties, at valuation (Note 4)	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
<b>Group</b>				
Investment properties, at valuation (Note 4)	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

	Independent Valuation	
	2024 \$'000	2023 \$'000
As disclosed in the Statement of Financial Position:		
<b>Trust</b>		
Investment properties (non-current)	1,287,655	1,292,290
Investment property held for divestment (current)	9,732	–
Less: Right-of-use assets (Note 4)	(135,065)	(132,090)
<b>Total investment properties, at valuation</b>	1,162,322	1,160,200
<b>Group</b>		
Investment properties (non-current)	5,548,674	4,686,985
Investment property held for divestment (current)	9,732	–
Less: Right-of-use assets (Note 4)	(608,833)	(592,045)
<b>Total investment properties, at valuation</b>	4,949,573	4,094,940

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

## 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-Specifications 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.
- 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.

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2024

## Notes (continued)

- 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.
- 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 year
- # 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-specifications industrial property upon completion of redevelopment in January 2024
- ~ Property has been decommissioned for redevelopment

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.

An independent valuation exercise was conducted for all the investment properties in December 2024 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., Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte. Ltd., Cushman & Wakefield (Valuations) Pty Ltd, Savills Japan Valuation G.K., 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 2024, the valuations adopted for investment properties amounted to \$4.95 billion (2023: \$4.09 billion). The net fair value loss on investment properties recognised in the Statement of Total Return is \$220.2 million (2023: \$166.8 million). Three investment properties (2023: one) with a total carrying value of \$1,367.8 million (2023: \$173.4 million) are pledged as securities to secure bank loans (see Note 14).

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Group	
	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>		
Total loss before income tax for the year	(97,658)	(65,769)
Adjustments for:		
Unrealised foreign exchange (gain)/loss	(4,155)	1,435
Borrowing costs, net	68,885	76,013
Management fees paid/payable in Units	11,460	12,352
Property Manager's fees paid/payable in Units	2,940	3,200
Share of results of joint venture	(2,842)	(3,876)
Finance costs on lease liabilities for leasehold land	31,469	32,176
Income from investments at FVTPL	(7,803)	(9,215)
Change in fair value of financial derivatives	6,559	16,346
Change in fair value of investment properties	220,180	166,818
Change in fair value of right-of-use of leasehold land	(8,179)	(8,685)
Change in fair value of investments at FVTPL	26,796	39,839
<b>Operating income before working capital changes</b>	<b>247,652</b>	<b>260,634</b>
Changes in working capital:		
Trade and other receivables	(34,550)	11,721
Trade and other payables	62,579	(7,256)
<b>Cash generated from operating activities</b>	<b>275,681</b>	<b>265,099</b>
Income tax paid	(4,769)	(3,358)
<b>Net cash generated from operating activities</b>	<b>270,912</b>	<b>261,741</b>
<b>Cash flows from investing activities</b>		
Interest received	979	1,087
Capital expenditure on investment properties	(26,197)	(94,474)
Acquisition of an investment property	(332,767)	–
Proceeds from disposal of investment properties	92,755	440,608
Dividend received from joint venture	4,269	3,876
Income from investments at FVTPL	7,873	9,748
Acquisition of subsidiaries, net of cash acquired (Note 5)	(175,856)	–
Payment for acquisition related transaction costs	(9,294)	–
<b>Net cash (used in)/generated from investing activities</b>	<b>(438,238)</b>	<b>360,845</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Group	
	2024 \$'000	2023 \$'000
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new Units	88,200	299,749
Proceeds from issuance of perpetual securities	100,000	–
Payment for unit buy-back	(12,908)	(2,720)
Redemption of perpetual securities	–	(100,000)
Issue costs for perpetual securities paid	(2,497)	(15)
Equity issue costs paid	(203)	(5,073)
Finance costs paid	(67,083)	(69,582)
Proceeds from borrowings	1,386,550	317,800
Repayment of borrowings	(1,059,900)	(824,168)
Loan from non-controlling interest	–	4,784
Distributions paid to Unitholders (Note A)	(177,424)	(199,771)
Distributions paid to perpetual securities holders	(17,229)	(18,198)
Distributions paid to non-controlling interest — perpetual securities holders	–	(2,773)
Distributions paid to non-controlling interest	(3,651)	(1,922)
Payment of interest portion of lease liabilities for leasehold land	(19,859)	(19,981)
Payment of principal portion of lease liabilities for leasehold land	(3,431)	(3,510)
Movement in restricted cash	(10,155)	(946)
<b>Net cash generated from/(used in) financing activities</b>	<b>200,410</b>	<b>(626,326)</b>
Net increase/(decrease) in cash and cash equivalents	33,084	(3,740)
Cash and cash equivalents at 1 January	38,409	42,949
Effect of exchange rate fluctuations on cash held	(1,279)	(800)
<b>Cash and cash equivalents at 31 December (Note 11)</b>	<b>70,214</b>	<b>38,409</b>

## Note:

### (A) Distributions paid to Unitholders

Distributions during the year ended 31 December 2024 were fully paid in cash (2023: partially paid by issuing an aggregate of 14.8 million new Units amounting to \$5.2 million pursuant to the Distribution Reinvestment Plan).

	Group	
	2024 \$'000	2023 \$'000
<b>Distributions paid to Unitholders</b>	<b>(177,424)</b>	<b>(204,984)</b>
Distributions paid in Units pursuant to Distribution Reinvestment Plan	–	5,213
<b>Net distributions paid to Unitholders in cash</b>	<b>(177,424)</b>	<b>(199,771)</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL

ESR-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-REIT 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-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-REIT was admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”). On 3 April 2006, ESR-REIT was included under the Central Provident Fund (“CPF”) Investment Scheme.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Trust and its subsidiaries.

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. The principal activities of the subsidiaries and joint venture are set out in Note 5 and Note 6 to the financial statements.

The Trustee, Perpetual (Asia) Limited (the “Viva Trust Trustee”), in its capacity as the trustee of Viva Trust and Perpetual (Asia) 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-REIT, Viva Trust and ALOG Trust and their property operations.

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-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, 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.

#### 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (A) Trustee's fees (continued)

#### 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 on a scaled basis of up to 0.015% 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.

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").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (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-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-REIT's interest in such real estate) where ESR-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-REIT to the entity referred to in paragraph (ii) above; and
  - (iv) the value of any investment by ESR-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.
- (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-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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (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-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-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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (E) Fees under the property management agreements for Singapore properties

ESR Property Services Pte. Ltd. (the "Property Manager"), as property manager for all of ESR-REIT's Singapore properties including those held through 7000 AMK LLP, Viva Trust, ALOG Trust and Tuas South Avenue Pte. Ltd., 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.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (E) Fees under the property management agreements for Singapore properties (continued)

- (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.

### (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-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 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### (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-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.
- (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 properties

ESR Ltd. as the asset and property manager for ESR-REIT's Japan properties 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 properties. 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 up to JPY500,000 per month per property.
- (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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 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.

As at 31 December 2024, the current liabilities of the Group exceeded its current assets by \$86.4 million. This is primarily due to the classification of term loan of \$30.2 million as current liabilities as they are maturing in 2025. 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 ("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.

### 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 2024.

The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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 109 and FRS 107: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to FRS 109 and FRS 107: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to FRSs — Volume 11	1 January 2026
FRS 118: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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.

### 2.6 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.6 Basis of consolidation (continued)

#### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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.

### 2.9 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.9 Investment properties (continued)

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.

### 2.11 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.11 Leases (continued)

#### Group as a lessee (continued)

##### (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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.12 Financial instruments (continued)

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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.

### 2.15 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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.

### 2.19 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.19 Expenses (continued)

#### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.20 Taxation (continued)

#### (a) Current tax and deferred tax (continued)

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-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-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-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 2030.

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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.20 Taxation (continued)

#### (a) Current tax and deferred tax (continued)

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-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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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-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.

### 2.24 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 4. INVESTMENT PROPERTIES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment properties, at valuation				
At 1 January	4,094,940	4,616,047	1,160,200	1,419,465
Additions through acquisition of subsidiaries <sup>1</sup>	849,294	–	–	–
Acquisition of investment property <sup>2</sup>	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 <sup>3</sup>	(219,017)	(161,448)	(23,489)	(41,562)
Effect of movement in exchange rates	(53,469)	(21,760)	–	–
At 31 December	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	–
At 31 December	4,949,573	4,094,940	1,162,322	1,160,200
Right-of-use assets				
At 1 January	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	–	–	–
De-recognition 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 lease payments borne by tenants <sup>4</sup>	(279)	(369)	(279)	(278)
Effect of movement in exchange rates	(20,301)	(1,606)	–	–
At 31 December	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 assets attributable to investment property held for divestment (current)	1,010	–	1,010	–
At 31 December	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 assets) (current)	9,732	–	9,732	–
At 31 December	5,558,406	4,686,985	1,297,387	1,292,290

<sup>1</sup> The additions through the acquisition of subsidiaries included acquisition fee of \$4.3 million paid to the Manager (Note 28).

<sup>2</sup> The acquisition costs of the investment property included acquisition fee of \$3.3 million paid to the Manager (Note 28).

<sup>3</sup> The fair value loss of \$219.0 million (2023: \$161.4 million), together with an adjustment for the effect of lease incentives and marketing fee amortisation of \$1.2 million (2023: \$5.4 million), aggregate to \$220.2 million (2023: \$166.8 million) as disclosed in the Statement of Total Return.

<sup>4</sup> 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 \$0.3 million (2023: \$0.4 million) as disclosed in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 4. INVESTMENT PROPERTIES (CONTINUED)

Details of the investment properties are shown in the Investment Properties Portfolio Statements. 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 2024 and 31 December 2023. Investment property held for divestment is stated at fair value based on recently agreed selling price for the subject property between unrelated third party in an arm's length transaction. Information on the fair value assessment of investment properties and investment property held for divestment are disclosed in Note 29.

As at 31 December 2024, \$40.0 million (2023: \$58.0 million) of investment properties are under redevelopment.

### Security

As at 31 December 2024, three investment properties (2023: one) with a total carrying value of \$1,367.8 million (2023: \$173.4 million) are pledged as securities to secure bank loans (see Note 14).

## 5. INVESTMENTS IN SUBSIDIARIES

	Trust	
	2024 \$'000	2023 \$'000
Unquoted equity investments, at cost	3,227,743	3,057,246
Impairment losses	(1,372,934)	(1,103,371)
	1,854,809	1,953,875

### Impairment losses

During the year, the Trust recognised an impairment loss of \$269.6 million (2023: \$180.0 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Composition of the Group

Details of the subsidiaries are as follows:

			Effective equity interest held by the Group	
Name of subsidiary	Principal activities	Country of incorporation	2024 %	2023 %
(I) Direct Subsidiaries				
ESR-REIT MTN Pte. Ltd. <sup>(1)</sup>	Provision of financial and treasury services	Singapore	100	100
ESR-REIT SPV2 Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	100
7000 AMK LLP <sup>(2)</sup>	Property investment	Singapore	80	80
Viva Trust <sup>(2)</sup>	Property investment	Singapore	100	100
ALOG Trust <sup>(2)</sup>	Property investment	Singapore	100	100
ESR-REIT INV Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	100
ESR-REIT INV2 Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	100
ESR-REIT INV3 Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	–
ESR-REIT AUS (MTN) Pty Ltd <sup>(3), (4)</sup>	Provision of financial and treasury services	Australia	100	100
(II) Indirect Subsidiaries				
ALOG (Australia) Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	100
ALOG TSA Pte. Ltd. <sup>(2)</sup>	Investment holding	Singapore	100	–
LSLV Project 5 Pte. Ltd. <sup>(2), (5)</sup>	Investment holding	Singapore	51	–
Tuas South Avenue Pte. Ltd. <sup>(2), (5)</sup>	Property investment	Singapore	51	–



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Composition of the Group (continued)

Details of the subsidiaries are as follows: (continued)

			Effective equity interest held by the Group	
Name of subsidiary	Principal activities	Country of incorporation	2024 %	2023 %
(II) Indirect Subsidiaries (continued)				
ALOG-OPAT Trust <sup>(3)</sup>	Investment holding	Australia	100	100
ALOG Logistics Trust Australia <sup>(3)</sup>	Investment holding	Australia	100	100
Chester Hill (NSW) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Somerton (VIC) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Coopers Plains (QLD) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Wacol (QLD) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Wacol 2 (QLD) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Kidman Park (SA) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Laverton (VIC) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Altona Trust <sup>(3)</sup>	Property investment	Australia	100	100
ESIP Trust <sup>(3)</sup>	Investment holding	Australia	100	100
LAIP Trust <sup>(3)</sup>	Investment holding	Australia	100	100
Berrinba Trust <sup>(3)</sup>	Property investment	Australia	100	100
Berkeley Trust <sup>(3)</sup>	Property investment	Australia	100	100
Campbellfield Trust <sup>(3)</sup>	Property investment	Australia	100	100
Braeside Trust <sup>(3)</sup>	Property investment	Australia	100	100
Hydrive Trust <sup>(3)</sup>	Property investment	Australia	100	100
Link Drive Trust <sup>(3)</sup>	Property investment	Australia	100	100
Wacol Trust <sup>(3)</sup>	Property investment	Australia	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Composition of the Group (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2024 %	2023 %
(III) Indirect Subsidiaries (continued)				
Westlink Trust <sup>(3)</sup>	Property investment	Australia	100	100
Woodlands Trust <sup>(3)</sup>	Property investment	Australia	100	100
LP Bishop Asset Trust <sup>(3)</sup>	Property investment	Australia	100	100
LP Curlew Asset Trust <sup>(3)</sup>	Property investment	Australia	100	100
Peregrine (QLD) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Heron (QLD) Trust <sup>(3)</sup>	Property investment	Australia	100	100
Larapinta Property Asset Trust <sup>(3)</sup>	Property investment	Australia	100	100
ALOG-LAIV Trust <sup>(3)</sup>	Investment holding	Australia	100	100
ESR-REIT TMK1 <sup>(4)</sup>	Property investment	Japan	100	100
ESR-REIT TMK2 <sup>(4)</sup>	Property investment	Japan	100	–
ESR-REIT GK1 <sup>(4)</sup>	Investment holding	Japan	100	100

<sup>(1)</sup> There is no statutory requirement for the financial statements of ESR-REIT MTN Pte. Ltd. to be audited.

<sup>(2)</sup> Audited by Ernst & Young LLP, Singapore.

<sup>(3)</sup> Audited by Ernst & Young LLP, Singapore for Group consolidation purpose.

<sup>(4)</sup> Audited by a member firm of EY Global.

<sup>(5)</sup> An application for the amalgamation of LSLV Project 5 Pte. Ltd. and Tuas South Avenue Pte. Ltd. into a single entity was filed with the Accounting and Corporate Regulatory Authority on 10 February 2025.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### *Put option for 20% interest in 7000 AMK LLP*

As part of the acquisition in 2017, ESR-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-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-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). The Put Option, which would have expired on 31 December 2024, has been further extended until 30 June 2026 or such later date as may be agreed by the parties.

As at 31 December 2024, 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-REIT to HLP.

### *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 new Units ("Consideration Units") at an issue price of \$0.305 per Unit and a cash consideration of \$210.3 million.

The fair value of the assets acquired and liabilities assumed as at 29 November 2024 were as follows:

	2024 \$'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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 6. INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unquoted equity investment				
At 1 January	41,233	41,233	41,233	41,233
Impairment losses	–	–	(1,427)	–
Share of results	2,842	3,876	–	–
Distribution received	(4,269)	(3,876)	–	–
At 31 December	39,806	41,233	39,806	41,233

During the year, impairment losses of \$1,427,000 were made against the investment in joint venture. This amount represents the decrease in the Trust's share of net assets of PTC Logistics Hub LLP ("PTC LLP"), predominantly due to the fair value loss on investment property recognised by PTC LLP during the year.

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	
	2024 \$'000	2023 \$'000
Current assets, including cash and bank balances of \$4,238,146 (2023: \$5,841,519)	4,289	5,915
Non-current assets, including investment property of \$225,200,000 (2023: \$228,000,000)	239,763	242,202
Current liabilities, including short-term borrowings of \$146,003,791 (2023: Nil)	(148,697)	(4,574)
Non-current liabilities, including long-term borrowings of Nil (2023: \$145,589,431)	(14,119)	(159,394)
<b>Net assets</b>	<b>81,236</b>	<b>84,149</b>
Proportion of the Group's ownership	49%	49%
Group's share in net assets	39,806	41,233
<b>Carrying amount of the Group's investment</b>	<b>39,806</b>	<b>41,233</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 6. INVESTMENT IN JOINT VENTURE (CONTINUED)

### Summarised statement of comprehensive income of PTC LLP:

	Group	
	2024 \$'000	2023 \$'000
Revenue	17,567	17,535
Property expenses	(333)	(328)
Other operating expenses	(26)	(25)
Change in fair value of investment property	(2,839)	(280)
Change in fair value of right-of-use of leasehold land	(409)	(376)
Change in fair value of financial derivatives	(113)	–
Net finance costs	(8,048)	(8,617)
<b>Profit for the year, representing total comprehensive income for the year</b>	<b>5,799</b>	<b>7,909</b>
Proportion of the Group's ownership	49%	49%
Group's share of profit for the year	2,842	3,876

The joint venture has no other contingent liabilities or commitments as at 31 December 2024 and 2023. 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unquoted equity investments, at fair value				
At 1 January	300,347	342,665	75,910	77,320
Change 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 31 December	261,576	300,347	71,567	75,910

On 14 May 2021, ESR-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 2024, EALP owns 31 income-producing properties and two properties which are currently under development. Collectively, the 33 prime logistics assets (2023: 35) are located in core industrial markets of New South Wales, Victoria, Queensland and South Australia.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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 Trust. As at 31 December 2024, New LAIVS Trust owns four income-producing logistics properties (2023: four) located in New South Wales and Victoria, while Oxford Property Fund owns one income-producing logistics property (2023: 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 a fixed rate or at rates based on ESR-REIT's prevailing cost of debt. Interest is payable in arrears on a quarterly basis.

The loans to subsidiaries are for a term of 5 years commencing 29 November 2024 or 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

	2024		2023	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
<b>Group</b>				
Interest rate swaps				
Current	1,641	(1,407)	3,418	–
Non-current	1,283	(2,874)	5,075	(2,674)
Forward foreign currency exchange contracts				
Current	288	–	8	(182)
	3,212	(4,281)	8,501	(2,856)
<b>Trust</b>				
Interest rate swaps				
Current	–	(1,407)	3,252	–
Non-current	1,283	(2,433)	–	(2,674)
Forward foreign currency exchange contracts				
Current	288	–	8	(182)
	1,571	(3,840)	3,260	(2,856)

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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2024, the Group has entered into interest rate swap contracts with a total notional amount of \$1,284.8 million (2023: \$1,055.8 million) to fix the base interest rates for a weighted average tenor of approximately 1.8 years (2023: 1.0 year). Under these interest rate swap contracts, the Group pays interest at a weighted average fixed interest rate of 2.8% (2023: 2.5%) per annum and receives interest based on SORA, TIBOR, TONA or BBSY Bid.

The Group has also entered into forward foreign currency exchange contracts to manage its foreign currency risk. As at 31 December 2024, the total notional amount of the Group's outstanding forward foreign currency exchange contracts was A\$6.9 million (2023: A\$13.0 million).

The Group's derivative financial instruments are not designated as hedging instruments.

### 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 2024 and 31 December 2023, 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	5,035	4,798	263	791
Deposits	3,364	6,870	702	2,998
Other receivables				
– Subsidiaries	–	–	40,336	42,752
– Joint venture	358	8	358	8
– Related parties	3,519	–	–	–
– Unrelated third parties	13,790	12,089	2,639	2,548
	17,667	12,097	43,333	45,308
<b>Financial assets carried at amortised cost</b>	<b>26,066</b>	<b>23,765</b>	<b>44,298</b>	<b>49,097</b>
Capitalised costs	815	1,787	815	187
Prepayments	3,719	1,706	242	117
GST receivable	29,855	–	–	–
<b>Total trade and other receivables</b>	<b>60,455</b>	<b>27,258</b>	<b>45,355</b>	<b>49,401</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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.

### Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Gross receivables 2024 \$'000	Impairment losses 2024 \$'000	Gross receivables 2023 \$'000	Impairment losses 2023 \$'000
<b>Group</b>				
Past due 0–30 days	4,504	–	3,448	–
Past due 31–120 days	313	–	1,007	–
More than 120 days past due	218	–	343	–
	5,035	–	4,798	–
<b>Trust</b>				
Past due 0–30 days	33	–	298	–
Past due 31–120 days	51	–	226	–
More than 120 days past due	179	–	267	–
	263	–	791	–

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 11. CASH AND BANK BALANCES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances in the statement of financial position	83,945	41,985	8,834	10,131
Less: Restricted cash	(13,731)	(3,576)		
Cash and cash equivalents in the statement of cash flows	70,214	38,409		

The restricted cash pertains to cash reserves of certain entities which is required to be maintained based on agreements with the banks. The restricted cash comprises mainly reserves for interest expense, capital expenditure and/or property expenses to ensure availability of cash when incurred/due for payment.

## 12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current liabilities</b>				
Trade payables and accrued operating expenses	53,093	33,585	17,984	15,724
Amounts due to related parties (trade):				
– the Manager	4,921	4,037	4,906	4,037
– the Property Manager	2,617	2,312	1,531	1,791
– the Trustee	261	114	144	69
– other related parties	337	386	–	–
Amounts due to related parties (non-trade):				
– subsidiaries	–	–	1,884	–
– other related parties	13,005	–	–	–
Interest and loan commitment fee payable	7,056	4,531	5,005	4,094
Security deposits	17,694	15,250	5,327	5,904
Rent received in advance	4,551	3,537	258	598
Retention sums	3,833	4,586	2,122	2,339
Other payables	8,669	3,968	275	58
Reinstatement sums	6,350	5,618	539	1,079
	122,387	77,924	39,975	35,693
<b>Non-current liabilities</b>				
Security deposits	41,248	32,958	17,311	15,909
Other payables	1,328	2,896	–	–
	42,576	35,854	17,311	15,909
<b>Total trade and other payables</b>	164,963	113,778	57,286	51,602
Less: Rent received in advance	(4,551)	(3,537)	(258)	(598)
Less: GST payables	(7,645)	(8,043)	(410)	(4,945)
<b>Financial liabilities at amortised cost</b>	152,767	102,198	56,618	46,059

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 12. TRADE AND OTHER PAYABLES (CONTINUED)

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 January	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	–	–	–
De-recognition due to disposal of investment properties	–	(36,405)	–	(28,676)
Accretion of interest	31,469	32,176	6,964	8,004
Payments	(23,290)	(23,491)	(8,181)	(9,360)
Effect of interest and payments borne by tenants	(279)	(369)	(279)	(278)
Effect of movement in exchange rates	(20,301)	(1,606)	–	–
At 31 December	608,833	592,045	135,065	132,090
Current	11,660	17,073	4,002	2,735
Non-current	597,173	574,972	131,063	129,355
At 31 December	608,833	592,045	135,065	132,090

The current lease liabilities are inclusive of liabilities directly attributable to investment property held for divestment amounting to \$1.0 million (2023: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 13. LEASES (CONTINUED)

### As a lessee (continued)

The following are the amounts recognised in the Statement of Total Return:

	Group	
	2024 \$'000	2023 \$'000
Change in fair value of right-of-use of leasehold land	8,179	8,685
Finance costs on lease liabilities for leasehold land	(31,469)	(32,176)
Net amount recognised in Statement of Total Return	(23,290)	(23,491)

### 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Receivable:				
– Within 1 year	385,827	321,869	84,271	70,984
– After 1 year but within 5 years	678,301	518,549	121,331	117,780
– After 5 years	739,463	354,831	127,339	86,588
	1,803,591	1,195,249	332,941	275,352

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current liabilities</b>				
Unsecured SGD loans	–	163,300	–	163,300
Secured Japanese Yen (“JPY”) loans	30,275	–	–	–
Unamortised loan transaction costs	(41)	(212)	–	(212)
	30,234	163,088	–	163,088
<b>Non-current liabilities</b>				
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 loan 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

The weighted average all in cost of debt as at 31 December 2024 was 3.8% per annum (2023: 3.9% per annum).

### Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			2024		2023	
	Nominal interest rate %	Year of maturity	Face value \$'000	Gross carrying amount \$'000	Face value \$'000	Gross carrying amount \$'000
<b>Group</b>						
<b>Secured</b>						
JPY term loan facilities	TIBOR <sup>^</sup> + margin	2025	30,275	30,234	–	–
JPY term loan facilities	0.66%–1.45%	2026 to 2029	288,045	286,637	97,755	96,870
SGD term loan facilities	SORA* + margin	2029	341,500	336,840	–	–
<b>Unsecured</b>						
SGD term loan facilities	SORA* + margin	2026 to 2028	785,000	780,377	745,000	740,565
AUD term loan facilities	BBSY Bid <sup>#</sup> + margin	2027	348,010	345,702	369,072	365,982
JPY term loan facilities	TIBOR <sup>^</sup> /TONA <sup>~</sup> + margin	2026 to 2028	195,490	193,773	66,101	65,627
SGD revolving credit facilities	SORA* + margin	2026	156,390	155,677	163,300	162,234
SGD medium term notes	2.60%	2026	125,000	124,760	125,000	124,609
			2,269,710	2,254,000	1,566,228	1,555,887



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

### Terms and debt repayment schedule (continued)

Terms and conditions of outstanding loans and borrowings are as follows: (continued)

			<----- 2024 ----->		<----- 2023 ----->	
	Nominal interest rate	Year of maturity	Face value	Gross carrying amount	Face value	Gross carrying amount
	%		\$'000	\$'000	\$'000	\$'000
Trust						
Unsecured						
SGD term loan facilities	SORA* + margin	2026 to 2028	785,000	780,377	745,000	740,565
AUD term loan facilities	BBSY Bid# + margin	2027	51,290	50,912	54,394	53,920
JPY term loan facilities	TIBOR^/TONA~ + margin	2026 to 2028	195,490	193,773	66,101	65,627
SGD revolving credit facilities	SORA* + margin	2026	156,390	155,677	163,300	162,532
SGD medium term notes	2.60%	2026	125,000	124,760	125,000	124,609
			1,313,170	1,305,499	1,153,795	1,147,253

- ^ Tokyo Interbank Offered Rate  
 ~ Tokyo Overnight Average 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 (2023: interest margin plus 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/TONA (2023: interest margin plus TIBOR).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

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 United Overseas Bank Limited ("UOB"), Malayan Banking Berhad, Singapore Branch ("Maybank"), RHB Bank Berhad ("RHB") and The Hongkong and Shanghai Banking Corporation Limited ("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 sustainability-linked revolving credit facility of \$200 million from CIMB Bank Berhad, Singapore Branch ("CIMB"), Maybank, RHB, Sumitomo Mitsui Banking Corporation, Singapore Branch ("SMBC Singapore") and HSBC maturing in April 2026 at an interest margin plus SORA.
- (iv) unsecured sustainability-linked term loan facility of \$225 million from CIMB, Maybank, RHB, SMBC Singapore and HSBC maturing in November 2028 at an interest margin plus SORA.
- (v) 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.
- (vi) unsecured loan facility of \$835 million and A\$365 million from a syndicate of six banks comprising DBS Bank Ltd. ("DBS") and its Australia Branch, Maybank, SMBC Singapore, HSBC, Oversea-Chinese Banking Corporation Limited and ANZ consisting of:
  - Facility A: \$185 million term loan facility fully repaid and cancelled;
  - 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

### (A) Term loans and revolving credit facilities (continued)

- (vii) unsecured club loan facility of JPY7.1 billion from MUFG Bank, Ltd. (“MUFG”) and SMBC Singapore maturing in October 2026 at an interest margin plus TIBOR.
- (viii) unsecured club loan facility of JPY15.5 billion from Maybank and Mizuho Bank, Ltd maturing in November 2028 at an interest margin plus TONA.
- (ix) secured loan facility of \$341.5 million from a syndicate of five banks comprising CIMB, DBS, Maybank, RHB and SMBC Singapore consisting of:
  - Facility A: \$232.9 million term loan facility maturing in November 2029 at an interest margin plus SORA; and
  - Facility B (Green Loan): \$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 \$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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

### (A) Term loans and revolving credit facilities (continued)

(x) secured club loan facility of JPY10.5 billion from MUFG and Sumitomo Mitsui Banking Corporation consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate;
- 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 \$161.8 million (2023: \$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.

(xi) secured club loan facility of JPY26.3 billion from Sumitomo Mitsui Banking Corporation 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 \$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 term loan and revolving credit facilities were \$1,988.3 million (2023: \$1,277.9 million) and \$156.4 million (2023: \$163.3 million), respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

### (B) Unsecured Medium Term Notes

On 2 February 2012, ESR-REIT, through its wholly-owned subsidiary, ESR-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-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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INTEREST-BEARING BORROWINGS (CONTINUED)

### Loan covenants

The Group's non-current borrowings amounting to \$2.2 billion is subject to compliance with certain financial covenants that are assessed on a quarterly or half-yearly basis. The Group is in compliance with these covenants during the reporting period and expects to comply with these covenants for at least 12 months after the reporting date.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2023 \$'000	Acquisition of subsidiaries \$'000	Cash flows* \$'000	Amortisation of loan transaction costs \$'000	Effect of changes in foreign exchange rates \$'000	2024 \$'000
Bank loans	1,431,278	411,600	315,975	4,914	(34,527)	2,129,240
Fixed rate notes	124,609	-	-	151	-	124,760
	1,555,887	411,600	315,975	5,065	(34,527)	2,254,000

	2022 \$'000	Acquisition of subsidiaries \$'000	Cash flows \$'000	Amortisation of loan transaction costs \$'000	Effect of changes in foreign exchange rates \$'000	2023 \$'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

\* The cash flows in FY2024 included an upfront loan transaction cost of \$10.7 million relating to new loan facilities.

## 15. AMOUNT DUE TO NON-CONTROLLING INTERESTS

This relates to the 20% non-controlling interest in 7000 AMK LLP and the loans from the shareholder of the remaining 49.0% interest in LSLV Project 5 Pte. Ltd. that is not owned by the Group.

The 20% non-controlling interest in 7000 AMK LLP has been accounted for and classified as a current liability due to the Put Option granted by ESR-REIT to HLP. As disclosed in Note 5, the Put Option provides HLP with the right to require ESR-REIT to purchase its 20% interest in 7000 AMK LLP.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 16. PERPETUAL SECURITIES

In November 2017, ESR-REIT issued \$150.0 million of perpetual securities (the "Series 006 Perps"). In August 2024, \$74.8 million of the Series 006 Perps were exchanged to new securities issued under the Series 009 Perps (as defined below) and cancelled pursuant to terms of the exchange offer made to holders of 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-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-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.

In June 2022, ESR-REIT issued \$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-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-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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 16. PERPETUAL SECURITIES (CONTINUED)

In August 2024, ESR-REIT issued \$174.8 million of perpetual securities (the "Series 009 Perps"). The Series 009 Perps comprise \$74.8 million in aggregate principal amount of new securities issued as part of the exchange consideration pursuant to terms of the exchange offer made to holders of the Series 006 Perps, and \$100.0 million in aggregate principal amount of additional new securities issued. The key terms and conditions are as follows:

- Series 009 Perps confer a right to receive distribution at a rate of 6.0% 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 Perps;
- the Series 009 Perps are redeemable at the option of 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; and
- the Series 009 Perps may also be redeemed upon the occurrence of certain other redemption events specified in the pricing supplement for the Series 009 Perps.

The Series 006 Perps, Series 008 Perps and Series 009 Perps were issued under the Debt Issuance Programme, and are classified as equity instruments and recorded as equity in the Statement of Financial Position. The \$405.2 million (2023: \$302.1 million) presented in the Statement of Financial Position represents the carrying value of the \$400.0 million (2023: \$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

On 29 November 2024, ESR-REIT 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. (collectively referred to as "LSLV Project 5 Pte. Ltd. and its subsidiary"), which became subsidiaries from that date (see Note 5). Accordingly, the information relating to LSLV Project 5 Pte. Ltd. and its subsidiary is only for the period from 29 November 2024 to 31 December 2024.

The non-controlling interest (NCI) relates to the following:

Name	Principal place of business/ Country of incorporation	Ownership interest held by NCI	
		2024 %	2023 %
LSLV Project 5 Pte. Ltd. and its subsidiary	Singapore	49.0	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 17. NON-CONTROLLING INTEREST (CONTINUED)

The following summarised financial information for LSLV Project 5 Pte. Ltd. and its subsidiary is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	LSLV Project 5 Pte. Ltd. and its subsidiary \$'000
<b>2024</b>	
Gross revenue	4,985
Total return for the period	30,596
Attributable to NCI:	
– Total return for the period	14,992
Non-current assets	906,097
Current assets	43,181
Non-current liabilities	(813,639)
Current liabilities	(20,118)
Net assets	115,521
Net assets attributable to NCI	56,605
Cash flows from operating activities	6,581
Cash flows used in financing activities	(530)
Net increase in cash and cash equivalents	6,051

## 18. UNITS IN ISSUE

	Group and Trust	
	2024 Number of units '000	2023 Number of units '000
Units in issue:		
At 1 January	7,689,164	6,719,188
Issue of new Units:		
– Management fees paid in Units	48,563	49,534
– Distribution Reinvestment Plan	–	14,828
– Private placement	–	454,545
– Preferential offering	289,180	460,767
– Partial consideration paid in Units pursuant to acquisition of subsidiaries	39,612	–
– Acquisition fees paid in Units	28,566	–
Unit buy-back	(45,921)	(9,698)
Total issued Units at 31 December	8,049,164	7,689,164

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 18. UNITS IN ISSUE (CONTINUED)

During the financial year ended 31 December 2024, the Trust issued the following new Units:

- (i) 48.6 million new Units amounting to approximately \$14.2 million at issue prices ranging from \$0.2741 to \$0.3137 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;
- (ii) 289.2 million new Units amounting to approximately \$88.2 million at an issue price of \$0.3050 per Unit pursuant to a preferential offering in November 2024;
- (iii) 39.6 million new Units amounting to approximately \$12.1 million at an issue price of \$0.3050 per Unit as partial consideration paid in Units pursuant to the acquisition of subsidiaries in November 2024;
- (iv) 16.4 million new Units amounting to approximately \$4.3 million at an issue price of \$0.2616 per Unit in relation to the acquisition of a 51.0% interest in 20 Tuas South Avenue 14; and
- (v) 12.2 million new Units amounting to approximately \$3.3 million at an issue price of \$0.2681 per Unit in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

During the financial year ended 31 December 2024, the Trust repurchased a total of 45.9 million Units amounting to approximately \$12.9 million by way of market repurchases at unit prices ranging from \$0.2594 to \$0.3025 per Unit. All units repurchased have been cancelled as at 31 December 2024.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 18. UNITS IN ISSUE (CONTINUED)

### *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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 19. GROSS REVENUE

	Group	
	2024 \$'000	2023 \$'000
Property rental income	341,186	355,160
Other income	29,318	31,190
	<b>370,504</b>	<b>386,350</b>

## 20. PROPERTY EXPENSES

	Group	
	2024 \$'000	2023 \$'000
Property Manager's fees paid and payable in:		
– cash	13,510	14,083
– Units <sup>1</sup>	2,940	3,200
	<b>16,450</b>	<b>17,283</b>
Property tax	33,433	32,802
Repair and maintenance expenses	21,745	23,140
Other property operating expenses	37,222	39,966
	<b>108,850</b>	<b>113,191</b>

<sup>1</sup> Includes approximately \$0.7 million (2023: \$0.8 million) paid to the Property Manager subsequent to the reporting date by way of an issuance of 2.9 million (2023: 2.4 million) new Units to the Property Manager at an issue price of \$0.2551 (2023: \$0.3137) per Unit for financial year ended 31 December 2024.

## 21. MANAGEMENT FEES

	Group	
	2024 \$'000	2023 \$'000
Base fees paid and payable in:		
– cash	9,264	9,572
– Units <sup>1</sup>	11,460	12,352
	<b>20,724</b>	<b>21,924</b>

<sup>1</sup> Includes approximately \$3.0 million (2023: \$2.7 million) paid to the Manager subsequent to the reporting date by way of an issuance of 11.6 million (2023: 8.6 million) new Units to the Manager at an issue price of \$0.2551 (2023: \$0.3137) per Unit.

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 2024. Please refer to Note 1B(b) for further details on the Performance Fee structure.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 22. TRUST EXPENSES

	Group	
	2024 \$'000	2023 \$'000
Auditor's remuneration:		
– audit fees	662	555
– non-audit fees	239	245
Trustee's fees	905	1,188
Valuation fees	240	350
Professional fees	1,838	2,203
Other expenses <sup>1</sup>	3,790	1,807
	<b>7,674</b>	<b>6,348</b>

<sup>1</sup> Other expenses comprise investor relations costs, compliance costs, listing fees, non-claimable input GST and other non-property related expenses.

## 23. BORROWING COSTS, NET

	Group	
	2024 \$'000	2023 \$'000
Finance income:		
– interest income from bank deposits	979	1,087
– financial derivatives	8,321	14,564
Finance costs paid and payable:		
– bank loans	(69,065)	(81,015)
– fixed rate notes	(3,259)	(3,943)
– loan from non-controlling interests	(643)	–
Amortisation of transaction costs relating to debt facilities	(5,218)	(6,706)
	<b>(68,885)</b>	<b>(76,013)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 24. INCOME TAX EXPENSE/(CREDIT)

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 2024 and 2023 is as follows:

	Group	
	2024 \$'000	2023 \$'000
Current income tax		
– Current year	498	27
– Under provision in prior years	42	2
Deferred tax	4,272	(2,133)
Withholding tax		
– Current year	5,096	853
– Under/(Over) provision in prior years	48	(853)
	9,956	(2,104)

	Group	
	2024 \$'000	2023 \$'000
<b>Reconciliation of tax expense</b>		
Total loss for the year before income tax	(97,658)	(65,769)
Income tax using Singapore tax rate of 17% (2023: 17%)	(16,602)	(11,181)
Effect of different tax rates in foreign jurisdictions	(345)	(240)
Income not subject to tax	(11,016)	(11,100)
Non-tax deductible items	59,277	50,241
Deferred tax on fair value gain/(loss) on investment properties and investments at FVTPL	4,272	(2,133)
Tax transparency	(25,726)	(26,848)
Under/(Over) provision of tax in prior years	90	(851)
Others	6	8
Income tax expense/(credit)	9,956	(2,104)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 24. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Deferred tax liabilities as at 31 December are attributable to the investments at FVTPL and investment properties.

Movement in temporary differences during the year:

	2023 \$'000	Recognised in statement of total return \$'000	Effect of movement in exchange rates \$'000	2024 \$'000
<b>Group</b>				
Deferred tax liabilities	5,537	4,272	(1,783)	8,026
<b>Trust</b>				
Deferred tax liabilities	4,326	226	(1,097)	3,455

	2022 \$'000	Recognised in statement of total return \$'000	Effect of movement in exchange rates \$'000	2023 \$'000
<b>Group</b>				
Deferred tax liabilities	7,754	(2,133)	(84)	5,537
<b>Trust</b>				
Deferred tax liabilities	4,208	155	(37)	4,326

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 \$20.1 million (2023: \$30.1 million) relating to temporary differences arising from the Merger.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 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	
	2024 \$'000	2023 \$'000
Total loss after income tax	(107,614)	(63,665)
Less:		
Non-controlling interests — others	(20,165)	(3,317)
Non-controlling interest — perpetual securities holders	—	(467)
Amount reserved for distribution to perpetual securities holders	(20,277)	(18,198)
Total loss attributable to Unitholders	(148,056)	(85,647)

	Number of Units	
	2024 '000	2023 '000
Weighted average number of Units:		
– Units issued at beginning of the year	7,689,164	6,719,188
Effect of issue of new Units:		
– Management fees paid in Units	24,242	24,294
– Distribution Reinvestment Plan	—	11,293
– Private placement	—	383,561
– Preferential offering	40,296	313,069
– Partial consideration paid in Units pursuant to the acquisition of subsidiaries	3,572	—
– Acquisition fees paid in Units	702	—
Effect of unit buy-back	(22,647)	(1,273)
	7,735,329	7,450,132

	Group	
	2024	2023
Basic earnings per Unit (cents)	(1.914)	(1.150)

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 25. EARNINGS AND DISTRIBUTION PER UNIT (CONTINUED)

### (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	
	2024 \$'000	2023 \$'000
Total return after income tax and distribution adjustments	169,377	176,489
Amount reserved for perpetual securities holders	(20,277)	(18,198)
Net income available for distribution to Unitholders	149,100	158,291
Total amount available for distribution comprising:		
– Taxable income	149,100	158,291
– Tax-exempt income	3,393	4,084
– Capital distribution	11,571	30,323
Amount available for distribution to Unitholders	164,064	192,698
Distribution per Unit (cents)	2.119	2.564

## 26. EQUITY ISSUE COSTS

	Group and Trust	
	2024 \$'000	2023 \$'000
Equity issue costs:		
– Distribution Reinvestment Plan	–	195
– Private placement	–	3,472
– Preferential offering	166	1,214
– Perpetual securities	2,596	–
– Unit buy-back	37	5
	2,799	4,886

The equity issue costs are deducted directly against Unitholders' funds.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 27. 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 \$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 \$2.9 million (31 December 2023: \$4.8 million).

### (b) Capital commitments

At the reporting date, the Group had the following capital commitments:

- \$9.8 million (2023: \$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 consolidated financial statements. These projects are targeted to complete in 2025.
- A\$7.05 million (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 (2023: 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 the interest rate swaps contracts entered into by certain subsidiaries with total notional amount of \$254.3 million (2023: \$269.7 million).
- The Trust has provided unsecured corporate guarantees of \$8.8 million (2023: \$9.3 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 28. RELATED PARTIES (CONTINUED)

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	
	2024 \$'000	2023 \$'000
<b>ESR-REIT Management (S) Limited (the Manager)</b>		
Management fees paid and payable in:		
– cash	7,728	8,122
– Units	11,460	12,352
Acquisition fees paid in Units	7,552	–
Development management fees paid and payable in cash	77	1,857
Divestment fees paid in cash	465	2,162
<b>ESR Property Services Pte. Ltd.</b> <b>(Subsidiary of immediate holding company of the Manager)</b>		
Property and lease management fees paid and payable in:		
– cash	6,215	6,318
– Units	2,940	3,200
Lease marketing services commission paid and payable in cash	6,152	5,602
Project management fees paid and payable in cash	266	822
Site staff cost recovery	1,455	1,240
Property tax services fees paid and payable in cash	3	–
<b>Perpetual (Asia) Limited (the Trustee)</b>		
Trustee fees paid and payable	543	431

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 28. RELATED PARTIES (CONTINUED)

	Group	
	2024 \$'000	2023 \$'000
<b>ESR Group Limited and its subsidiaries<sup>1</sup></b>		
Investment management fees paid and payable	696	732
Asset management fees paid and payable	1,536	1,459
Property management fees paid and payable	1,727	1,556
Lease marketing services commission paid and payable	270	1,071
Acquisition of LSLV Project 5 Pte. Ltd. <sup>2</sup>	222,415	–
Acquisition of ESR Yatomi Kisosaki Distribution Centre	330,600	–
Rental support received in relation to ESR Sakura Distribution Centre <sup>3</sup>	–	1,840
Income support received and receivable in relation to ESR Yatomi Kisosaki Distribution Centre <sup>4</sup>	217	–
<b>TSMP Law Corporation</b>		
Legal fees paid and payable	220	–

<sup>1</sup> Excluding the Manager and ESR Property Services Pte. Ltd..

<sup>2</sup> 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 \$0.305 per Unit on 29 November 2024, as partial consideration for the acquisition of 20 Tuas South Avenue 14.

<sup>3</sup> Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

<sup>4</sup> Pertains to income support received and receivable from Kisosaki TMK in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (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
<b>Group</b>				
<b>2024</b>				
<b>Non-financial assets</b>				
Investment properties (including right-of-use assets)	-	9,732	5,548,674	5,558,406
<b>Financial assets</b>				
Investments at FVTPL	-	-	261,576	261,576
Derivative financial instruments	-	3,212	-	3,212
	-	12,944	5,810,250	5,823,194
<b>Financial liabilities</b>				
Derivative financial instruments	-	(4,281)	-	(4,281)
Amount due to non-controlling interest	-	-	(72,366)	(72,366)
	-	(4,281)	(72,366)	(76,647)
<b>2023</b>				
<b>Non-financial assets</b>				
Investment properties (including right-of-use assets)	-	-	4,686,985	4,686,985
<b>Financial assets</b>				
Investments at FVTPL	-	-	300,347	300,347
Derivative financial instruments	-	8,501	-	8,501
	-	8,501	4,987,332	4,995,833
<b>Financial liabilities</b>				
Derivative financial instruments	-	(2,856)	-	(2,856)
Amount due to non-controlling interest	-	-	(70,928)	(70,928)
	-	(2,856)	(70,928)	(73,784)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (b) Assets and liabilities measured at fair value (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>				
<b>2024</b>				
<b>Non-financial assets</b>				
Investment properties (including right-of-use assets)	-	9,732	1,287,655	1,297,387
<b>Financial assets</b>				
Investment at FVTPL	-	-	71,567	71,567
Derivative financial instruments	-	1,571	-	1,571
	-	11,303	1,359,222	1,370,525
<b>Financial liabilities</b>				
Derivative financial instruments	-	(3,840)	-	(3,840)
<b>2023</b>				
<b>Non-financial assets</b>				
Investment properties (including right-of-use assets)	-	-	1,292,290	1,292,290
<b>Financial assets</b>				
Investment at FVTPL	-	-	75,910	75,910
Derivative financial instruments	-	3,260	-	3,260
	-	3,260	1,368,200	1,371,460
<b>Financial liabilities</b>				
Derivative financial instruments	-	(2,856)	-	(2,856)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (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).

#### *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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (d) Level 3 fair value measurements (continued)

#### *Investment properties held directly or through joint venture (continued)*

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.

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
<i>Investment properties held directly or through joint venture</i>		
Discounted cash flows method, direct comparison method, capitalisation approach and residual value approach	<ul style="list-style-type: none"> <li>Market rental growth ranges from 1.35% to 4.84% (2023: 1.80% to 6.30%) per annum.</li> <li>Adjusted price (psm) of \$1,818 (2023: \$1,756)</li> <li>Discount rates of 3.60% to 9.75% (2023: 3.90% to 10.50%)</li> <li>Capitalisation rates of 3.80% to 7.75% (2023: 4.10% to 7.50%)</li> <li>Terminal yield rates of 3.90% to 8.00% (2023: 4.20% to 7.75%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>expected market rental growth were higher/(lower);</li> <li>the adjusted price psm were higher/(lower);</li> <li>the discount rates were lower/(higher);</li> <li>the capitalisation rates were lower/(higher); or</li> <li>the terminal yield rates were lower/(higher)</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (d) Level 3 fair value measurements (continued)

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
<i>Investment properties held by property funds</i>		
Discounted cash flows method and capitalisation approach		The estimated fair value would increase/(decrease) if:
	<ul style="list-style-type: none"> <li>• Discount rates of 7.00% to 7.50% (2023: 6.50% to 7.50%)</li> </ul>	<ul style="list-style-type: none"> <li>• the discount rates were lower/(higher);</li> </ul>
	<ul style="list-style-type: none"> <li>• Capitalisation rates of 5.00% to 6.25% (2023: 4.50% to 8.00%)</li> </ul>	<ul style="list-style-type: none"> <li>• the capitalisation rates were lower/(higher); or</li> </ul>
	<ul style="list-style-type: none"> <li>• Terminal yield rates of 5.25% to 6.75% (2023: 4.75% to 8.25%)</li> </ul>	<ul style="list-style-type: none"> <li>• the terminal yield rates were lower/(higher).</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (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
<b>Group and Trust</b>				
<b>2024</b>				
<b>Liabilities</b>				
Fixed rate notes	122,130	–	–	122,130
<b>2023</b>				
<b>Liabilities</b>				
Fixed rate notes	115,785	–	–	115,785

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (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
<b>Group</b>						
<b>2024</b>						
Investments at FVTPL	7	–	261,576	–	261,576	261,576
Trade and other receivables*	10	26,066	–	–	26,066	26,066
Cash and bank balances	11	83,945	–	–	83,945	83,945
Loans and borrowings	14	–	–	(2,254,000)	(2,254,000)	(2,251,130)
Trade and other payables^	12	–	–	(152,767)	(152,767)	(152,767)
Amount due to non-controlling interest	15	–	(72,366)	(219,255)	(291,621)	(291,621)
Derivative financial instruments (net)	9	–	(1,069)	–	(1,069)	(1,069)
		110,011	188,141	(2,626,022)	(2,327,870)	(2,325,000)
<b>2023</b>						
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)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 29. FAIR VALUE MEASUREMENT (CONTINUED)

### (g) Classification of financial instruments (continued)

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
<b>Trust</b>						
<b>2024</b>						
Loans to subsidiaries	8	798,887	–	–	798,887	798,887
Investment at FVTPL	7	–	71,567	–	71,567	71,567
Trade and other receivables*	10	44,298	–	–	44,298	44,298
Cash and bank balances	11	8,834	–	–	8,834	8,834
Loans and borrowings	14	–	–	(1,305,499)	(1,305,499)	(1,302,629)
Trade and other payables^	12	–	–	(56,618)	(56,618)	(56,618)
Derivative financial instruments (net)	9	–	(2,269)	–	(2,269)	(2,269)
		852,019	69,298	(1,362,117)	(440,800)	(437,930)
<b>2023</b>						
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)

\* Excludes prepayments, GST receivable and capitalised costs.

^ Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (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
<b>Group</b>				
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(106,804)	(2,109,094)	–	(2,215,898)
Revolving credit facilities	(5,847)	(158,130)	–	(163,977)
Medium term notes	(3,250)	(128,250)	–	(131,500)
Trade and other payables**	(103,298)	(42,576)	–	(145,874)
Amount due to non-controlling interests	(76,742)	–	(214,879)	(291,621)
Lease liabilities	(34,342)	(172,696)	(1,230,000)	(1,437,038)
	(330,283)	(2,610,746)	(1,444,879)	(4,385,908)
<b>Derivative financial instruments</b>				
Interest rate swaps	2,184	3,183	–	5,367
	(328,099)	(2,607,563)	(1,444,879)	(4,380,541)
<b>2023</b>				
<b>Non-derivative financial liabilities</b>				
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)
<b>Derivative financial instruments</b>				
Interest rate swaps	12,200	1,176	–	13,376
	(373,396)	(1,712,362)	(966,018)	(3,051,776)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (continued)

#### Analysis of financial instruments by remaining contracted maturities (continued)

	Within 1 year \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Trust</b>				
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(39,250)	(1,086,055)	–	(1,125,305)
Revolving credit facilities	(5,847)	(158,130)	–	(163,977)
Medium term notes	(3,250)	(128,250)	–	(131,500)
Trade and other payables**	(34,303)	(17,311)	–	(51,614)
Lease liabilities	(9,333)	(57,798)	(185,881)	(253,012)
	(91,983)	(1,447,544)	(185,881)	(1,725,408)
<b>Derivative financial instruments</b>				
Interest rate swaps	(76)	3,183	–	3,107
	(92,059)	(1,444,361)	(185,881)	(1,722,301)
<b>2023</b>				
<b>Non-derivative financial liabilities</b>				
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)
<b>Derivative financial instruments</b>				
Interest rate swaps	7,217	298	–	7,515
	(237,627)	(1,114,780)	(201,659)	(1,554,066)

\* 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Market risk (continued)

#### (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 2024, the Group has fixed 74.8% (2023: 81.6%) 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
<b>Group</b>				
<b>2024</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(5,718)	5,718	(5,718)	5,718
<b>2023</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(2,876)	2,876	(2,876)	2,876

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Market risk (continued)

#### (i) Interest rate risk (continued)

Sensitivity analysis for variable rate instruments (continued)

	Total Return		Unitholders' Funds	
	100 bps increase \$'000	100 bps decrease \$'000	100 bps increase \$'000	100 bps decrease \$'000
<b>Trust</b>				
<b>2024</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(1,577)	1,577	(1,577)	1,577
<b>2023</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(2,427)	2,427	(2,427)	2,427

#### (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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Market risk (continued)

#### (ii) Foreign currency risk (continued)

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
<b>2024</b>			
<b>Group</b>			
<b>Financial assets</b>			
Investments at FVTPL	261,576	–	261,576
Derivative financial instruments	1,641	449	2,090
Trade and other receivables	6,009	811	6,820
Cash and cash equivalents	5,323	19,404	24,727
	<b>274,549</b>	<b>20,664</b>	<b>295,213</b>
<b>Financial liabilities</b>			
Derivative financial instruments	(441)	(253)	(694)
Trade and other payables	(6,116)	(10,198)	(16,314)
Interest-bearing borrowings (gross)	(348,010)	(513,810)	(861,820)
	<b>(354,567)</b>	<b>(524,261)</b>	<b>(878,828)</b>
Net statement of financial position exposure	<b>(80,018)</b>	<b>(503,597)</b>	<b>(583,615)</b>
<b>Trust</b>			
<b>Financial assets</b>			
Investment at FVTPL	71,567	–	71,567
Derivative financial instruments	–	449	449
Loans to subsidiaries	–	193,286	193,286
Trade and other receivables	8	454	462
Cash and cash equivalents	624	–	624
	<b>72,199</b>	<b>194,189</b>	<b>266,388</b>
<b>Financial liabilities</b>			
Derivative financial instruments	–	(253)	(253)
Trade and other payables	(417)	(383)	(800)
Interest-bearing borrowings (gross)	(51,290)	(195,490)	(246,780)
	<b>(51,707)</b>	<b>(196,126)</b>	<b>(247,833)</b>
Net statement of financial position exposure	<b>20,492</b>	<b>(1,937)</b>	<b>18,555</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Market risk (continued)

#### (ii) Foreign currency risk (continued)

	AUD \$'000	JPY \$'000	Total \$'000
<b>2023</b>			
<b>Group</b>			
<b>Financial assets</b>			
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
<b>Financial liabilities</b>			
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)
<b>Trust</b>			
<b>Financial assets</b>			
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
<b>Financial liabilities</b>			
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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Market risk (continued)

#### (iii) Foreign currency risk (continued)

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	
	2024 \$'000	2023 \$'000
<b>Group</b>		
AUD against SGD	2,716	8,020
JPY against SGD	(194)	439
<b>Trust</b>		
AUD against SGD	2,049	2,131
JPY against SGD	(194)	439

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 50% of the fund's deposited property; and the property fund should have a minimum interest coverage ratio of 1.5 times.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 31. CAPITAL MANAGEMENT (CONTINUED)

At the reporting date, the Aggregate Leverage and interest coverage ratios of the Group are as follows:

	Group	
	2024	2023
Aggregate leverage ratio <sup>1</sup>	42.8%	35.7%
Interest coverage ratio <sup>2</sup>	2.5x	2.5x

<sup>1</sup> The aggregate leverage ratio includes ESR-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.

<sup>2</sup> 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) 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.

### *Sensitivity analysis on the impact of changes in EBITDA and interest rates on interest coverage ratio*

	Interest coverage ratio	
	2024	2023
<b>Group</b>		
If there is a 10% decrease in EBITDA	2.2x	2.2x
If there is a 100 basis point increase in weighted average interest rate	2.1x	2.1x
If there is a 10% increase in EBITDA	2.7x	2.7x
If there is a 100 basis point decrease in weighted average interest rate	3.0x	3.1x

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 32. SEGMENT REPORTING (CONTINUED)

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore \$'000	Australia \$'000	Japan \$'000	Total \$'000
<b>Segment Results</b>				
<b>For the year ended 31 December 2024</b>				
Gross revenue	305,737	54,869	9,898	370,504
Property expenses	(96,331)	(10,926)	(1,593)	(108,850)
<b>Net property income</b>	<b>209,406</b>	<b>43,943</b>	<b>8,305</b>	<b>261,654</b>
Share of results of joint venture	2,842	–	–	2,842
Income from investments at FVTPL	–	7,803	–	7,803
Change in fair value of investments at FVTPL	–	(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				4,151
– Management fees				(20,724)
– Trust expenses				(7,674)
<b>Total loss for the year before tax</b>				<b>(97,658)</b>
Income tax expense				(9,956)
<b>Total loss for the year after tax</b>				<b>(107,614)</b>
<b>Segment Assets and Liabilities</b>				
<b>As at 31 December 2024</b>				
<b>Segment assets</b>				
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 FVTPL	–	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 <sup>(1)</sup>				3,212
<b>Consolidated total assets</b>				<b>6,007,400</b>
<b>Segment liabilities</b>	<b>720,882</b>	<b>343,194</b>	<b>9,367</b>	<b>1,073,443</b>
Unallocated liabilities <sup>(2)</sup>				2,258,281
<b>Consolidated total liabilities</b>				<b>3,331,724</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 32. SEGMENT REPORTING (CONTINUED)

	Singapore \$'000	Australia \$'000	Japan \$'000	Total \$'000
<b>Segment Results</b>				
<b>For the year ended 31 December 2023</b>				
Gross revenue	323,760	54,983	7,607	386,350
Property expenses	(100,348)	(11,466)	(1,377)	(113,191)
<b>Net property income</b>	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)
<b>Total loss for the year before tax</b>				(65,769)
Income tax credit				2,104
<b>Total loss for the year after tax</b>				(63,665)
<b>Segment Assets and Liabilities</b>				
<b>As at 31 December 2023</b>				
<b>Segment assets</b>				
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 <sup>(1)</sup>				8,501
<b>Consolidated total assets</b>				5,106,309
<b>Segment liabilities</b>	419,843	358,344	4,101	782,288
Unallocated liabilities <sup>(2)</sup>				1,558,743
<b>Consolidated total liabilities</b>				2,341,031

<sup>(1)</sup> Unallocated assets consist of derivative financial assets.

<sup>(2)</sup> Unallocated liabilities consist of derivative financial liabilities and interest-bearing borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 33. FINANCIAL RATIOS

	2024 %	2023 %
Expenses to weighted average net assets <sup>1</sup>		
– including performance component of management fees	1.04	0.99
– excluding performance component of management fees	1.04	0.99
Portfolio turnover rate <sup>2</sup>	3.41	15.37

<sup>1</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs and income tax expense.

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

## 34. SUBSEQUENT EVENTS

Subsequent to the reporting period, the following significant events occurred:

### (a) Divestment of 79 Tuas South Street 5 in Singapore

On 15 January 2025, ESR-REIT entered into a contract of sale to divest 79 Tuas South Street 5 in Singapore for \$9.85 million.

### (b) Divestment of 1 Third Lok Yang Road and 4 Fourth Lok Yang Road in Singapore

On 27 January 2025, ESR-REIT entered into a contract of sale to divest 1 Third Lok Yang Road and 4 Fourth Lok Yang Road in Singapore for approximately \$6.8 million.

### (c) Repurchase of Units

ESR-REIT repurchased an aggregate of 17.0 million Units amounting to approximately \$4.1 million at unit prices ranging from \$0.2311 to \$0.2490 per Unit.

### (d) Entry into \$160 million sustainability-linked unsecured term loan and revolving credit facilities

On 26 February 2025, ESR-REIT entered into a \$160 million sustainability-linked unsecured term loan and revolving credit facility agreement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 34. SUBSEQUENT EVENTS (CONTINUED)

### *(e) Issuance of \$100 million notes*

On 27 February 2025, ESR-REIT issued \$100 million in aggregate principal amount of 4.05% notes due on 27 February 2030 comprised in Series 010 (the "Series 010 Notes"). The Series 010 Notes were issued under the Debt Issuance Programme.

### *(f) Entry into \$20 million letter of credit/demand guarantee facility*

On 27 February 2025, ESR-REIT entered into a facility agreement for standby letters of credit/demand guarantee of up to \$20 million.

### *(g) Claim from a tenant of a property in Singapore*

On 27 February 2025, HSBC Institutional Trust Services (Singapore) Limited in its capacity as retired trustee of ALOG Trust, ARA LOGOS Property Management Pte. Ltd., as the former property manager of ALOG Trust, and ESR Property Services Pte. Ltd. were served with a claim from the tenant of a property in Singapore for damages amounting to approximately \$27.4 million in relation to losses suffered arising from damages in its rented premises. Based on the advice received from the Group's external legal counsel, the Manager has determined that as at the date of these financial statements, no provision for the claim is required as the Manager does not consider it probable that there will be any significant outflow of resources arising from the claim.

### *(h) Issuance of new Units*

On 10 March 2025, ESR-REIT issued 14.5 million new Units amounting to approximately \$3.7 million at an issue price of \$0.2551 per Unit as partial payment for the Manager's base management fees and the Property Manager's property management fees.

### *(i) Launch of \$125 million perpetual securities*

On 13 March 2025, ESR-REIT launched and priced \$125 million in aggregate principal amount of 5.75% subordinated perpetual securities comprised in Series 011 (the "Series 011 Securities"). The Series 011 Securities will be issued under the Debt Issuance Programme and is expected to be issued on 20 March 2025.

## 35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board on 18 March 2025.

## ADDITIONAL INFORMATION

### (A) INTERESTED PERSON TRANSACTIONS (“IPTs”)

Transactions entered into with interested persons during the financial year falling under the SGX-ST Listing Rules and the Property Funds Appendix of the CIS (excluding transactions of less than \$100,000 each) are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules)	Aggregate value of all IPTs conducted under the Unitholders' mandate pursuant to Rule 920 of the SGXST Listing Rules (excluding transactions less than \$100,000)
		\$'000	\$'000
<b>Exempted IPTs</b>			
<b>(i) ESR Group Limited and its subsidiaries</b>	Associates of the controlling shareholder of the Manager		
– Base management fees <sup>1</sup>		19,181	–
– Acquisition fees <sup>1</sup>		7,552	–
– Divestment fees <sup>1</sup>		465	–
– Development management fees <sup>1</sup>		77	–
– Property management fees <sup>2</sup>		9,007	–
– Lease marketing services commissions <sup>2</sup>		6,152	–
– Project management fees <sup>2</sup>		266	–
– Site staff cost recovery <sup>2</sup>		1,455	–
– Property tax services fees <sup>2</sup>		3	–
<b>(ii) Perpetual (Asia) Limited</b>	Trustee of ESR-REIT		
– Trustee fees <sup>1</sup>		543	–
<b>Non-exempted IPTs</b>			
<b>(i) ESR Group Limited and its subsidiaries</b>	Associates of the controlling shareholder of the Manager		
– Investment management fees		696	–
– Asset management fees		1,543	–
– Property management fees		1,875	–
– Lease marketing services commissions		270	–
– Subscription in ESR Japan Income Fund		93,030	–
– Acquisition of ESR Yatomi Kisosaki Distribution Centre		330,600	–
– Income support receivable in relation to ESR Yatomi Kisosaki Distribution Centre		3,480	–



## ADDITIONAL INFORMATION

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules) \$'000	Aggregate value of all IPTs conducted under the Unitholders' mandate pursuant to Rule 920 of the SGXST Listing Rules (excluding transactions less than \$100,000) \$'000
<b>Non-exempted IPTs (continued)</b>			
(i) <b>ESR Group Limited and its subsidiaries (continued)</b>	Associates of the controlling shareholder of the Manager	222,415	–
– Acquisition of LSLV Project 5 Pte. Ltd.			
– Income support receivable in relation to 20 Tuas South Avenue 14		3,519	–
(ii) <b>TSMP Law Corporation</b>	Associate of a director of the Manager	245	–
– Legal fees			

<sup>1</sup> The entry into and the fees payable pursuant to the Trust Deed (as amended) have been approved by Unitholders upon the subscription of Units at the initial public offering of ESR-REIT on the SGX-ST in July 2006 and/or at relevant extraordinary general meetings convened from time to time, and are therefore not subject to Rule 905 and Rule 906 of the SGX-ST Listing Rules.

<sup>2</sup> The entry into and the fees payable pursuant to the Singapore property management agreements have been approved by the Unitholders in the Extraordinary General Meeting held on 26 April 2023 and such fees shall not be subject to the aggregation or further Unitholders' approval requirement under Rule 905 and Rule 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the property management fees in respect of the Singapore properties and related expenses thereunder which will adversely affect ESR-REIT.

For the purpose of the disclosure, the full contract sum was used where an IPT had a fixed term and/or contract value, while the annual amount incurred and/or accrued was used where an IPT had an indefinite term and/or where the contract sum was not specified.

Except as disclosed above, there were no additional IPTs (excluding transactions of less than \$100,000 each) entered into up to and including 31 December 2024 or any material contracts entered by ESR-REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder of the Trust.

Please also see Related Parties in Note 28 to the financial statements.

The Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any IPTs.

## ADDITIONAL INFORMATION

### (B) RATIO OF TOTAL OPERATING EXPENSES TO NET ASSET VALUE

The CIS Code requires that the total operating expenses (including all fees and charges paid to the Manager and interested parties) be disclosed in both absolute terms and as a percentage of the net asset value of the Trust as at the end of the financial year.

The total operating expenses of ESR-REIT, including all fees and charges paid to the Manager and interested parties, to the net asset value is as follows:

	2024	2023
Total operating expenses, including all fees, charges and reimbursables paid to the Manager and interested parties (\$'000)	149,590	164,954
Net asset value (\$'000)	2,213,895	2,463,150
Percentage of total operating expenses to net asset value (%)	6.8	6.7

### (C) USE OF PROCEEDS RAISED FROM OFFERINGS PURSUANT TO CHAPTER 8 OF THE LISTING MANUAL

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 <sup>1</sup> (\$ million)	Aggregate Amount Utilised To Date (\$ million)	Remaining Proceeds Pending Utilisation (\$ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-REIT	295.0	7.3	287.7
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	–
<b>Total</b>	<b>299.7</b>	<b>12.0</b>	<b>287.7</b>

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".

# STATISTICS OF UNITHOLDERS

As at 18 March 2025

## ISSUED AND FULLY PAID-UP UNITS

8,046,707,484 Ordinary Units (voting rights: one vote per Unit). There is only one class of Units.  
Market Capitalisation S\$1,971,443,334 (based on closing price of S\$0.245 as at 18 March 2025)

Size of Unitholdings	No. of Units	% of Units in Issue	No. of Unitholders	% of Unitholders
1-99	42,253	0.00	923	3.95
100-1,000	512,919	0.01	957	4.09
1,001-10,000	32,479,790	0.40	5,987	25.60
10,001-1,000,000	1,172,403,659	14.57	15,345	65.62
1,000,001 and above	6,841,268,863	85.02	174	0.74
<b>Total</b>	<b>8,046,707,484</b>	<b>100.00</b>	<b>23,386</b>	<b>100.00</b>

## TWENTY LARGEST UNITHOLDERS

As shown in the Register of Unitholders

No.	Name	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	2,059,679,968	25.60
2	RHB BANK NOMINEES PTE LTD	971,655,245	12.08
3	DBS NOMINEES (PRIVATE) LIMITED	740,562,770	9.20
4	HSBC (SINGAPORE) NOMINEES PTE LTD	662,501,883	8.23
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	467,653,855	5.81
6	DBSN SERVICES PTE. LTD.	297,544,970	3.70
7	RAFFLES NOMINEES (PTE.) LIMITED	224,873,171	2.79
8	ESR-REIT MANAGEMENT (S) LIMITED	220,204,281	2.74
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	194,020,315	2.41
10	PHILLIP SECURITIES PTE LTD	71,524,139	0.89
11	DB NOMINEES (SINGAPORE) PTE LTD	47,474,903	0.59
12	ESR PROPERTY SERVICES PTE LTD	45,961,181	0.57
13	OCBC SECURITIES PRIVATE LIMITED	43,672,970	0.54
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	41,063,724	0.51
15	IFAST FINANCIAL PTE. LTD.	39,884,071	0.50
16	TAT SENG PACKAGING GROUP LTD	39,168,300	0.49
17	MEIBAN INVESTMENT PTE LTD	38,572,775	0.48
18	BPSS NOMINEES SINGAPORE (PTE.) LTD.	35,155,075	0.44
19	MAYBANK SECURITIES PTE. LTD.	34,146,767	0.42
20	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	33,502,561	0.42
<b>TOTAL</b>		<b>6,308,822,924</b>	<b>78.41</b>

# STATISTICS OF UNITHOLDERS

As at 18 March 2025

## INTEREST OF SUBSTANTIAL UNITHOLDERS

The interests of the Substantial Unitholders in Units as recorded in the Register of Substantial Unitholders as at 18 March 2025 are set out below.

Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*	No. of Units	%*	No. of Units	%*
Mr. Tong Jinquan	172,802,987	2.147%	255,184,832 <sup>(1)</sup>	3.171%	427,987,819	5.318%
e-Shang Infinity Cayman Limited	971,655,245	12.075%	226,165,462 <sup>(2)</sup>	3.308%	1,237,820,707	15.383%
e-Shang Jupiter Cayman Limited	–	–	1,237,820,707 <sup>(3)</sup>	15.383%	1,237,820,707	15.383%
LOGOS Units No. 1 Ltd.	448,429,218	5.573%	–	–	448,429,218	5.573%
LOGOS Property Group Limited	–	–	448,429,218 <sup>(4)</sup>	5.573%	448,429,218	5.573%
ESR Logistics Venture I Limited	–	–	448,429,218 <sup>(4)</sup>	5.573%	448,429,218	5.573%
ESR Logistics Partners Limited	–	–	448,429,218 <sup>(4)</sup>	5.573%	448,429,218	5.573%
ESR Logistics (Holdings) Pte. Ltd.	–	–	448,429,218 <sup>(4)</sup>	5.573%	448,429,218	5.573%
ESR Asset Management Limited	–	–	448,429,218 <sup>(4)</sup>	5.573%	448,429,218	5.573%
ESR Group Limited	–	–	1,686,249,925 <sup>(3)(4)</sup>	20.956%	1,686,249,925	20.956%

Notes:

\* The percentage interest is based on 8,046,707,484 Units in issue as at the Latest Practicable Date.

- (1) Wealthy Fountain Holdings Inc holds 60 Units and Skyline Horizon Consortium Ltd holds 13,172,094 Units. Both Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly-owned by Shanghai Summit Pte. Ltd. ("SSPL"). Leading Wealth Global Inc ("LWG") holds 242,012,678 Units and is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd., which is in turn a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. ("SSGCL"). Both SSPL and SSGCL are wholly-owned by Mr. Tong Jinquan. Therefore, he is deemed to be interested in the 255,184,832 Units held by Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd and LWG.
- (2) e-Shang Infinity Cayman Limited indirectly owns 99% equity interest in the Manager and 100% equity interest in ESR Property Services Pte. Ltd. (the "Property Manager"). Each of the Manager and the Property Manager holds 220,204,281 Units and 45,961,181 Units, respectively. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 266,165,462 Units held by the Manager and the Property Manager.
- (3) ESR Group Limited is the sole shareholder of e-Shang Jupiter Cayman Limited, which is in turn the sole shareholder of e-Shang Infinity Cayman Limited. Therefore, each of ESR Group Limited and e-Shang Jupiter Cayman Limited is deemed to be interested in the 1,237,820,707 Units held by e-Shang Infinity Cayman Limited.
- (4) LOGOS Units No. 1 Ltd. holds 448,429,218 Units and is a wholly-owned subsidiary of LOGOS Property Group Limited ("LPGL"). ESR Logistics Venture I Limited holds an 100% shareholding interest in LPGL. ESR Logistics Venture I Limited is a subsidiary of ESR Logistics Partners Limited which is in turn a subsidiary of ESR Logistics (Holdings) Pte. Ltd., which is a wholly-owned subsidiary of ESR Asset Management Limited, which is in turn a wholly-owned subsidiary of ESR Group Limited. Accordingly, ESR Group Limited is deemed to be interested in the 448,429,218 Units held by LOGOS Units No. 1 Ltd..

# STATISTICS OF UNITHOLDERS

## DIRECTOR'S INTEREST IN UNITS AS AT 21 JANUARY 2025

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units issued by ESR-REIT are as follows.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>
Ms. Stefanie Yuen Thio	265,934	0.0033%	37,951 <sup>(2)</sup>	0.0005%	303,885	0.0038%
Mr. Nagaraj Sivaram	1,064,000	0.0132%	–	–	1,064,000	0.0132%
Dr. Julie Lo Lai Wan	–	–	–	–	–	–
Mr. Ronald Lim	184,715	0.0023%	–	–	184,715	0.0023%
Mr. Loi Pok Yen	7,110,654	0.0883%	138,320 <sup>(3)</sup>	0.0017%	7,248,974	0.0901%
Mr. George Agethen	–	–	–	–	–	–
Mr. Stuart Gibson	–	–	–	–	–	–
Mr. Shen Jinchu, Jeffrey	–	–	–	–	–	–
Mr. Adrian Chui	–	–	–	–	–	–

Note:

(1) The percentage interest is computed based on the total number of Units in issue as at 21 January 2025 of 8,049,164,215 Units.

(2) As 37,951 Units are held by Ms. Stefanie Yuen Thio's husband, Ms. Stefanie Yuen Thio is deemed to be interested in these Units.

(3) As 138,320 Units are held by Mr. Loi Pok Yen's wife, Mr. Loi Pok Yen is deemed to be interested in these Units.

## FREE FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities are at all times held by the public. Based on the information made available to the Manager as at 18 March 2025 approximately 73.60% of ESR-REIT's Units are held by the public and therefore, Rule 723 of the listing Manual of the SGX-ST has been complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 16th Annual General Meeting (“**AGM**”) of the unitholders of ESR-REIT (“**Unitholders**”) will be convened and held at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 23 April 2025 (Wednesday) at 10.00 a.m. (Singapore time), to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

## AS ORDINARY BUSINESS

### 1. Ordinary Resolution

To receive and adopt the report issued by Perpetual (Asia) Limited, as trustee of ESR-REIT (the “**Trustee**”), the statement issued by ESR-REIT Management (S) Limited, as manager of ESR-REIT (the “**Manager**”), and the audited financial statements of ESR-REIT for the financial year ended 31 December 2024 together with the independent auditors’ report to Unitholders thereon.

### 2. Ordinary Resolution

To re-appoint Ernst & Young LLP as Auditor of ESR-REIT to hold office until the conclusion of the next AGM, and to authorise the directors of the Manager (“**Directors**”) to fix their remuneration.

## AS SPECIAL BUSINESS

### 3. Ordinary Resolution

That authority be and is hereby given to the Manager, to

- (a) (i) issue units in ESR-REIT (“**Units**”) whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of ESR-REIT’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or
- (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, “**Instruments**”),

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units pursuant to any Instruments made or granted by the Manager while this Resolution was in force (even though the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with subparagraph (2) below, of which the aggregate number of Units to be issued other than on a *pro rata* basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;
- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed (which shall be adjusted based on whether the Proposed Unit Consolidation (as defined herein) proceeds)<sup>1</sup>, after adjusting for:
  - (a) any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing ESR-REIT, including but not limited to the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting ESR-REIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution continues in force until (i) the conclusion of the next AGM of ESR-REIT or (ii) the date on which the next AGM of ESR-REIT is required by applicable regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of ESR-REIT to give effect to the authority contemplated and/or authorised by this Resolution.

[Please see Explanatory Notes below]

<sup>1</sup> On 10 February 2025, the Manager announced the proposed consolidation of every ten (10) existing units in ESR-REIT into one (1) consolidated unit, fractional entitlement to be rounded up (the "**Proposed Unit Consolidation**"). It is estimated that at least 804,670,748 consolidated units will be issued following the completion of the Proposed Unit Consolidation. Assuming that the Proposed Unit Consolidation is approved by the Unitholders and that 804,670,748 consolidated units are issued, not more than 402,335,374 Units (representing 50.0% of the total number of issued consolidated units) may be issued of which not more than 160,934,150 Units (representing 20.0% of the total number of issued consolidated units) may be issued other than on a *pro rata* basis.



# NOTICE OF ANNUAL GENERAL MEETING

## 4. Ordinary Resolution

That:

- (a) the exercise of all the powers of the Manager to repurchase or otherwise acquire Units for and on behalf of ESR-REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or
- (ii) off-market repurchase(s) of Units otherwise than on a securities exchange and made under an “equal access scheme” for repurchase of Units from Unitholders in accordance with the Trust Deed,

and otherwise in accordance with the Trust Deed and all applicable laws and regulations including without limitation the Listing Manual as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-Back Mandate**”);

- (b) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the conclusion of the next AGM of ESR-REIT or the date on which the next annual general meeting of ESR-REIT is or is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;

- (c) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;

“**date of the making of the offer**” means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

# NOTICE OF ANNUAL GENERAL MEETING

**“Maximum Limit”** means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution (which shall be adjusted based on whether the Proposed Unit Consolidation proceeds)<sup>2</sup>; and

**“Maximum Price”** in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase;

- (d) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of ESR-REIT to give effect to the transactions contemplated and/or authorised by this Resolution:

All capitalised terms used in this Resolution which are not defined herein shall have the same meaning ascribed to them in the circular to Unitholders (in relation to the proposed renewal of the Unit Buy-Back Mandate) dated 1 April 2025 (the **“UBB Circular”**).

[Please see Explanatory Notes]

## OTHER BUSINESS

To transact any other business which may properly be brought forward.

## BY ORDER OF THE BOARD

### ESR-REIT Management (S) Limited

As Manager of ESR-REIT

(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132)

### Adrian Chui

Chief Executive Officer and Executive Director

1 April 2025

<sup>2</sup> Assuming that the Proposed Unit Consolidation is approved by the Unitholders and that 804,670,748 consolidated units are issued, not more than 80,467,075 Units (representing 10.0% of the total number of issued consolidated units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate.

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

### Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of ESR-REIT; (ii) the date on which the next AGM of ESR-REIT is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the “**Mandated Period**”), to issue Units whether by way of bonus or otherwise and/or to make or grant Instruments and to issue Units pursuant to such Instruments, provided that the aggregate number of Units issued under Ordinary Resolution 3 does not exceed fifty per cent. (50.0%) of the total number of issued Units (excluding treasury Units, if any) with a sub-limit of twenty per cent. (20.0%) of the total number of issued Units (excluding treasury Units, if any) for issuances other than on a *pro rata* basis to Unitholders. For the avoidance of doubt, the Manager may, if Ordinary Resolution 3 is passed, issue Units up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any) on a *pro rata* basis (including, without limitation, issuance of Units by way of a renounceable rights issue or a non-renounceable preferential offering).

Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time Ordinary Resolution 3 above is passed (which shall be adjusted based on whether the Proposed Unit Consolidation proceeds), after adjusting for new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

### Ordinary Resolution 4

Ordinary Resolution 4 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of ESR-REIT; (ii) the date on which the next AGM of ESR-REIT is required by the applicable laws and regulations or the Trust Deed to be held, (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, or (iv) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied, whichever is the earliest, to exercise all the powers to repurchase or acquire issued Units for and on behalf of ESR-REIT not exceeding in aggregate 10.0% of the total number of issued Units as at the date of the passing of this Resolution (which shall be adjusted based on whether the Proposed Unit Consolidation proceeds), whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the UBB Circular.

# NOTICE OF ANNUAL GENERAL MEETING

Apart from using its internal sources of funds, the Manager may obtain or incur borrowings to finance its repurchases or acquisitions of Units on behalf of ESR-REIT. The Manager does not propose to exercise the Unit Buy-Back Mandate to such extent that it would result in any material adverse effect to the financial position or listing status of ESR-REIT. The amount of financing required for the Manager to repurchase Units pursuant to the Unit Buy-Back Mandate and the impact on the ESR-REIT's financial position, cannot be realistically ascertained as at the date of this Notice of AGM as this will depend on factors such as the aggregate number of Units repurchased and the repurchase prices paid at the relevant times.

An illustration of the financial effects of the Unit repurchases by the Manager pursuant to the Unit Buy-Back Mandate on the audited consolidated financial statements of ESR-REIT and its subsidiaries for the financial year ended 31 December 2024 is set out in the UBB Circular.

## Notes:

1. ESR-REIT will be conducting the AGM in a wholly physical format at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 23 April 2025 (Wednesday) at 10.00 a.m. (Singapore time). Any reference to a time of day is made by reference to Singapore time.
2. **Submission of Questions:**
  - (a) All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to submit questions in advance of, or at, the AGM.
  - (b) In addition, all Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the AGM in advance of the AGM up till **11 April 2025 (Friday), 5.00 p.m.**, in the following manner:
    - (i) Unitholders may submit their questions via email to [ir@esr-reit.com.sg](mailto:ir@esr-reit.com.sg) or by post addressed to Investor Relations at 5 Temasek Boulevard #12-09 Suntec Tower Five Singapore 038985. Submission electronically by email is strongly encouraged; and
    - (ii) Relevant Intermediary Unitholders (including CPF/SRS investors) may submit questions through their Relevant Intermediary (including CPF Agent Banks/SRS Operators), who in turn should submit a consolidated list of questions to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [srs.teame@boardroomlimited.com](mailto:srs.teame@boardroomlimited.com).
  - (c) Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who submit questions in advance of the AGM should provide the following information to the Manager (or, in the case of Relevant Intermediary Unitholders, their Relevant Intermediary) for verification purposes:
    - (i) your full name;
    - (ii) your address, contact number and email; and
    - (iii) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you hold your Units through CPF or SRS, or are a Relevant Intermediary Unitholder).

## NOTICE OF ANNUAL GENERAL MEETING

- (d) The Manager will address all substantial and relevant questions received in advance, via an announcement on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, by **18 April 2025 (Friday), 10.00 a.m.** (being 48 hours prior to the closing date and time for the lodgement of proxy forms (the "**AGM Proxy Form**")).
- (e) Any substantial and relevant questions or follow-up questions received after the submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM itself, will be addressed during the AGM.
- (f) Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.
- (g) The Manager will publish the minutes of the AGM on ESR-REIT's website and on SGXNET within one month after the AGM, and the minutes will include the substantial and relevant comments or queries from the Unitholders relating to the agenda of the AGM, and responses from the Manager.

### 3. Voting by Unitholders:

Unitholders who wish to exercise their voting rights at the AGM may:

- (a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
- (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf; and
- (c) (where the Unitholder is an individual or a corporate) appoint the Chairperson of the AGM as proxy to vote on their behalf.

Live voting will be conducted during the AGM.

Unitholders who wish to appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit the AGM Proxy Form in accordance with the instructions below.

Duly completed AGM Proxy Forms must be deposited with ESR-REIT:

- (i) via post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com) (by enclosing a clear, scanned, completed and signed AGM Proxy Form in PDF).

Note: Please refer to the Notes to the AGM Proxy Form for additional documentary requirements in the event the AGM Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

# NOTICE OF ANNUAL GENERAL MEETING

AGM Proxy Forms must be received by ESR-REIT by 20 April 2025 (Sunday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the AGM). AGM Proxy Forms can be downloaded from ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> or the SGX-ST's website <https://www.sgx.com/securities/company-announcements>. In the AGM Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for, vote against, or abstain from voting on, each of the resolutions to be tabled at the AGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairperson of the AGM) may vote or abstain from voting at his/her discretion.

Completion and submission of the AGM Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairperson of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the AGM Proxy Form to the AGM.

A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units to be represented by each proxy.

A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.

In this Notice of AGM, "**Relevant Intermediary**" means:

- (A) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (B) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds Units in that capacity; or
- (C) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**Unitholders are strongly encouraged to submit completed AGM Proxy Forms via email. Please refer to the AGM Proxy Form for further information.**

## 4. Voting by Relevant Intermediary Unitholders and CPF/SRS Investors:

Relevant Intermediary Unitholders and CPF/SRS investors who wish to vote at the AGM should approach their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators as soon as possible. In the case of CPF/SRS investors, they must do so at least **seven working days** before the AGM (i.e. by **10 April 2025 (Thursday), 5.00 p.m.**).

# NOTICE OF ANNUAL GENERAL MEETING

Relevant Intermediary Unitholders and CPF/SRS investors may:

- (a) attend, speak and vote at the AGM, if they are appointed as proxies by their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators; and
- (b) specify their voting instructions to/arrange for their votes to be submitted with their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators (in the case of CPF/SRS investors, by the date specified above).

Documents and information relating to the AGM (including this Notice of AGM, the ESR-REIT's Annual Report 2024, the UBB Circular and the AGM Proxy Form) are available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Unitholders and CPF/SRS investors can scan the QR Code below to access the ESR-REIT's Annual Report 2024, the UBB Circular and the AGM Proxy Form.



For Unitholders' convenience, printed copies of this Notice of AGM, the AGM Proxy Form and the Request Form for Unitholders to request for a printed copy of the ESR-REIT's Annual Report 2024 and/or the UBB Circular (the "Request Form") have been despatched to Unitholders.

Printed copies of ESR-REIT's Annual Report 2024 and the UBB Circular will not be despatched to Unitholders, unless otherwise requested and have been published on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>.

Unitholders may request for printed copies of ESR-REIT's Annual Report 2024 and the UBB Circular by completing and returning the Request Form to the Manager by 9 April 2025 (Wednesday), 5.00 p.m..

Unitholders should note that the manner of conduct of the AGM may be subject to further changes at short notice. Unitholders are advised to check ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts at [https://esr-reit.listedcompany.com/email\\_alerts.html](https://esr-reit.listedcompany.com/email_alerts.html) to receive the latest updates.



# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) registering for the AGM in accordance with this Notice of AGM, and/or (c) submitting any question relating to the business of the AGM in advance of the AGM in accordance with this Notice of AGM, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and/or the Trustee (or their agents or service providers) for the following purposes (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and/or the Trustee (or their agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and/or the Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Manager and/or the Trustee with written evidence of such prior consent upon reasonable request, and (iv) agrees that the Unitholder will indemnify ESR-REIT, the Manager and the Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty:

- 1 the processing, administration and analysis by the Manager and/or the Trustee (or their agents or service providers) of instruments appointing a proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof);
- 2 the processing of the registration for purposes of verifying the status of Unitholders, granting access to Unitholders (or their duly appointed proxy(ies)) to the AGM and providing them with any technical assistance where necessary;
- 3 the addressing of relevant and substantial questions received from Unitholders in advance of the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;
- 4 the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- 5 in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

# ESR-REIT

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

Managed by ESR-REIT MANAGEMENT (S) LIMITED  
(Company Registration Number: 200512804G)

## PROXY FORM

### ANNUAL GENERAL MEETING ("AGM")

#### IMPORTANT:

- Holders of units in ESR-REIT ("Unitholders") who wish to exercise their voting rights at the AGM (as defined below) may:
  - (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
  - (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf; and
  - (where the Unitholder is an individual or a corporate) appoint the Chairperson of the AGM as proxy to vote on their behalf.
- Unitholders who wish to appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes below.
- For investors holding units of ESR-REIT through a Relevant Intermediary (as defined below) ("Relevant Intermediary Unitholders") and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme ("CPF/SRS investors"), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Relevant Intermediary Unitholders who wish to vote at the AGM should approach their Relevant Intermediary as soon as possible. CPF/SRS investors who wish to vote at the AGM should approach their respective CPF Agent Banks/ SRS Operators at least seven working days before the AGM (i.e. by 10 April 2025 (Thursday) at 5.00 p.m.) to ensure that their votes are submitted.
- PLEASE READ THE NOTES TO THE PROXY FORM.**

#### Personal data privacy

By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2025.

I/We, \_\_\_\_\_ (insert Full Name(s)) \_\_\_\_\_ (NRIC/Passport/Company Registration Number) of \_\_\_\_\_ (Address) \_\_\_\_\_  
being a unitholder/unitholders of ESR-REIT, hereby appoint

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

and/or (delete as appropriate)

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

or failing whom, the Chairperson of the AGM, as my/our proxy to attend, to speak (as applicable) and to vote for me/us on my/our behalf at the AGM of ESR-REIT to be held at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 23 April 2025 (Wednesday) at 10.00 a.m. (Singapore time) and at any adjournment thereof. I/We direct my/our proxy(ies) to vote (i) for, (ii) against, or (iii) abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder#. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the AGM. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the AGM, the Chairperson of the AGM will be the proxy and will vote or abstain from voting based on the directions indicated hereunder and if no specific direction as to voting is given, the Chairperson of the AGM will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the AGM.

No.	Resolutions	For*	Against*	Abstain*
	<b>ORDINARY BUSINESS</b>			
1	To receive and adopt the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of ESR-REIT for the financial year ended 31 December 2024 (Ordinary Resolution)			
2	To re-appoint Ernst & Young LLP as Auditor of ESR-REIT to hold office until the conclusion of the next Annual General Meeting and to authorise the Manager to fix their remuneration (Ordinary Resolution)			
	<b>SPECIAL BUSINESS</b>			
3	To authorise the Manager to issue Units and to make or grant convertible instruments (Ordinary Resolution)			
4	To authorise the Manager to repurchase or otherwise acquire Units for and on behalf of ESR-REIT pursuant to the Unit Buy-Back Mandate (Ordinary Resolution)			

# You should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolution.

\* If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [V] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Total number of Units held  
(Note 4)

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder



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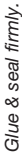
**ESR-REIT MANAGEMENT (S) LIMITED**  
(as Manager of ESR-REIT)  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue,  
#14-07 Keppel Bay Tower,  
Singapore 098632

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**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**  
**Notes to Proxy Form**

1. Unitholders who wish to exercise their voting rights at the AGM may:
  - (a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
  - (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf; and
  - (c) (where the Unitholder is an individual or a corporate) appoint the Chairperson of the AGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairperson of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions below.
3. In this Proxy Form, a Unitholder should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, each of the resolutions tabled at the AGM. All valid votes cast via proxy on the resolutions will be counted. If no specific direction as to voting is given, the proxy(ies) (including the Chairperson of the AGM) may vote or abstain from voting at his/her discretion.
4. A Unitholder should insert the total number of Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"). If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder in the Depository Register.
5.
  - (a) A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units and proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
  - (b) A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.
6. "Relevant Intermediary" means:
  - (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The duly completed Proxy Form must be deposited:
  - (a) by post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632; or
  - (b) by email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com) (by enclosing a clear, scanned, completed and signed Proxy Form in PDF);The Proxy Form must be received by ESR-REIT by 20 April 2025 (Sunday) at 10.00 a.m. (being 72 hours before the time appointed for the AGM). Unitholders are strongly encouraged to submit completed Proxy Forms via email.
8. Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairperson of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
9. The Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
10. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer or by executor(s) on behalf of a deceased individual's estate, the power of attorney or other relevant authority under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be deposited by post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, or by email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com), and must be received by ESR-REIT by 20 April 2025 (Sunday) at 10.00 a.m. (being 72 hours before the time appointed for the AGM), failing which the Proxy Form may be treated as invalid. In the event of any doubt, please email [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).
11. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, unsigned, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
12. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
13. Every Unitholder shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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**ESR-REIT MANAGEMENT (S) LIMITED  
(As Manager of ESR-REIT)**  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

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# CORPORATE DIRECTORY

## MANAGER

### ESR-REIT Management (S) Limited ("ERM")

Company Registration Number:  
200512804G  
Capital Markets Services Licence  
Number: 100132

Registered Office:  
5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985  
T: (65) 6222 3339  
F: (65) 6827 9339  
[www.esr-reit.com.sg](http://www.esr-reit.com.sg)

## BOARD OF DIRECTORS OF ERM

**Ms. Stefanie Yuen Thio**  
Independent Non-Executive  
Chairperson

**Mr. Ronald Lim**  
Independent Non-Executive Director

**Mr. Nagaraj Sivaram**  
Independent Non-Executive Director

**Dr. Julie Lo Lai Wan**  
Independent Non-Executive Director

**Mr. Loi Pok Yen**  
Independent Non-Executive Director

**Mr. George Agethen**  
Non-Executive Director

**Mr. Stuart Gibson**  
Non-Executive Director

**Mr. Shen Jinchu, Jeffrey**  
Non-Executive Director

**Mr. Adrian Chui**  
Chief Executive Officer and Executive  
Director

## AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

**Mr. Nagaraj Sivaram**  
Chairperson

**Ms. Stefanie Yuen Thio**  
Member

**Mr. Loi Pok Yen**  
Member

## NOMINATING AND REMUNERATION COMMITTEE

**Mr. Ronald Lim**  
Chairperson

**Ms. Stefanie Yuen Thio**  
Member

**Mr. Shen Jinchu, Jeffrey**  
Member

**Mr. Stuart Gibson**  
Member

## INVESTMENT COMMITTEE

**Mr. Loi Pok Yen**  
Chairperson

**Mr. Ronald Lim**  
Member

**Dr. Julie Lo Lai Wan**  
Member

**Mr. Shen Jinchu, Jeffrey**  
Member

**Mr. Stuart Gibson**  
Member

## BOARD SUSTAINABILITY COMMITTEE

**Mr. George Agethen**  
Chairperson

**Dr. Julie Lo Lai Wan**  
Member

**Mr. Chan Mun Wei**  
Member

## UNIT REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
T: (65) 6536 5355  
F: (65) 6536 1360  
[www.boardroomlimited.com](http://www.boardroomlimited.com)

## TRUSTEE

**Perpetual (Asia) Limited**  
8 Marina Boulevard #05-02  
Marina Bay Financial Centre  
Singapore 018981  
T: (65) 6908 8203  
F: (65) 6438 0255  
[www.perpetual.com.sg](http://www.perpetual.com.sg)

## PROPERTY MANAGER

**ESR Property Services Pte. Ltd.**  
Company Registration Number:  
200515344N

Registered Office:  
5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985  
T: (65) 6222 3339  
F: (65) 6827 9339  
[www.esr-reit.com.sg](http://www.esr-reit.com.sg)

## AUDITORS

**Ernst & Young LLP**  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
T: (65) 6535 7777  
F: (65) 6532 7662  
[www.ey.com](http://www.ey.com)

Partner-in-charge:  
Ms. Low Yen Mei  
(with effect from financial year ended  
31 December 2024)

## COMPANY SECRETARY

**Ms. Low Mei Mei, Maureen, ACS, ACG**

TMF Singapore H Pte. Ltd.  
38 Beach Road  
#29-11 South Beach Tower  
Singapore 189767  
T: (65) 6808 1600  
F: (65) 6808 1616  
[www.tmf-group.com](http://www.tmf-group.com)

## SGX CODE — ESR-REIT STOCK SYMBOL — J91U

## UNITHOLDERS' ENQUIRIES

Mr. Sua Xiu Kai  
Manager, Corporate Communications  
T: (65) 6222 3339  
E: [enquiry@esr-reit.com.sg](mailto:enquiry@esr-reit.com.sg)

## UNITHOLDER DEPOSITORY

**The Central Depository (Pte) Limited**  
T: (65) 6535 7511  
E: [asksgx@sgx.com](mailto:asksgx@sgx.com)





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

5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985

T : (65) 6222 3339

F : (65) 6827 9339

E : [enquiry@esr-reit.com.sg](mailto:enquiry@esr-reit.com.sg)



[linkedin.com/company/esr-reit](https://www.linkedin.com/company/esr-reit)

[www.esr-reit.com.sg](http://www.esr-reit.com.sg)



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