



FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024

The Directors of ESR-REIT Management (S) Limited (“ESRM”) (formerly known as ESR-LOGOS Funds Management (S) Limited), as manager of ESR-REIT (formerly known as ESR-LOGOS REIT) (the “Manager”), are pleased to announce the unaudited financial results of ESR-REIT and its subsidiaries (the “Group”) for the half year (“2H2024”) and full year ended 31 December 2024 (“FY2024”).

ESR-REIT (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended, modified, supplemented or restated from time to time) entered into between ESRM as the Manager and Perpetual (Asia) Limited as the trustee (the “Trustee”), and is governed by the laws of the Republic of Singapore (“Trust Deed”). On 31 March 2006, ESR-REIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Group in trust for the holders (“Unitholders”) of units in the Trust (“Units”).

On 25 July 2006, ESR-REIT was admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”). On 3 April 2006, ESR-REIT was included under the Central Provident Fund Investment Scheme.

The principal activity of ESR-REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

ESR-REIT’s distribution policy is to distribute at least 90% of its annual distributable income comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager’s discretion.

On 17 January 2024, ESR-REIT obtained the Temporary Occupation Permit (“TOP”) for the phase 2 redevelopment project at 21B Senoko Loop, Singapore.

On 24 January 2024, ESR-REIT incorporated ESR-REIT INV3 Pte. Ltd., a wholly-owned subsidiary. The subsidiary is nominally capitalised and its incorporation is not expected to have any material impact on the earnings per Unit or the net tangible assets per Unit of the Group.

On 1 February 2024, ESR-REIT INV3 Pte. Ltd. entered into a subscription agreement with ESR Japan Income Fund, SCSp, acting through its managing general partner (associé gérant commandité) in relation to ESR-REIT’s investment of US\$70.0 million in ESR Japan Income Fund.

On 28 March 2024, ESR-REIT entered into a S\$200.0 million sustainability-linked unsecured revolving credit facility agreement. The unsecured revolving credit facility is the Trust’s inaugural sustainability-linked facility.

On 30 April 2024 and 30 October 2024, ESR-REIT completed the divestment of 182-198 Maidstone Street, Altona, VIC, Australia (through an indirect wholly-owned entity, Altona (VIC) Trust) and 81 Tuas Bay Drive, Singapore for a sale consideration of A\$65.5 million and S\$35.0 million, respectively.

On 20 August 2024, ESR-REIT issued S\$174.75 million in aggregate principal amount of 6.00% subordinated perpetual securities comprised in Series 009 (the “Series 009 PS”). The Series 009 PS comprise S\$74,750,000 in aggregate principal amount of New Securities issued as part of the Exchange Consideration and S\$100,000,000 in aggregate principal amount of Additional New Securities issued pursuant to the additional new issue. The Series 009 PS were issued pursuant to the S\$750,000,000 Multicurrency Debt Issuance Programme.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

On 10 October 2024, ESR-REIT launched a non-renounceable preferential offering to raise gross proceeds of up to approximately S\$94.0 million. The issuance of 289.2 million new Units for the preferential offering to raise gross proceeds of approximately S\$88.2 million was completed on 11 November 2024.

On 17 October 2024, ESR-REIT entered into a S\$225.0 million unsecured sustainability-linked term loan facility and a JPY15.5 billion unsecured term loan facility.

On 15 November 2024, ESR-REIT completed the acquisition of ESR Yatomi Kisosaki Distribution Centre in Japan, through its wholly-owned Japan tokutei mokuteki kaisha, ESR-REIT TMK2. As part of the acquisition, ESR-REIT TMK2 obtained a secured loan facility of JPY26.3 billion to part finance the acquisition.

On 29 November 2024, ESR-REIT completed the acquisition of 51.0% interest in 20 Tuas South Avenue 14 in Singapore, partially funded by the issuance of a total of 39.6 million Consideration Units to LOGOS Units No. 1 Ltd and Ivanhoe Cambridge Asia Inc., at an issue price of S\$0.305 per Consideration Unit, and the use of approximately S\$86.7 million proceeds from the 2024 Preferential Offering. As part of the acquisition, Tuas South Avenue Pte. Ltd., the entity that holds 20 Tuas South Avenue 14, obtained a secured loan facility of S\$341.5 million (with a green loan tranche of S\$108.6 million) to part finance the acquisition.

As at 31 December 2024, the Group holds interest in a diversified portfolio of 72 properties (excluding 48 Pandan Road, which is held through a joint venture) located across Singapore, Australia and Japan with a diversified tenant base of approximately 379 tenants across the following sub sectors: business park, high-specs industrial, logistics and general industrial.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Summary of the Group's Results

	FY2024	FY2023	Fav/(Unfav)
	S\$'000	S\$'000	%
Gross revenue	370,504	386,350	(4.1)
Net property income	261,654	273,159	(4.2)
Amount available for distribution	164,064	192,698	(14.9)
- <i>Taxable income</i>	149,100	158,291	(5.8)
- <i>Tax exempt income</i>	3,393	4,084	(16.9)
- <i>Capital distribution</i>	11,571	30,323	(61.8)
Distributable amount available per unit (cents)	2.119	2.564	(17.4)
- <i>Taxable income</i>	1.925	2.103	(8.5)
- <i>Tax exempt income</i>	0.044	0.056	(21.4)
- <i>Capital distribution</i>	0.150	0.405	(63.0)

Breakdown of distributable amount available per unit

	FY2024	FY2023	Fav/(Unfav)
	cents	cents	%
For the half year ended 30 June	1.122	1.378	(18.6)
For the half year ended 31 December	0.997	1.186	(15.9)
For the year ended 31 December	2.119	2.564	(17.4)

Total distribution for 2H2024

	Advanced Distribution⁽¹⁾	Remaining Distribution	Total Distribution
Distribution Period	1 July 2024 to 10 November 2024	11 November 2024 to 31 December 2024	2H2024
	S\$'000	S\$'000	S\$'000
Total amount available for distribution	55,672	22,137	77,809
Applicable number of units ('000)	7,710,806	8,049,818	7,804,313
DPU (cents)	0.722	0.275	0.997

⁽¹⁾ An Advanced Distribution of 0.722 cents per Unit for the period from 1 July 2024 to 10 November 2024 has been paid on 8 January 2025 pursuant to the preferential offering which was completed on 11 November 2024.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Details of the Remaining Distribution for 2H2024

For Units trading under the main ESR-REIT counter

Distribution period	11 November 2024 to 31 December 2024
Distribution rate	0.275 cents taxable income per unit
Record date	5 February 2025
Payment date	14 March 2025

For Consideration Units trading under the temporary ESR-REIT A counter

Distribution period	29 November 2024 to 31 December 2024
Distribution rate	0.195 cents taxable income per unit
Record date	5 February 2025
Payment date	14 March 2025

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the distribution for the period from 11 November 2024 to 31 December 2024.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(a) Statement of Total Return, together with comparative statement for the corresponding period of the immediately preceding financial year

	Note ⁽¹⁾	Group					
		2H2024 S\$'000	2H2023 S\$'000	Fav/(Unfav) %	FY2024 S\$'000	FY2023 S\$'000	Fav/(Unfav) %
Gross revenue	7	189,598	189,505	0.0	370,504	386,350	(4.1)
Property expenses	8	(55,783)	(57,175)	2.4	(108,850)	(113,191)	3.8
Net property income		133,815	132,330	1.1	261,654	273,159	(4.2)
Income from investments at fair value through profit or loss		3,967	4,271	(7.1)	7,803	9,215	(15.3)
Management fees	9	(10,446)	(10,558)	1.1	(20,724)	(21,924)	5.5
Trust expenses	10	(4,019)	(2,741)	(46.6)	(7,674)	(6,348)	(20.9)
Borrowing costs, net	11	(36,523)	(35,727)	(2.2)	(68,885)	(76,013)	9.4
Finance costs on lease liabilities for leasehold land		(15,801)	(17,909)	11.8	(31,469)	(32,176)	2.2
Net income		70,993	69,666	1.9	140,705	145,913	(3.6)
Foreign exchange gain/(loss)		6,661	(1,058)	n.m.	5,935	(1,240)	n.m.
Change in fair value of investments at fair value through profit or loss	4	(26,166)	(39,207)	33.3	(26,796)	(39,839)	32.7
Change in fair value of financial derivatives		(5,466)	(12,262)	55.4	(6,559)	(16,346)	59.9
Change in fair value of investment properties	3	(136,610)	(71,467)	(91.2)	(220,180)	(166,818)	(32.0)
Change in fair value of right-of-use of leasehold land	3	4,046	6,246	(35.2)	8,179	8,685	(5.8)
Share of results of joint venture		867	1,920	(54.8)	2,842	3,876	(26.7)
Total loss for the period before income tax		(85,675)	(46,162)	(85.6)	(95,874)	(65,769)	(45.8)
Income tax (expense)/credit		(9,435)	2,314	n.m.	(11,740)	2,104	n.m.
Total loss for the period after income tax		(95,110)	(43,848)	(116.9)	(107,614)	(63,665)	(69.0)
Attributable to:							
Unitholders of the Trust and perpetual securities holders		(113,715)	(45,196)	(151.6)	(127,779)	(67,449)	(89.4)
Non-controlling interest - perpetual securities holders		-	-	-	-	467	(100.0)
Non-controlling interests - others		18,605	1,348	1,280.2	20,165	3,317	507.9
Total loss for the period		(95,110)	(43,848)	(116.9)	(107,614)	(63,665)	(69.0)
Earnings per Unit (cents)							
Basic and diluted		(1.605)	(0.708)	(126.7)	(1.914)	(1.150)	(66.4)
Distribution per Unit (cents)		0.997	1.186	(15.9)	2.119	2.564	(17.4)
Distribution Statement							
Total loss after income tax, before distribution for the period		(113,715)	(45,196)	(151.6)	(127,779)	(67,449)	(89.4)
Distribution adjustments (Note A)		199,334	133,581	49.2	297,156	243,938	21.8
		85,619	88,385	(3.1)	169,377	176,489	(4.0)
Amount reserved for distribution to perpetual securities holders		(11,203)	(9,174)	(22.1)	(20,277)	(18,198)	(11.4)
Net income available for distribution for the period		74,416	79,211	(6.1)	149,100	158,291	(5.8)
Total amount available for distribution comprising:							
- Taxable income		74,416	79,211	(6.1)	149,100	158,291	(5.8)
- Tax-exempt income		3,393	-	100.0	3,393	4,084	(16.9)
- Capital distribution		-	12,013	(100.0)	11,571	30,323	(61.8)
Amount available for distribution to Unitholders for the period		77,809	91,224	(14.7)	164,064	192,698	(14.9)

n.m. – not meaningful

⁽¹⁾ Please refer to the *Notes to the Financial Statements* on pages 47 to 67

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Note A - Distribution adjustments

	Group					
	2H2024 S\$'000	2H2023 S\$'000	Fav/(Unfav) %	FY2024 S\$'000	FY2023 S\$'000	Fav/(Unfav) %
Non-tax deductible/(chargeable) items and other adjustments:						
Management fees paid/payable in Units	5,757	5,824	(1.2)	11,460	12,352	(7.2)
Property Manager's fees paid/payable in Units	1,487	1,520	(2.2)	2,940	3,200	(8.1)
Trustee's fees	295	428	(31.1)	665	956	(30.4)
Financing related costs, including amortisation of debt related costs	5,896	6,272	(6.0)	11,538	12,768	(9.6)
Unrealised foreign exchange (gain)/loss	(6,382)	1,280	n.m.	(5,939)	1,435	n.m.
Change in fair value of investments at fair value through profit or loss	26,166	39,207	(33.3)	26,796	39,839	(32.7)
Change in fair value of investment properties	136,610	71,467	91.2	220,180	166,818	32.0
Change in fair value of financial derivatives	5,466	12,262	(55.4)	6,559	16,346	(59.9)
Legal and professional fees	87	653	(86.7)	91	1,164	(92.2)
Adjustment for straight line rent and lease incentives	(420)	(1,086)	61.3	(1,824)	(2,947)	38.1
Miscellaneous expenses	2,774	(1,589)	n.m.	5,173	202	2,460.9
Share of results of joint venture	(867)	(1,920)	54.8	(2,842)	(3,876)	26.7
Distributable income from joint venture	2,239	1,920	16.6	4,214	3,876	8.7
Deferred tax expense/(credit)	8,078	(2,267)	n.m.	6,056	(2,133)	n.m.
Non-controlling interest share of non-tax deductible items	15,620	(543)	n.m.	15,409	(519)	n.m.
Interest income from subsidiary that was capitalised	-	738	(100.0)	-	1,053	(100.0)
Rollover adjustment from prior years	1,461	(36)	n.m.	1,461	(36)	n.m.
Tax interest adjustment	359	72	398.6	359	72	398.6
Net tax adjustments for income from subsidiaries and investments at fair value through profit or loss	(5,292)	(621)	(752.2)	(5,140)	(6,632)	22.5
Net effect of distribution adjustments	199,334	133,581	49.2	297,156	243,938	21.8

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Financial Review of the Statement of Total Return

Gross revenue

The Group recorded gross revenue of S\$370.5 million in FY2024, 4.1% lower than FY2023, mainly due to the loss of income from (i) the divestment of ten properties aggregating S\$440.6 million in FY2023 and the divestment of 182-198 Maidstone Street in Australia and 81 Tuas Bay Drive in Singapore aggregating S\$92.8 million in FY2024; and (ii) the decommissioning of 2 Fishery Port Road. This was partially offset by additional income contributions from (i) 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives in 3Q2023 and 1Q2024 respectively; and (ii) the acquisition of 20 Tuas South Avenue 14 in Singapore and ESR Yatomi Kisosaki Distribution Centre in Japan in November 2024.

Net property income

Net property income decreased by 4.2% to S\$261.7 million in FY2024, mainly due to the lower gross revenue.

Income from investments at fair value through profit or loss

Income from investments at fair value through profit or loss comprises distribution income from the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss. The decrease in the distribution income from the Australian property funds was mainly due to higher borrowing costs incurred due to the higher base rates.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

Trust expenses

Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Increase in trust expenses in FY2024 were mainly due to higher non-claimable input Goods and Services Tax ("GST") as the De Minimis rule under the GST Act was not satisfied. Such non-claimable input GST is not tax deductible and therefore has no impact to distributable income.

Borrowing costs, net

Borrowing costs comprised interest expenses on loans and interest rate swaps, as well as the amortisation of debt related transaction costs, net of interest income. Borrowing costs were 9.4% lower in FY2024 mainly due to the interest savings from the repayment of borrowings using the proceeds from the private placement, preferential offering, perpetual securities and the divestment of properties completed in FY2023 and FY2024, partially offset by the increase in borrowings to partially fund the acquisition of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre in November 2024 and higher base rates. Lower interest margins obtained from the early refinancing of certain borrowings also contributed to the lower borrowing costs.

Please refer to Note 5 of the *Notes to the Financial Statements Announcement* for more details on borrowings.

Lease liabilities and right-of-use of leasehold land

Following the adoption of FRS 116 *Leases*, lease payments made for land rent are reflected as finance cost on lease liabilities for leasehold land and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Statement of Cash Flows.

The amount of finance costs on lease liabilities for leasehold land net of the change in fair value of right-of-use of leasehold land for FY2024 decreased to S\$23.3 million (FY2023: S\$23.5 million) mainly due to the divestment of properties in 2023.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Change in fair value of investments at fair value through profit or loss

The change in fair value of investments at fair value through profit or loss relates to the fair value changes in the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss. The change in fair value of investments at fair value through profit or loss was mainly due to the change in value on the investment properties held by the property funds. The change in fair value of investments at fair value through profit or loss is recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

Change in fair value of financial derivatives

The change in fair value of financial derivatives represented the change in fair values of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the floating rate borrowings of the Group; and (b) forward foreign currency exchange contracts entered into to hedge against foreign currency movements on net income denominated in Australian dollars ("A\$") from its investments in Australia. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Change in fair value of investment properties

The change in fair value of investment properties of approximately S\$220.2 million in FY2024 comprised fair value loss of S\$219.0 million based on the valuations of the investment properties as at 31 December 2024 and adjustments for straight-line rent and marketing commission for FY2024 of S\$1.2 million. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Share of results of joint venture

Share of results of joint venture relates to the Group's 49.0% share of the net income of PTC Logistics Hub LLP, which owns 48 Pandan Road.

Income tax

Income tax consists of corporate income tax, deferred tax and withholding tax. The increase was mainly attributable to (i) higher withholding tax in relation to the income received from Australia and Japan, which included the tax on the capital gain from the divestment of 182-198 Maidstone Street located in Australia; and (ii) higher deferred tax expense. The tax on the capital gain and the deferred tax expense have no impact on distributable income.

Non-controlling interests - others

The non-controlling interests - others consist of the 20.0% interest in 7000 AMK LLP and 49.0% interest in LSLV Project 5 Pte. Ltd. that is not owned by the Group. The increase was mainly due to acquisition of 20 Tuas South Avenue 14 in November 2024, by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd..

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(b) Statements of Financial Position, together with comparatives as at the end of the immediately preceding financial year

	Note ⁽¹⁾	Group		Trust	
		31-12-24 S\$'000	31-12-23 S\$'000	31-12-24 S\$'000	31-12-23 S\$'000
Assets					
Non-current assets					
Investment properties	3	5,548,674	4,686,985	1,287,655	1,292,290
Investments in subsidiaries		-	-	1,854,809	1,953,875
Investment in joint venture		39,806	41,233	39,806	41,233
Investments at fair value through profit or loss	4	261,576	300,347	71,567	75,910
Loans to subsidiaries		-	-	798,887	667,506
Derivative financial instruments		1,283	5,075	1,283	-
		5,851,339	5,033,640	4,054,007	4,030,814
Current assets					
Trade and other receivables		60,455	27,258	45,355	49,401
Derivative financial instruments		1,929	3,426	288	3,260
Cash and bank balances		83,945	41,985	8,834	10,131
		146,329	72,669	54,477	62,792
Investment property held for divestment	3	9,732	-	9,732	-
		156,061	72,669	64,209	62,792
Total assets		6,007,400	5,106,309	4,118,216	4,093,606
Liabilities					
Current liabilities					
Trade and other payables		126,981	77,924	39,975	35,693
Lease liabilities for leasehold land		10,650	17,073	2,992	2,735
Interest-bearing borrowings	5	30,234	163,088	-	163,088
Derivative financial instruments		1,407	182	1,407	182
Amount due to non-controlling interests		76,742	70,928	-	-
		246,014	329,195	44,374	201,698
Liabilities directly attributable to investment property held for divestment	6	1,010	-	1,010	-
		247,024	329,195	45,384	201,698
Non-current liabilities					
Trade and other payables		37,982	35,854	17,311	15,909
Lease liabilities for leasehold land		597,173	574,972	131,063	129,355
Interest-bearing borrowings	5	2,223,766	1,392,799	1,305,499	984,165
Derivative financial instruments		2,874	2,674	2,433	2,674
Deferred tax liabilities		8,026	5,537	3,455	4,326
Amount due to non-controlling interests		214,879	-	-	-
		3,084,700	2,011,836	1,459,761	1,136,429
Total liabilities		3,331,724	2,341,031	1,505,145	1,338,127
Net assets		2,675,676	2,765,278	2,613,071	2,755,479
Represented by:					
Unitholders' funds		2,213,895	2,463,150	2,207,895	2,453,351
Perpetual securities holders' funds		405,176	302,128	405,176	302,128
Non-controlling interest		56,605	-	-	-
		2,675,676	2,765,278	2,613,071	2,755,479
Units in issue ('000)		8,049,164	7,689,164	8,049,164	7,689,164
Net asset value per Unit (cents)		27.5	32.0	27.4	31.9

⁽¹⁾ Please refer to the *Notes to the Financial Statements* on pages 47 to 67

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Financial Review of the Statement of Financial Position

Investment properties

As at 31 December 2024, the total carrying value of investment properties was S\$5.6 billion based on independent external valuation. The increase from 31 December 2023 was mainly due to the acquisition of 20 Tuas South Avenue 14 in Singapore and ESR Yatomi Kisosaki Distribution Centre in Japan as well as capital expenditure and asset enhancement costs incurred for certain properties. This was partially offset by (i) the divestment of 182-198 Maidstone Street located in Australia and 81 Tuas Bay Drive located in Singapore; and (ii) the reclassification of a property as investment property held for divestment as further elaborated below.

Lease liabilities and right-of-use of leasehold land

The Group is required to pay land rent, whether annually or on an upfront land premium basis, for properties in its portfolio. Following the adoption of FRS 116 *Leases*, the Group recognised right-of-use assets and lease liabilities for these land leases previously classified as operating leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the lease commencement date.

Investment in joint venture

Investment in joint venture relates to ESR-REIT's 49.0% share of the net assets of PTC Logistics Hub LLP, which owns 48 Pandan Road. The Group applies the equity method to account for its interest in the joint venture.

Investments at fair value through profit or loss

Investments at fair value through profit or loss relates to ESR-REIT's investments in 3 Australian property funds, namely a 10.0% interest in ESR Australia Logistics Partnership ("EALP"), a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund.

Investment property held for divestment

Investment property held for divestment as at 31 December 2024 relates to 79 Tuas South Street 5 in Singapore, where a contract of sale was entered into to divest the property for approximately S\$9.9 million.

Trade and other receivables

Trade and other receivables increased by S\$33.2 million mainly due to the Japan Consumption Tax receivable in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre in Japan. The inclusion of the trade and other receivables in Tuas South Avenue Pte. Ltd. also contributed to the increase.

Trade and other payables

Trade and other payables increased by S\$51.2 million mainly due to the acquisitions of LSLV Project 5 Pte. Ltd. and ESR Yatomi Kisosaki Distribution Centre in November 2024, and the receipt of security deposits from the new tenants at 7002 Ang Mo Kio Avenue 5.

Amount due to non-controlling interests

The amount due to non-controlling interests represents 20.0% interest in 7000 AMK LLP and the loans from the owners of the remaining 49.0% interest in LSLV Project 5 Pte. Ltd. that is not owned by the Group. The increase was mainly due to acquisition of 20 Tuas South Avenue 14 in November 2024, by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd..

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Derivative financial instruments

Derivative financial instruments represent the fair value of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the Group's floating rate borrowings; and (b) forward foreign currency exchange contracts entered into to manage its foreign currency risk. The aggregate notional amount of interest rate swaps as at 31 December 2024 was S\$1,284.8 million (31 December 2023: S\$1,055.8 million). The aggregate notional amount of Australian dollar forward foreign currency exchange contracts as at 31 December 2024 was A\$6.9 million (31 December 2023: A\$13.0 million).

Aggregate leverage and interest coverage ratios

	Note	Group	
		31-12-24	31-12-23
Aggregate leverage ratio	(1)	42.8%	35.7%
Interest coverage ratio	(2)	2.5x	3.1x

(1) The aggregate leverage ratio includes ESR-REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*.

(2) The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation) ("EBITDA"), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*) and borrowing-related fees (including amortisation of debt-related transaction costs).

The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As part of its finance policy, the Manager proactively reviews the Group's capital and debt management regularly so as to optimise the Group's funding structure to meet its investment opportunities. The Manager also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

Sensitivity analysis on the impact of changes in EBITDA and interest rates on interest coverage ratio

	Interest coverage ratio	
	31-12-24	31-12-23
10% decrease in EBITDA	2.2x	2.2x
100 basis point increase in weighted average interest rate	2.1x	2.1x
10% increase in EBITDA	2.7x	2.7x
100 basis point decrease in weighted average interest rate	3.0x	3.1x

For details of the Group's interest-bearing borrowings, please refer to Note 5 of the *Notes to the Financial Statements Announcement*.

Liabilities directly attributable to investment property held for divestment

Liabilities directly attributable to investment property held for divestment are mainly the lease liabilities for the leasehold land of the property.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Perpetual securities

ESR-REIT has S\$75.25 million of subordinated perpetual securities (“Perps”) under Series 006 (“Series 006 PS”), S\$150.0 million of Perps under Series 008 (“Series 008 PS”) and S\$174.75 million of Perps under Series 009 PS in issue under its S\$750 million Multicurrency Debt Issuance Programme.

Series 006 PS confer a right to receive distribution at a rate of 4.60% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to Series 006 PS in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset to 6.632% per annum. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 006 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on any future distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 006 PS is classified as equity instruments and recorded as equity in the financial statements.

Series 008 PS confer a right to receive distribution at a rate of 5.50% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 008 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 008 PS is classified as equity instruments and recorded as equity in the financial statements.

Series 009 PS confer a right to receive distribution at a rate of 6.00% per annum, with the first distribution rate reset falling on 20 August 2029 and subsequent resets occurring every 5 years thereafter at a rate equivalent to the prevailing five-year SORA-OIS plus the initial spread of 3.548 per cent. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Series 009 PS.

The Series 009 PS are redeemable at the option of the ESR-REIT in whole, but not in part, on 20 August 2029 and every distribution payment date thereafter at the redemption amount, together with distribution accrued (including any arrears of distribution and any additional distribution amount) to (but excluding) the date fixed for redemption. The Series 009 PS may also be redeemed upon the occurrence of certain other redemption events specified in the pricing supplement for the Series 009 PS. The Series 009 PS is classified as equity instruments and recorded as equity in the financial statements.

Non-controlling interest

Non-controlling interest represents the 49.0% interest in LSLV Project 5 Pte. Ltd. that is not attributable to ESR-REIT.

The Group is in net current liabilities position as at 31 December 2024. Notwithstanding the net current liabilities position, based on the Group’s available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(c) Statement of Cash Flows

	Group			
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Cash flows from operating activities				
Total loss before income tax for the period	(85,675)	(46,162)	(95,874)	(65,769)
Adjustments for:				
Unrealised foreign exchange (gain)/loss	(6,382)	1,286	(5,939)	1,435
Borrowing costs, net	36,523	35,727	68,885	76,013
Management fees paid/payable in Units	5,757	5,824	11,460	12,352
Property Manager's fees paid/payable in Units	1,487	1,520	2,940	3,200
Share of results of joint venture	(867)	(1,920)	(2,842)	(3,876)
Finance costs on lease liabilities for leasehold land	15,801	17,909	31,469	32,176
Income from investments at fair value through profit or loss	(3,967)	(4,271)	(7,803)	(9,215)
Change in fair value of financial derivatives	5,466	12,262	6,559	16,346
Change in fair value of investment properties	136,610	71,467	220,180	166,818
Change in fair value of right-of-use of leasehold land	(4,046)	(6,246)	(8,179)	(8,685)
Change in fair value of investments at fair value through profit or loss	26,166	39,207	26,796	39,839
Operating income before working capital changes	126,873	126,603	247,652	260,634
Changes in working capital				
Trade and other receivables	(31,686)	(6,530)	(36,335)	11,721
Trade and other payables	70,096	(6,475)	63,074	(7,256)
Cash generated from operating activities	165,283	113,598	274,391	265,099
Income tax paid	(747)	(410)	(4,769)	(3,358)
Net cash generated from operating activities	164,536	113,188	269,622	261,741
Cash flows from investing activities				
Capital expenditure on investment properties	(13,703)	(44,697)	(26,197)	(94,474)
Acquisition of an investment property	(331,478)	-	(331,478)	-
Deposits for investment properties held for divestment	-	(253)	-	-
Proceeds from disposal of investment properties	35,000	397,108	92,755	440,608
Dividend received from joint venture	2,295	1,920	4,270	3,876
Income from investments at fair value through profit or loss	3,892	6,596	7,873	9,748
Acquisition of subsidiaries, net of cash acquired (Note A)	(175,856)	-	(175,856)	-
Payment for acquisition related transaction costs	(9,294)	-	(9,294)	-
Interest received	360	583	979	1,087
Net cash (used in)/generated from investing activities	(488,784)	361,257	(436,948)	360,845
Cash flows from financing activities				
Proceeds from issuance of new Units	88,200	-	88,200	299,749
Proceeds from issuance of perpetual securities	100,000	-	100,000	-
Payment for unit buy-back	(4,971)	(2,720)	(12,908)	(2,720)
Redemption of perpetual securities	-	-	-	(100,000)
Issue costs for perpetual securities paid	(2,497)	-	(2,497)	(15)
Equity issue costs paid	(175)	(551)	(203)	(5,073)
Finance costs paid	(35,397)	(32,807)	(67,083)	(69,582)
Proceeds from borrowings	1,149,160	93,800	1,386,550	317,800
Repayment of borrowings	(823,600)	(451,168)	(1,059,900)	(824,168)
Loan from non-controlling interest	(1,200)	4,784	-	4,784
Distributions paid to Unitholders (Note B)	(86,231)	(71,358)	(177,424)	(199,771)
Distributions paid to perpetual securities holders	(8,132)	(9,151)	(17,229)	(18,198)
Distributions paid to non-controlling interest - perpetual securities holders	-	-	-	(2,773)
Distributions paid to non-controlling interest	(1,886)	(1,922)	(3,651)	(1,922)
Payment of interest portion of lease liabilities for leasehold land	(10,090)	(9,977)	(19,859)	(19,981)
Payment of principal portion of lease liabilities for leasehold land	(1,665)	(1,686)	(3,431)	(3,510)
Movement in restricted cash	(10,123)	(618)	(10,155)	(946)
Net cash generated from/(used in) financing activities	351,393	(483,374)	200,410	(626,326)
Net increase/(decrease) in cash and cash equivalents	27,145	(8,929)	33,084	(3,740)
Cash and cash equivalents at beginning of the period	43,327	46,612	38,409	42,949
Effect of exchange rate fluctuations on cash held	(258)	726	(1,279)	(800)
Cash and cash equivalents at end of the period (Note C)	70,214	38,409	70,214	38,409

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Notes:

(A) Acquisition of subsidiaries

On 29 November 2024, ESR-REIT through its indirect wholly-owned subsidiaries, acquired a 51.0% equity interest in Tuas South Avenue Pte. Ltd., through the acquisition of 51.0% of the shares in LSLV Project 5 Pte. Ltd.. Tuas South Avenue Pte. Ltd. owns 100% interest in 20 Tuas South Avenue 14 located in Singapore.

The consideration was settled by way of the issuance of 39.6 million Consideration Units at an issue price of S\$0.305 per unit and a cash consideration of S\$210.3 million.

The fair value of the assets acquired and liabilities assumed as at 29 November 2024 were as follows:

	S\$'000
Investment property	840,000
Trade and other receivables	1,479
Cash and bank balances	34,477
Interest-bearing borrowings	(411,600)
Trade and other payables	(9,961)
Fair value of net assets acquired	454,395
Less: Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of LSLV Project 5 Pte. Ltd.	(222,654)
Identifiable net assets acquired	231,741
Total consideration paid in cash and Consideration Units	222,415
Amount payable to LSLV General Partner and LSAV 1 Portfolio Ltd.	9,326
Total consideration paid in cash and Consideration Units	222,415
Less:	
Cash and bank balances acquired	(34,477)
Consideration paid in Units	(12,082)
Cash outflow on acquisition, net of cash acquired	175,856

(B) Distributions paid to Unitholders

Distributions during the year ended 31 December 2024 were fully paid in cash (FY2023: partially paid by issuing an aggregate of 14.8 million new Units amounting to S\$5.2 million pursuant to the Distribution Reinvestment Plan).

	Group			
	2H2024	2H2023	FY2024	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000
Distributions paid to Unitholders	(86,231)	(71,358)	(177,424)	(204,984)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	-	-	-	5,213
Distributions paid to Unitholders in cash	(86,231)	(71,358)	(177,424)	(199,771)

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

(C) Cash and cash equivalents

For purpose of the Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	Group	
	FY2024	FY2023
	S\$'000	S\$'000
Cash and bank balances in the Statement of Financial Position	83,945	41,985
Less: Restricted cash	(13,731)	(3,576)
	<hr/>	<hr/>
Cash and cash equivalents in the Statement of Cash Flows	70,214	38,409
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**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(d)(i) Statements of Movements in Unitholders' funds

	Group		Trust	
	FY2024 S\$'000	FY2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
<u>Unitholders' Funds</u>				
Balance at beginning of the period	2,463,150	2,444,653	2,453,351	2,448,955
<u>Operations</u>				
Total loss for the period attributable to Unitholders and perpetual securities holders	(127,779)	(67,449)	(154,049)	(86,001)
Amount reserved for distribution to perpetual securities holders	(20,277)	(18,198)	(20,277)	(18,198)
Net decrease in net assets resulting from operations	(148,056)	(85,647)	(174,326)	(104,199)
Movement in foreign currency translation reserve	(30,069)	(4,451)	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	14,167	16,223	14,167	16,223
- Distribution Reinvestment Plan	-	5,213	-	5,213
- Private Placement	-	150,000	-	150,000
- Preferential Offering	88,200	149,749	88,200	149,749
- Unit Buy-Back	(12,908)	(2,720)	(12,908)	(2,720)
- Acquisition fees paid in Units	7,552	-	7,552	-
- Consideration Units for the acquisition of subsidiaries	12,082	-	12,082	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	-	(195)	-	(195)
- Private Placement	-	(3,472)	-	(3,472)
- Preferential Offering	(166)	(1,214)	(166)	(1,214)
- Perpetual Securities	(2,596)	-	(2,596)	-
- Unit Buy-Back	(37)	(5)	(37)	(5)
Distributions paid to Unitholders	(177,424)	(204,984)	(177,424)	(204,984)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(71,130)	108,595	(71,130)	108,595
Balance at end of the period	2,213,895	2,463,150	2,207,895	2,453,351
<u>Perpetual Securities Holders' Funds</u>				
Balance at beginning of the period	302,128	302,128	302,128	302,128
Issue of perpetual securities	100,000	-	100,000	-
Amount reserved for distribution to perpetual securities holders	20,277	18,198	20,277	18,198
Distribution to perpetual securities holders	(17,229)	(18,198)	(17,229)	(18,198)
Balance at end of the period	405,176	302,128	405,176	302,128
<u>Non-controlling interest</u>				
<u>- ALOG Trust's Perpetual Securities Holders</u>				
Balance at beginning of the period	-	102,306	-	-
Amount reserved for distribution to perpetual securities holders	-	467	-	-
Distribution to non-controlling interest - perpetual securities holders	-	(2,773)	-	-
Redemption of non-controlling interest - perpetual securities	-	(100,000)	-	-
Balance at end of the period	-	-	-	-
Non-controlling interest	56,605	-	-	-
Total	2,675,676	2,765,278	2,613,071	2,755,479

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(d)(i) Statements of Movements in Unitholders' funds (cont'd)

	Group		Trust	
	2H2024 S\$'000	2H2023 S\$'000	2H2024 S\$'000	2H2023 S\$'000
Unitholders' Funds				
Balance at beginning of the period	2,346,860	2,584,644	2,347,347	2,584,587
<u>Operations</u>				
Total loss for the period attributable to Unitholders and perpetual securities holders	(113,715)	(45,196)	(149,221)	(56,862)
Amount reserved for distribution to perpetual securities holders	(11,203)	(9,174)	(11,203)	(9,174)
Net decrease in net assets resulting from operations	(124,918)	(54,370)	(160,424)	(66,036)
Movement in foreign currency translation reserve	(29,019)	(1,924)	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	7,111	8,031	7,111	8,031
- Preferential Offering	88,200	-	88,200	-
- Unit Buy-Back	(4,971)	(2,720)	(4,971)	(2,720)
- Acquisition fees paid in Units	7,552	-	7,552	-
- Consideration Units for the acquisition of subsidiaries	12,082	-	12,082	-
Equity costs pursuant to:				
- Private Placement	-	259	-	259
- Preferential Offering	(166)	593	(166)	593
- Perpetual Securities	(2,596)	-	(2,596)	-
- Unit Buy-Back	(9)	(5)	(9)	(5)
Distributions paid to Unitholders	(86,231)	(71,358)	(86,231)	(71,358)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	20,972	(65,200)	20,972	(65,200)
Balance at end of the period	2,213,895	2,463,150	2,207,895	2,453,351
Perpetual Securities Holders' Funds				
Balance at beginning of the period	302,105	302,105	302,105	302,105
Issue of perpetual securities	100,000	-	100,000	-
Amount reserved for distribution to perpetual securities holders	11,203	9,174	11,203	9,174
Distribution to perpetual securities holders	(8,132)	(9,151)	(8,132)	(9,151)
Balance at end of the period	405,176	302,128	405,176	302,128
Non-controlling interest	56,605	-	-	-
Total	2,675,676	2,765,278	2,613,071	2,755,479

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1(d)(ii) Details of any changes in the number of issued units

	Note	Trust			
		2H2024 Units	2H2023 Units	FY2024 Units	FY2023 Units
Issued units at beginning of the period		7,685,403,710	7,672,834,541	7,689,164,004	6,719,187,987
Issuance of new Units pursuant to:					
- Management fees paid in units		25,402,277	26,026,963	48,562,583	49,534,207
- Distribution Reinvestment Plan		-	-	-	14,827,791
- Private Placement		-	-	-	454,545,000
- Preferential Offering	(1)	289,180,327	-	289,180,327	460,766,519
- Unit Buy-Back	(2)	(19,000,000)	(9,697,500)	(45,920,600)	(9,697,500)
- Consideration Units for the acquisition of subsidiaries	(3)	39,612,274	-	39,612,274	-
- Acquisition fees paid in units	(4)	28,565,627	-	28,565,627	-
Issued units at end of the period		8,049,164,215	7,689,164,004	8,049,164,215	7,689,164,004

Notes:

- (1) The new units were issued on 11 November 2024 at an issue price of S\$0.3050 per unit.
- (2) During FY2024, ESR-REIT repurchased a total of 45,920,600 units by way of market repurchases and all units repurchased have been cancelled as at 31 December 2024.
- (3) The new units were issued on 29 November 2024 at an issue price of S\$0.3050 per unit.
- (4) The acquisition fees paid in units that were issued on 23 December 2024 comprised (i) 16,376,146 new units issued at an issue price of S\$0.2616 per unit in relation to the acquisition of a 51.0% interest in 20 Tuas South Avenue 14; and (ii) 12,189,481 new units issued at an issue price of S\$0.2681 per unit in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

The total number of issued units, excluding treasury units, as at the end of the current and the comparative financial period are disclosed in Section 1(d)(ii). There were no treasury units acquired since the date of listing of ESR-REIT on 25 July 2006.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

ESR-REIT repurchased a total of 45,920,600 units in FY2024 which have been cancelled as at 31 December 2024.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

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

The accounting policies and methods of computation applied by the Group in the preparation of these financial statements for the current financial period are the same as those applied by the Group in its audited annual financial statements for the financial year ended 31 December 2023, except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual period beginning on 1 January 2024. The adoption of these standards did not have any effect on the financial performance or position of the Group.

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

Please refer to item 4 above.

6 Earnings per unit (“EPU”) and distributable amount available per unit for the period

	Note	Group			
		2H2024	2H2023	FY2024	FY2023
<u>EPU</u>					
Total loss after income tax before distribution for the period	(S\$'000)	(124,918)	(54,370)	(148,056)	(85,647)
Weighted average number of units	('000)	7,783,672	7,683,293	7,735,329	7,450,132
Basic and diluted EPU	(cents) (a)	(1.605)	(0.708)	(1.914)	(1.150)
<u>Distributable amount available per unit</u>					
Total amount available for distribution for the period	(S\$'000)	77,809	91,224	164,064	192,698
Applicable number of units	('000)	7,804,313	7,689,164	7,742,520	7,515,523
Distributable amount available per unit	(cents) (b)	0.997	1.186	2.119	2.564

Notes:

- (a) The basic EPU was calculated using total return after income tax before distribution for the period and the weighted average number of units in issue during the period. The basic and diluted EPU were the same as there were no dilutive instruments in issue during the period.
- (b) Distributable amount available per unit was calculated using the total amount available for distribution and the number of units entitled to such distributable amount for the period.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

7 Net asset value (“NAV”) / Net tangible asset (“NTA”) per unit based on units issued at the end of the period

	Note	Group		Trust	
		31-12-24	31-12-23	31-12-24	31-12-23
NAV / NTA per unit (cents)	(a)	27.5	32.0	27.4	31.9

Note:

(a) NAV / NTA per unit was calculated based on the number of units issued as at the end of the respective periods.

8 Review of the performance

The review of the performance is set out in Section 1(a) – Statement of Total Return and Distribution Statements and Section 1(b) – Statements of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(a) Market Outlook

The global economy remained resilient in 2024, despite experiencing one of the most sustained inflation-driven episode of monetary tightening in recent history. According to the United Nations World Economic Situation Prospects 2025 (“WESP”) report, global economic growth is forecasted at 2.8% for 2025 and 2.9% for 2026. The subdued positive forecast for the near term is supported by continued disinflation and monetary easing to boost aggregate demand. However, ongoing conflicts and rising geopolitical tensions could aggravate challenges on the supply side¹.

Singapore

Singapore’s economy grew by 4.3% year-on-year (“y-o-y”) in 4Q2024². The growth in manufacturing sector peaked in 3Q2024 at 11.1% before narrowing to 4.2% in 4Q2024. The growth in the 2H2024 was mainly driven by the electronics and transport engineering sectors.

The growth in the manufacturing, electronics and transport engineering sectors drove ongoing negotiations with prospective tenants in those fields to fill up space and backfill vacancies, albeit landlords providing more incentives to secure tenants.

While the logistics segment remained resilient in occupancy and rental rates, the recent consolidation of third-party logistics companies may lead to growing occupier resistance. They are expected to take calibrated approaches in their expansion plans³.

Across the different industrial asset classes from Business Park to Logistics, landlords are increasingly offering higher incentives such as fit-out contributions or rent rebates to attract and retain tenants. The risk of higher vacancy rates, particularly in the Business Park sector is expected to weigh on its rents.

The New Economy sectors are expected to continue to be the standout performers in the industrial market. With growth in demand for consumer electronics devices and artificial intelligence applications, the electronics cluster being supported by the semiconductors segment is expected to push demand for manufacturing spaces. This is expected to benefit third-party logistics companies supporting these sectors. While rental reversions for the logistics sector are projected to stay positive, rental growth rates are likely to moderate to single-digit percentages, compared to the high double-digit percentages seen in the past two years due to the low base effect of the rents entered in the COVID-19 period and increase in space supply.

Australia

The GDP for Australia continues to experience a period of weak growth, observing an annual growth of 0.8% in 3Q2024 which is the slowest pace of growth since the early 1990s. The decline in real disposable incomes and ongoing effect of restrictive financial conditions due to sticky inflation continue to weigh on consumption⁴.

The industrial sector growth has started to ease in the recent quarters after outperforming over the past two years, characterised by record-high rental growth and low vacancies. While total take-up in FY2024 registered at slightly above 3.0 million sqm, which was below the levels recorded between FY2021 and FY2023, it remains 37% higher than the pre-pandemic average. This highlights the reset in demand at higher levels given more pronounced drivers of demand such as e-commerce.

¹ Based on World Economic Situation and Prospects 2025 released by United Nations on 9 January 2025

² Based on Advanced GDP Estimates for Fourth Quarter 2024 by Ministry of Trade and Industry (MTI) on 2 January 2025

³ Based on CBRE Research 2024

⁴ Based on Cushman & Wakefield Logistics and Industrial Research 2024

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Rental growth remains bifurcated across different states, with strong prime rents growing by 6.4% in FY2024, with Brisbane seeing a particularly robust increase of 8.7% as compared to the previous year. Meanwhile, rental growth in the Sydney and Melbourne markets came in at 5.0% and 5.4% respectively. Incentives have continued to play a greater role in rental negotiations as owners compete aggressively to secure tenants, ranging from 10.0% to 20.0%.

Softening leasing demand, coupled with high supply levels expected over the next few years, is likely to increase vacancy rates to between 3% and 4% in FY2025. The rate of rental growth will likely moderate from the double-digit positive figures recorded in the past two years to approximately 5.0% in FY2025.

Japan

Japan's economy is recovering moderately despite some areas of weakness. The Bank of Japan expects to see growth as the virtuous cycle of income and spending gradually strengthens⁵.

In 3Q2024, the vacancy rate for Large Multi-Tenant (LMT) logistics facilities in Greater Tokyo climbed by 0.4 pp quarter-on-quarter ("q-o-q") to reach 10.1%, which was driven by 183,000 tsubo of new supply that was launched at 50% occupancy and prolonged lease-up periods for existing spaces. Despite this, demand remains strong, with effective rents increasing by 0.2% q-o-q to JPY 4,500 per tsubo⁶.

In other regions, the vacancy rate for LMT in Greater Nagoya dropped by 0.9 pp q-o-q to 13.7%. With no new supply available in 4Q2024, significant vacancies were filled in existing properties. Middle and large spaces have been filled by logistics operators and manufacturers, showing strong interest in both existing and pipeline properties and reflecting a downward trend in vacancy rate. Prime locations with limited vacancies continue to attract tenants willing to pay a premium for specific cargo needs.

While logistics companies and e-commerce operators remain the primary drivers of logistics spaces take-up, there is growing increasing interest from manufacturing industries and firms handling diverse cargo such as automobile, semiconductors, construction materials, machinery and food across Japan.

Conclusion

Despite a reduction in inflation pressures, improvements in labour market conditions, and monetary easing in the latter half of 2024, the global economy continues to face uncertainties. These include the unpredictability of the incoming Trump Administration and the potential economic impact of its proposed tariffs. Such unpredictability, coupled with the potential return of inflation, is expected to continue affecting economic sentiments, trade, financial markets, interest rates and overall economic activities in many countries. Protectionist global macroeconomic policies may pose risks to trade flows and global economic growth, leaving export-oriented countries like Singapore particularly vulnerable.

The outlook for real estate demand, rental growth, and operating costs remains cautiously optimistic. Growth in the New Economy sectors is expected to moderate, with manufacturing and supply chain activities continuing to drive demand. Positive rental reversions are anticipated to persist, albeit at a slower growth pace.

⁵ Based on Summary of Opinions at the Monetary Policy Meeting on December 18 and 19, 2024 by the Bank of Japan dated 27 December 2024

⁶ Based on CBRE Q3 2024 MarketView Japan Logistics

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: **75th distribution for the period from 11 November 2024 to 31 December 2024**

(Distribution for the period from 1 July 2024 to 10 November 2024 of 0.722 cents per unit has been paid on 8 January 2025.)

For Units trading under the main ESR-REIT counter

Distribution period	11 November 2024 to 31 December 2024
Distribution rate	0.275 cents taxable income per unit
Record date	5 February 2025
Payment date	14 March 2025

For Consideration Units trading under the temporary ESR-REIT A counter

Distribution period	29 November 2024 to 31 December 2024
Distribution rate	0.195 cents taxable income per unit
Record date	5 February 2025
Payment date	14 March 2025

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Record date: 5 February 2025

Date payable: 14 March 2025

The Manager has determined that the DRP **will not apply** to the distribution for the period from 11 November 2024 to 31 December 2024.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	72nd distribution for the period from 1 July 2023 to 31 December 2023
Distribution Type:	Taxable income / Capital distribution
Distribution Rate:	1.186 cents per unit comprising: (a) Taxable income distribution 1.030 cents per unit (b) Capital distribution 0.156 cents per unit
Par value of units:	Not meaningful
Tax Rate:	<u>Taxable income distribution</u> The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets). <u>Capital distribution</u> The distribution out of capital is not a taxable distribution to the Unitholders.

12 If no distribution has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT general mandate from the Unitholders.

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

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

15 Use of proceeds raised from offerings pursuant to Chapter 8 of the Listing Manual

- a) Gross proceeds of S\$149.6 million raised pursuant to the private placement of 268,818,000 new units completed on 18 May 2021 and the pro rata and non-renounceable preferential offering of 124,071,569 new units completed on 26 August 2021 (together, the “2021 Equity Fund Raising”) has been fully utilised in the following manner:

Intended Use of Proceeds	Amount Allocated (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To partially finance the total acquisition costs for 46A Tanjong Penjuru	71.8	71.8	-
To partially finance the proposed asset enhancements at 16 Tai Seng Street and 7000 Ang Mo Kio Avenue 5	43.3	43.3	-
To repay existing indebtedness	31.0	31.0	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2021 equity fund raising	3.5	3.5	-
Total	149.6	149.6	-

The use of proceeds from the 2021 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2021 Equity Fund Raising allocated to such use as set out in the announcement dated 6 May 2021 titled “Launch of Equity Fund Raising to raise Gross Proceeds of up to approximately S\$150.0 million”.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

- b) Gross proceeds of S\$299.7 million raised pursuant to the private placement of 454,545,000 new units completed on 27 February 2023 and the pro rata and non-renounceable preferential offering of 460,766,519 new units completed on 28 April 2023 (together, the “2023 Equity Fund Raising”) has been used in the following manner:

Intended Use of Proceeds	Amount Allocated ⁽¹⁾ (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-REIT	295.0	4.5	290.5
To pay for fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the 2023 Equity Fund Raising	4.7	4.7	-
Total	299.7	9.2	290.5

Note:

- (1) The difference in the amount allocated for the use of proceeds in the above table and the announcement dated 16 February 2023 titled “Launch of Equity Fund Raising to raise Gross Proceeds of not less than approximately S\$300.0 million” is due to lower fees and expenses incurred by ESR-REIT in connection with the 2023 Equity Fund Raising. The unutilised proceeds, amounting to approximately S\$2.3 million, that was allocated for fees and expenses in connection with the 2023 Equity Fund Raising has been reallocated to be used to fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-REIT.

Save as disclosed in Note (1) above, the use of proceeds from the 2023 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2023 Equity Fund Raising allocated to such use as set out in the announcement dated 16 February 2023 titled “Launch of Equity Fund Raising to raise Gross Proceeds of not less than approximately S\$300.0 million”.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.**

	Group		Fav/ (Unfav) %
	FY2024 S\$'000	FY2023 S\$'000	
Gross revenue			
Singapore	305,737	323,760	(5.6)
Australia	54,869	54,983	(0.2)
Japan	9,898	7,607	30.1
	<u>370,504</u>	<u>386,350</u>	<u>(4.1)</u>
Net Property Income			
Singapore	209,406	223,412	(6.3)
Australia	43,943	43,517	1.0
Japan	8,305	6,230	33.3
	<u>261,654</u>	<u>273,159</u>	<u>(4.2)</u>

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

Please refer to 1(a) Statement of Total Return on pages 7 to 8 for performance review.

- 18 Breakdown of revenue**

	FY2024 S\$'000	FY2023 S\$'000	Fav/ (Unfav)
			%
(a) Gross revenue reported for first half year	180,906	196,845	(8.1)
(b) Total loss after tax before distribution for first half year	(12,504)	(19,817)	36.9
(c) Gross revenue reported for second half year	189,598	189,505	0.0
(d) Total loss after tax before distribution for second half year	(95,110)	(43,848)	(116.9)

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

19 Breakdown of the total distributions for the financial year ended 31 December 2024

	FY2024 S\$'000	FY2023 S\$'000
01-01-2024 to 30-06-2024	86,231	-
01-07-2023 to 31-12-2023	91,193	-
27-02-2023 to 30-06-2023	-	71,358
01-01-2023 to 26-02-2023	-	30,150
01-07-2022 to 31-12-2022	-	103,476
Total distributions to Unitholders	<u>177,424</u>	<u>204,984</u>

20 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, the Board of Directors of ESR-REIT Management (S) Limited (the "Company"), as manager of ESR-REIT, confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or the Chief Executive Officer or substantial Unitholders of ESR-REIT.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statement

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statement

Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
<u>Singapore</u>										
Business Park Properties ⁽¹⁾										
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	32 ⁽⁵⁾	16 International Business Park Singapore 609929	100	100	27,700	26,400	1.25	1.07
750 - 750E CHAI CHEE ROAD	Leasehold	60/43	6/6 ⁽⁶⁾	750 to 750E Chai Chee Road Singapore 469000	73	79	162,500	193,000	7.34	7.84
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43 ⁽⁷⁾	6/8 Changi Business Park Avenue 1 Singapore 486017	71	61	332,000	368,000	15.00	14.94
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	43 ⁽⁷⁾	2/4 Changi Business Park Avenue 1 Singapore 486015	100	100	115,000	155,000	5.19	6.29
Total Business Park Properties							637,200	742,400	28.78	30.14

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
<u>Singapore</u>										
High-Specs Industrial Properties ⁽²⁾										
21/23 UBI ROAD 1	Leasehold	30+30	32 ⁽⁸⁾	21/23 Ubi Road 1 Singapore 408724/408725	93	94	40,000	34,200	1.81	1.39
11 CHANG CHARN ROAD	Leasehold	99	32 ⁽⁹⁾	11 Chang Charn Road Singapore 159640	63	68	33,800	27,700	1.53	1.12
12 ANG MO KIO STREET 65	Leasehold	30+30	26 ⁽¹⁰⁾	12 Ang Mo Kio Street 65 Singapore 569060	92	92	32,600	32,600	1.47	1.32
16 TAI SENG STREET	Leasehold	30+30	43 ⁽¹¹⁾	16 Tai Seng Street Singapore 534138	82	82	94,800	93,700	4.28	3.80
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	25 ⁽¹²⁾	30 Marsiling Industrial Estate Road 8 Singapore 739193	78	100	49,200	50,400	2.22	2.05
19 TAI SENG AVENUE	Leasehold	30+30	43 ⁽¹³⁾	19 Tai Seng Avenue Singapore 534054	95	100	51,800	51,600	2.34	2.09
@ 21B SENOKO LOOP	Leasehold	30+30	28 ⁽¹⁴⁾	21B Senoko Loop Singapore 758171	100	100	58,000	58,000	2.62	2.35
# 7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	32 ⁽¹⁵⁾	7000 Ang Mo Kio Avenue 5 Singapore 569877	82	82	371,600	363,400	16.78	14.75
* 20 & 20A TUAS SOUTH AVENUE 14	Leasehold	30+30	43 ⁽¹⁶⁾	20 & 20A Tuas South Avenue 14, Singapore 637312	100	–	868,600	–	39.23	–
Total High-Specs Industrial Properties							1,600,400	711,600	72.28	28.87

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Singapore										
Logistics Properties ⁽³⁾										
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	7 ⁽¹⁷⁾	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701	100	100	6,600	7,400	0.30	0.30
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30 ⁽¹⁸⁾	25 Changi South Ave 2 Singapore 486594	100	100	13,000	13,000	0.59	0.53
160 KALLANG WAY	Leasehold	30+30	8 ⁽¹⁹⁾	160 Kallang Way Singapore 349246	15	13	21,200	22,300	0.96	0.91
24 JURONG PORT ROAD	Leasehold	30+12	12 ⁽²⁰⁾	24 Jurong Port Road Singapore 619097	96	96	70,300	79,000	3.18	3.21
15 GREENWICH DRIVE	Leasehold	30	17 ⁽²¹⁾	15 Greenwich Drive Singapore 534022	100	100	89,000	88,700	4.02	3.60
46A TANJONG PENJURU	Leasehold	30+14	25 ⁽²²⁾	46A Tanjong Penjuru Singapore 609040	80	74	109,000	109,000	4.92	4.43
30 PIONEER ROAD	Leasehold	30	12 ⁽²³⁾	30 Pioneer Road Singapore 628502	100	100	34,000	36,600	1.54	1.49
Balance carried forward							343,100	356,000	15.51	14.47

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Singapore										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							343,100	356,000	15.51	14.47
COMMODITY HUB	Leasehold	29	11 ⁽²⁴⁾	24 Penjuru Road Singapore 609128	91	98	227,700	244,700	10.29	9.93
COLD CENTRE	Leasehold	30+30	41 ⁽²⁵⁾	2 Fishery Port Road Singapore 619746	–	–	40,000	103,500	1.81	4.20
SCHENKER MEGAHUB	Leasehold	30+30	40 ⁽²⁶⁾	51 Alps Avenue Singapore 498783	100	100	100,000	96,700	4.52	3.93
CHANGI DISTRICENTRE 1	Leasehold	30+30	41 ⁽²⁷⁾	5 Changi South Lane Singapore 486045	92	92	96,000	93,600	4.34	3.80
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	28 ⁽²⁸⁾	22 Loyang Lane Singapore 508931	100	100	12,500	12,500	0.56	0.51
GUL LOGISCENTRE	Leasehold	30	9 ⁽²⁹⁾	15 Gul Way Singapore 629193	100	100	24,200	28,500	1.09	1.16
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	19 ⁽³⁰⁾	1 Greenwich Drive, Tampines LogisPark Singapore 533565	100	100	163,000	165,000	7.36	6.70
Total Logistics Properties							1,006,500	1,100,500	45.48	44.70

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
<u>Singapore</u>										
General Industrial Properties ⁽⁴⁾										
30 TeBAN GARDENS CRESCENT	Leasehold	10+22	14 ⁽³¹⁾	30 Teban Gardens Crescent Singapore 608927	71	77	23,800	26,200	1.08	1.06
128 JOO SENG ROAD	Leasehold	30+30	27 ⁽³²⁾	128 Joo Seng Road Singapore 368356	96	96	14,000	12,600	0.63	0.51
130 JOO SENG ROAD	Leasehold	30+30	27 ⁽³³⁾	130 Joo Seng Road Singapore 368357	94	88	17,800	16,400	0.80	0.67
136 JOO SENG ROAD	Leasehold	30+30	26 ⁽³⁴⁾	136 Joo Seng Road Singapore 368360	100	98	13,700	13,400	0.62	0.54
[^] 79 TUAS SOUTH STREET 5	Leasehold	30+30	35 ⁽³⁵⁾	79 Tuas South Street 5 Singapore 637604	100	100	8,722	9,700	0.39	0.39
31 TUAS AVENUE 11	Leasehold	30+30	29 ⁽³⁶⁾	31 Tuas Avenue 11 Singapore 639105	100	100	11,300	11,700	0.51	0.48
1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	36/ 41 ⁽³⁷⁾	1/2 Changi North Street 2 Singapore 498808/498775	100	100	23,300	23,200	1.05	0.94
9 TUAS VIEW CRESCENT	Leasehold	30+30	34 ⁽³⁸⁾	9 Tuas View Crescent Singapore 637612	100	100	11,300	11,100	0.51	0.45
<i>Balance carried forward</i>							123,922	124,300	5.59	5.04

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							123,922	124,300	5.59	5.04
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	30 ⁽³⁹⁾	31 Changi South Avenue 2 Singapore 486478	100	100	12,800	13,700	0.58	0.56
54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	31 ⁽⁴⁰⁾	54 Serangoon North Avenue 4 Singapore 555854	73	99	18,500	18,500	0.84	0.75
60 TUAS SOUTH STREET 1	Leasehold	30	10 ⁽⁴¹⁾	60 Tuas South Street 1 Singapore 639925	100	100	3,600	3,800	0.16	0.15
5/7 GUL STREET 1	Leasehold	29.5	13 ⁽⁴²⁾	5/7 Gul Street 1 Singapore 629318/629320	63	63	9,300	10,400	0.42	0.42
28 WOODLANDS LOOP	Leasehold	30+30	31 ⁽⁴³⁾	28 Woodlands Loop Singapore 738308	100	100	20,000	18,300	0.90	0.74
25 PIONEER CRESCENT	Leasehold	30+28	42 ⁽⁴⁴⁾	25 Pioneer Crescent Singapore 628554	100	100	17,800	16,800	0.80	0.68
Balance carried forward							205,922	205,800	9.29	8.34

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							205,922	205,800	9.29	8.34
11 WOODLANDS WALK	Leasehold	30+30	31 ⁽⁴⁵⁾	11 Woodlands Walk Singapore 738265	–	100	17,600	18,000	0.79	0.73
43 TUAS VIEW CIRCUIT	Leasehold	30	13 ⁽⁴⁶⁾	43 Tuas View Circuit Singapore 637360	100	100	15,600	16,000	0.70	0.65
13 JALAN TERUSAN	Leasehold	28	10 ⁽⁴⁷⁾	13 Jalan Terusan Singapore 619293	100	100	17,700	19,500	0.80	0.79
160A GUL CIRCLE	Leasehold	27	16 ⁽⁴⁸⁾	160A Gul Circle Singapore 629618	100	100	13,000	13,400	0.59	0.54
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	34 ⁽⁴⁹⁾	3 Tuas South Avenue 4 Singapore 637610	100	100	47,200	46,000	2.13	1.87
8 TUAS SOUTH LANE	Leasehold	30+16	29 ⁽⁵⁰⁾	8 Tuas South Lane Singapore 637302	93	93	98,800	98,300	4.46	3.99
120 PIONEER ROAD	Leasehold	30+28	30 ⁽⁵¹⁾	120 Pioneer Road Singapore 639597	86	82	34,100	33,700	1.54	1.37
Balance carried forward							449,922	450,700	20.30	18.28

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							449,922	450,700	20.30	18.28
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	29/29 ⁽⁵²⁾	511/513 Yishun Industrial Park A Singapore 768768/768736	100	100	24,400	25,200	1.10	1.02
86/88 INTERNATIONAL ROAD	Leasehold	30+30	30 ⁽⁵³⁾	86/88 International Road Singapore 629176/629177	100	100	42,800	41,900	1.93	1.70
11 UBI ROAD 1	Leasehold	30+30/ 21+30	31 ⁽⁵⁴⁾	11 Ubi Road 1 Singapore 408723	100	100	82,100	79,000	3.71	3.21
29 TAI SENG STREET	Leasehold	30+30	42 ⁽⁵⁵⁾	29 Tai Seng Street Singapore 534120	100	100	28,100	35,400	1.27	1.44
11 LORONG 3 TOA PAYOH	Leasehold	60	4 ⁽⁵⁶⁾	11 Lorong 3 Toa Payoh Singapore 319579	69	58	28,600	35,100	1.29	1.43
+ 81 TUAS BAY DRIVE	Leasehold	60	–	81 Tuas Bay Drive Singapore 637308	–	100	–	29,700	–	1.21
Total General Industrial Properties							655,922	697,000	29.60	28.29
Total Singapore investment properties							3,900,022	3,251,500	176.14	132.00

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Australia										
Logistics Properties ⁽³⁾										
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	–	127 Orchard Road, Chester Hill, New South Wales, Australia	100	100	68,245	79,838	3.08	3.24
16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	–	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	100	31,622	33,086	1.43	1.34
203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	203 Viking Drive, Wacol, Queensland, Australia	100	100	28,655	28,771	1.29	1.17
223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	223 Viking Drive, Wacol, Queensland, Australia	100	100	14,412	14,565	0.65	0.59
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	76-90 Link Drive, Campbellfield, Victoria, Australia	100	100	16,362	16,723	0.74	0.68
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	100	37,132	39,020	1.68	1.58
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	–	41-51 Mills Road, Braeside, Victoria, Australia	100	100	38,574	43,336	1.74	1.76
Balance carried forward							235,002	255,339	10.61	10.36

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							235,002	255,339	10.61	10.36
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	–	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	100	22,551	22,837	1.02	0.93
41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	–	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	100	15,938	16,004	0.72	0.65
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	16-24 William Angliss Drive, Laverton, North Victoria, Australia	100	100	26,027	25,624	1.18	1.04
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	217-225 Boundary Road, Laverton North, Victoria, Australia	100	100	32,978	35,963	1.49	1.46
+ 182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	–	182-198 Maidstone Street, Altona, Victoria, Australia	–	100	–	54,844	–	2.23
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	196 Viking Drive, Wacol, Queensland, Australia	100	100	21,533	20,094	0.97	0.82
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	–	11-19 Kellar Street, Berrinba, Queensland, Australia	100	100	15,061	15,734	0.68	0.64
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	–	47 Logistics Place, Larapinta, Queensland, Australia	100	100	15,849	16,318	0.72	0.66
Balance carried forward							384,939	462,757	17.39	18.79

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							384,939	462,757	17.39	18.79
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	38 ⁽⁵⁷⁾	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia	100	100	51,290	55,293	2.32	2.24
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	35 ⁽⁵⁸⁾	8 Curlew Street, Port of Brisbane, Queensland, Australia	100	100	42,092	44,954	1.90	1.83
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	35 ⁽⁵⁹⁾	53 Peregrine Drive, Port of Brisbane, Queensland, Australia	100	100	24,818	30,389	1.12	1.23
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	35 ⁽⁶⁰⁾	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland	100	100	47,221	76,602	2.13	3.11
Total Logistics Properties							550,360	669,995	24.86	27.20
Total Australia investment properties							550,360	669,995	24.86	27.20

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
					31-12-24 %	31-12-23 %	31-12-24 \$'000	31-12-23 \$'000	31-12-24 %	31-12-23 %
Japan										
Logistics Properties ⁽³⁾										
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	–	2464-11 and others, Ota, Sakura-shi, Chiba-ken	100	100	161,755	173,445	7.31	7.04
ESR YATOMI KISOSAKI DISTRIBUTION CENTRE	Freehold	Freehold	–	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie	93	–	337,436	–	15.24	–
Total Japan investment properties							499,191	173,445	22.55	7.04
Total Group's investment properties							4,949,573	4,094,940	223.55	166.24
									Percentage of net assets attributable to Unitholders	
									31-12-24 %	
									31-12-23 %	
									31-12-24 %	
									31-12-23 %	
Trust										
Investment properties, at valuation					1,162,322		1,160,200		52.64	
Other assets and liabilities (net)					1,450,749		1,595,279		65.71	
Net assets of the Trust					2,613,071		2,755,479		118.35	
Perpetual securities holders' funds					(405,176)		(302,128)		(18.35)	
Net assets attributable to Unitholders' Funds					2,207,895		2,453,351		100.00	
Group										
Investment properties, at valuation					4,949,573		4,094,940		223.55	
Other assets and liabilities (net)					(2,273,897)		(1,329,662)		(102.69)	
Net assets of the Group					2,675,676		2,765,278		120.86	
Perpetual securities holders' funds					(405,176)		(302,128)		(18.30)	
Non-controlling interest					(56,605)		–		(2.56)	
Net assets attributable to Unitholders' Funds					2,213,895		2,463,150		100.00	

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

	Independent Valuation	
	31-12-24	31-12-23
	\$'000	\$'000
As disclosed in the Statement of Financial Position:		
Trust		
Investment properties (non-current)	1,287,655	1,292,290
Investment properties held for divestment	9,732	–
Less: Right-of-use assets	(135,065)	(132,090)
Total investment properties, at valuation	<u>1,162,322</u>	<u>1,160,200</u>
Group		
Investment properties (non-current)	5,548,674	4,686,985
Investment properties held for divestment	9,732	–
Less: Right-of-use assets	(608,833)	(592,045)
Total investment properties, at valuation	<u>4,949,573</u>	<u>4,094,940</u>

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

Notes

- (1) Business Parks are clusters of buildings and offices typically dedicated to business activities relating to high-technology, research and development (R&D) value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.
- (2) High-Specs Industrial properties are mixed-use industrial buildings with a high proportion of space that can be allocated for office use. These buildings typically have facilities such as air-conditioned units and sufficient floorboard, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.
- (3) Logistics properties are typically equipped with high floor loading and also have a high floor-to-ceiling height. Such buildings can be either single-storey or multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.
- (4) General Industrial properties can be single or multi-storey facilities dedicated to general industrial, manufacturing or factory activities. Such spaces also have a low percentage of the usable space which can be set aside for office use.
- (5) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.
- (6) Viva Trust holds the remainder of a 60 year lease commencing from 1 April 1971 for Plot 1: Lot 8134N Mukim 27 and 43 year lease commencing from 1 March 1988 for Plot 2: Lot 7837V Mukim 27.
- (7) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 February 2008.
- (8) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.
- (9) ESR-REIT holds the remainder of a 99 year lease commencing from 1 January 1958.
- (10) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.
- (11) ESR-REIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.
- (12) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.
- (13) Viva Trust holds the remainder of a 30+30 year lease commencing from 11 September 2007.
- (14) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.
- (15) 7000 AMK LLP holds the remainder of a 32+30 year lease commencing from 30 January 1995.
- (16) Tuas South Avenue Pte. Ltd. holds the remainder of a 30+30 year lease commencing from 22 June 2008.
- (17) ESR-REIT holds the remainder of a 30 year lease commencing from 16 December 2001.
- (18) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.
- (19) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 February 1973.
- (20) ESR-REIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.
- (21) ESR-REIT holds the remainder of a 30 year lease commencing from 16 December 2011.
- (22) ESR-REIT holds the remainder of a 30+14 year lease commencing from 1 May 2006.
- (23) Viva Trust holds the remainder of a 30 year lease commencing from 16 February 2007.
- (24) ALOG Trust holds the remainder of a 29 year lease commencing from 19 August 2006.
- (25) ALOG Trust holds the remainder of a 30+30 year lease commencing from 20 December 2005.
- (26) ALOG Trust holds the remainder of a 30+30 year lease commencing from 1 June 2005.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Investment Properties Portfolio Statements

Notes (cont'd)

- (27) ALOG Trust holds the remainder of a 30+30 year lease commencing from 16 August 2005.
- (28) ALOG Trust holds the remainder of a 30+16 year lease commencing from 1 February 2007.
- (29) ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2003.
- (30) ALOG Trust holds the remainder of a 30 year lease commencing from 16 June 2014.
- (31) ESR-REIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.
- (32) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.
- (33) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.
- (34) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.
- (35) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.
- (36) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.
- (37) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.
- (38) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.
- (39) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.
- (40) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.
- (41) ESR-REIT holds the remainder of a 30 year lease commencing from 16 March 2005.
- (42) ESR-REIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.
- (43) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
- (44) ESR-REIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.
- (45) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
- (46) ESR-REIT holds the remainder of a 30 year lease commencing from 1 February 2008.
- (47) ESR-REIT holds the remainder of a 28 year lease commencing from 25 March 2007.
- (48) ESR-REIT holds the remainder of a 27 year lease commencing from 30 September 2013.
- (49) ESR-REIT holds the remainder of a 30+30 year lease commencing from 1 May 1999.
- (50) ESR-REIT holds the remainder of a 30+16 year lease commencing from 1 April 2008.
- (51) ESR-REIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.
- (52) ESR-REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.
- (53) ESR-REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.
- (54) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 September 1995 for Plot 1 and 21+30 year lease commencing from 1 September 2004 for Plot 2.
- (55) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024
Investment Properties Portfolio Statements**

Notes (cont'd)

- ⁽⁵⁶⁾ Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.
- ⁽⁵⁷⁾ Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.
- ⁽⁵⁸⁾ LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.
- ⁽⁵⁹⁾ Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.
- ⁽⁶⁰⁾ LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.

- + Property divested during the financial period
- # Property is on 100% basis which includes a 20% non-controlling interest
- * Property is on 100% basis which includes a 49% non-controlling interest
- ^ Property classified as held for divestment as at reporting date
- @ Property classified as high-specification property upon completion of redevelopment in January 2024

Investment properties comprise a diversified portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multi-tenancy and the tenancies range from 0.2 year to 19.0 years for single tenancy and from 0.1 year to 13.5 years for multi-tenancy.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

Notes to the Financial Statements Announcement

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

1. Material accounting policy information

1.1 Basis of preparation

The condensed financial statements for the half year and full year ended 31 December 2024 have been prepared in accordance with FRS 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* applicable to annual and interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since its last annual financial statements for the financial year ended 31 December 2023.

1.2 Basis of measurement

The condensed financial statements are prepared on the historical cost basis, except for investment properties (including right-of-use assets and investment properties held for divestment), investments at fair value through profit or loss, amount due to non-controlling interest and derivative financial instruments, which are measured at fair value.

As at 31 December 2024, the current liabilities of the Group exceeded its current assets by S\$91.0 million. This is primarily due to the classification of term loan of S\$30.2 million as current liabilities as they are maturing within the next 12 months from 31 December 2024. Notwithstanding the net current liabilities position, based on the Group’s available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

1.3 Functional and presentation currency

The condensed financial statements are presented in Singapore dollars (“S\$”), which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

1.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

2. Significant accounting judgements and estimates

The preparation of condensed financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the financial year ended 31 December 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

Information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the condensed financial statements are included in Note 13.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

3. Investment properties

	Group		Trust	
	31-12-24 S\$'000	31-12-23 S\$'000	31-12-24 S\$'000	31-12-23 S\$'000
<u>Investment properties</u>				
At beginning of the year	4,094,940	4,616,047	1,160,200	1,419,465
Additions through acquisition of subsidiaries ⁽¹⁾	849,294	-	-	-
Acquisition of investment property ⁽²⁾	336,035	-	-	-
Capital expenditure incurred	32,362	87,483	25,611	40,434
Disposal of investment properties	(90,572)	(425,382)	-	(258,137)
Change in fair value during the year ⁽³⁾	(219,017)	(161,448)	(23,489)	(41,562)
Effect of movement in exchange rates	(53,469)	(21,760)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	4,949,573	4,094,940	1,162,322	1,160,200
	<hr/>	<hr/>	<hr/>	<hr/>
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	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,949,573	4,094,940	1,162,322	1,160,200
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Right-of-use assets</u>				
At beginning of the year	592,045	543,948	132,090	159,125
Re-measurement due to change in lease rates	(8,100)	77,792	4,471	3,275
Recognition due to additions through acquisition of subsidiaries	37,289	-	-	-
Decognition due to disposal of investment properties	-	(36,405)	-	(28,676)
Change in fair value due to accretion of interest	31,469	32,176	6,964	8,004
Change in fair value due to lease payment	(23,290)	(23,491)	(8,181)	(9,360)
Change in fair value due to interest and payment borne by tenants ⁽⁴⁾	(279)	(369)	(279)	(278)
Effect of movement in exchange rates	(20,301)	(1,606)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	608,833	592,045	135,065	132,090
	<hr/>	<hr/>	<hr/>	<hr/>
Right-of-use assets (non-current)	607,823	592,045	134,055	132,090
Right-of-use asset attributable to investment property held for divestment (current)	1,010	-	1,010	-
	<hr/>	<hr/>	<hr/>	<hr/>
	608,833	592,045	135,065	132,090
	<hr/>	<hr/>	<hr/>	<hr/>
Investment properties (including right-of-use assets) (non-current)	5,548,674	4,686,985	1,287,655	1,292,290
Investment property held for divestment (including right-of-use asset) (current)	9,732	-	9,732	-
	<hr/>	<hr/>	<hr/>	<hr/>
Investment properties (including right-of-use assets)	5,558,406	4,686,985	1,297,387	1,292,290
	<hr/>	<hr/>	<hr/>	<hr/>

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

3. Investment properties (cont'd)

- (1) The additions through the acquisition of subsidiaries included acquisition fee of S\$4.3 million paid to the Manager.
- (2) The acquisition costs of the investment property included acquisition fee of S\$3.3 million paid to the Manager.
- (3) The fair value loss of S\$219.0 million (2023: S\$161.4 million), together with an adjustment for the effect of lease incentives and marketing fee amortisation of S\$1.2 million (2023: S\$5.4 million), aggregate to S\$220.2 million (2023: S\$166.8 million) as disclosed in the Statement of Total Return.
- (4) The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and payments borne by tenants of S\$0.3 million (2023: S\$0.4 million).

Information on the fair value assessment of investment properties are disclosed in Note 13.

As at 31 December 2024, S\$40.0 million (2023: S\$58.0 million) of investment property is under redevelopment.

Security

As at 31 December 2024, three investment properties with a total carrying value of S\$1,367.8 million (2023: S\$173.4 million) are pledged as securities to secure bank loans (see Note 5).

4. Investments at fair value through profit or loss

	Group		Trust	
	31-12-24	31-12-23	31-12-24	31-12-23
	S\$'000	S\$'000	S\$'000	S\$'000
At the beginning of the year	300,347	342,665	75,910	77,320
Changes in fair values during the year	(26,796)	(39,839)	(4,343)	(1,410)
Effect of movement in exchange rate	(11,975)	(2,479)	-	-
At the end of the year	<u>261,576</u>	<u>300,347</u>	<u>71,567</u>	<u>75,910</u>

The Group's investments in property funds comprise a 10.0% interest in EALP, a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund.

The Group has determined that it neither has significant influence in nor control over the property funds as it does not have the ability to direct the relevant activities nor participate in the property funds' financial and operating policy decisions. These investments are classified as financial assets measured at fair value through profit or loss.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

5. Interest-bearing borrowings

	Group		Trust	
	31-12-24 S\$'000	31-12-23 S\$'000	31-12-24 S\$'000	31-12-23 S\$'000
Current liabilities				
Unsecured SGD loans	-	163,300	-	163,300
Secured Japanese Yen ("JPY") loans	30,275	-	-	-
Unamortised debt transaction costs	(41)	(212)	-	(212)
	30,234	163,088	-	163,088
Non-current liabilities				
Secured SGD loans	341,500	-	-	-
Unsecured SGD loans	941,390	745,000	941,390	745,000
Unsecured Australian dollar ("AUD") loans	348,010	369,072	51,290	54,394
Secured JPY loans	288,045	97,755	-	-
Unsecured JPY loans	195,490	66,101	195,490	66,101
Unsecured SGD fixed rate notes	125,000	125,000	125,000	125,000
Unamortised debt transaction costs	(15,669)	(10,129)	(7,671)	(6,330)
	2,223,766	1,392,799	1,305,499	984,165
Total interest-bearing borrowings	2,254,000	1,555,887	1,305,499	1,147,253

As at 31 December 2024, the Group has in place the following borrowings:

- (i) unsecured 5-year fixed rate notes of S\$125 million (the "Series 007 Notes") issued under its S\$750 million Multicurrency Debt Issuance Programme (the "MTN Programme") in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.
- (ii) unsecured club loan facility of S\$320 million from UOB, Maybank, RHB and HSBC consisting of:
 - Facility A: S\$160 million term loan facility maturing in March 2026 at an interest margin plus Singapore Overnight Rate Average ("SORA"); and
 - Facility B: S\$160 million revolving credit facility maturing in March 2025 at an interest margin plus SORA.
- (iii) unsecured sustainability-linked revolving credit facility of S\$200 million from CIMB, Maybank, RHB, SMBC Singapore and HSBC maturing in April 2026 at an interest margin plus SORA.
- (iv) unsecured sustainability-linked term loan facility of S\$225 million from CIMB, Maybank, RHB, SMBC Singapore and HSBC maturing in November 2028 at an interest margin plus SORA.
- (v) unsecured loan facility of A\$68.5 million from RHB consisting of:
 - Facility A: A\$60.5 million term loan facility maturing in May 2027 at an interest margin plus Bank Bill Swap Bid Rate ("BBSY Bid"); and
 - Facility B: A\$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.
- (vi) unsecured loan and bank guarantee facility of A\$25 million from ANZ maturing in April 2027 at an interest margin plus BBSY Bid.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

5. Interest-bearing borrowings (cont'd)

- (vii) unsecured loan facility of S\$835 million and A\$365 million from a syndicate of six banks comprising DBS and its Australia Branch, Maybank, SMBC Singapore, HSBC, OCBC and ANZ consisting of:
- Facility A: S\$185 million term loan facility which has been fully repaid and cancelled;
 - Facility B: S\$200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
 - Facility C: S\$200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
 - Facility D: S\$250 million revolving credit facility which has been fully repaid and cancelled;
 - Facility E: A\$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
 - Facility F: A\$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.
- (viii) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus Tokyo Interbank Offered Rate ("TIBOR").
- (ix) unsecured club loan facility of JPY15.5 billion from Maybank and Mizuho Bank maturing in November 2028 at an interest margin plus Tokyo Overnight Average Rate ("TONA").
- (x) secured loan facility of S\$341.5 million from a syndicate of five banks comprising CIMB, DBS, Maybank, RHB and SMBC Singapore consisting of:
- Facility A: S\$232.9 million term loan facility maturing in November 2029 at an interest margin plus SORA; and
 - Facility B (Green Loan): S\$108.6 million term loan facility maturing in November 2029 at an interest margin plus SORA.

The secured loan facility is secured on the following:

- a floating charge over the investment property with a carrying amount of S\$868.6 million (2023: Nil);
- assignment of insurance policies on the above investment property;
- assignment of the property management agreements, guarantees, sale and tenancy agreements in relation to the above investment property;
- charge over certain bank accounts of a subsidiary;
- a debenture incorporating a fixed charge over book debts, bank accounts, uncalled capital and goodwill and plant and machinery in connection with the above investment property, an assignment over the insurances taken out by a subsidiary that are not in respect of the above investment property, and floating charge over generally all of the present and future assets of a subsidiary;
- assignment of loan agreements; and
- fixed charge over the shares of a subsidiary.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

5. Interest-bearing borrowings (cont'd)

(xi) secured club loan facility of JPY10.5 billion from MUFG and SMBC consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate; and
- Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

The secured loan facility is secured on the following:

- investment property with a carrying amount of S\$161.8 million (2023: S\$173.4 million);
- a pledge over the trust beneficial interest in the above investment property;
- a conditional pledge over the insurance claims relating to the above investment property; and
- a pledge over the specified shares of certain subsidiaries.

(xii) secured club loan facility of JPY26.3 billion from SMBC consisting of:

- Term loan facility of JPY20.3 billion maturing in October 2028 at a fixed interest rate;
- Consumption tax bridging loan facility of JPY3.5 billion maturing in October 2025 at an interest margin plus TIBOR; and
- Specified bond of JPY2.5 billion maturing in October 2029 at a fixed interest rate.

The secured loan facility is secured on the following:

- investment property with a carrying amount of S\$337.4 million (2023: Nil);
- a pledge over the trust beneficial interest in the above investment property;
- a conditional pledge over the insurance claims relating to the above investment property; and
- a pledge over the specified shares of certain subsidiaries.

As at 31 December 2024, the total amounts outstanding under the MTN Programme, the term loan and the revolving credit facilities were S\$125.0 million, S\$1,988.3 million and S\$156.4 million, respectively.

6. Liabilities directly attributable to investment property held for divestment

	Group		Trust	
	31-12-24 S\$'000	31-12-23 S\$'000	31-12-24 S\$'000	31-12-23 S\$'000
Lease liabilities	1,010	-	1,010	-

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

7. Gross revenue

	Group		Group	
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Property rental income	174,882	172,836	341,186	355,160
Other income	14,716	16,669	29,318	31,190
	<u>189,598</u>	<u>189,505</u>	<u>370,504</u>	<u>386,350</u>

8. Property expenses

	Group		Group	
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Property Manager's fees paid and payable in:				
- cash	7,039	7,251	13,510	14,083
- Units	1,487	1,520	2,940	3,200
	8,526	8,771	16,450	17,283
Property tax	16,730	16,577	33,433	32,802
Repair and maintenance expenses	11,556	11,279	21,745	23,140
Other property operating expenses	18,971	20,548	37,222	39,966
	<u>55,783</u>	<u>57,175</u>	<u>108,850</u>	<u>113,191</u>

9. Management fees

	Group		Group	
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Base fees paid and payable in:				
- cash	4,689	4,734	9,264	9,572
- Units	5,757	5,824	11,460	12,352
	<u>10,446</u>	<u>10,558</u>	<u>20,724</u>	<u>21,924</u>

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

10. Trust expenses

	Group		Group	
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Auditor's remuneration				
- audit fees	325	206	662	555
- non-audit fees	20	89	239	245
Trustee's fees	414	542	905	1,188
Valuation fees	120	146	240	350
Professional fees	1,016	1,047	1,838	2,203
Other expenses ⁽¹⁾	2,124	711	3,790	1,807
	<u>4,019</u>	<u>2,741</u>	<u>7,674</u>	<u>6,348</u>

(1) Other expenses comprise investor relations costs, compliance costs, listing fees, non-claimable input GST and other non-property related expenses. The increase in FY2024 was mainly due to higher non-claimable input GST as the De Minimis rule under the GST Act was not satisfied.

11. Borrowing costs, net

	Group		Group	
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Finance income:				
- interest income	360	583	979	1,087
- financial derivatives	2,790	7,270	8,321	14,564
Finance costs paid and payable:				
- bank loans	(34,849)	(38,886)	(69,065)	(81,015)
- fixed rate notes	(1,638)	(1,638)	(3,259)	(3,943)
- loan from non-controlling interests	(410)	-	(643)	-
Amortisation of transaction costs relating to debt facilities	(2,776)	(3,056)	(5,218)	(6,706)
	<u>(36,523)</u>	<u>(35,727)</u>	<u>(68,885)</u>	<u>(76,013)</u>

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

12. Related parties

For the purposes of these condensed financial statements, parties are considered to be related to the Group if the Manager or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect subsidiaries of a substantial Unitholder of the Trust.

Other than as disclosed elsewhere in the condensed financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000
ESR-REIT Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	3,861	4,014	7,728	8,122
- in units	5,757	5,824	11,460	12,352
Acquisition fees paid and payable in units	7,552	-	7,552	-
Development management fees paid and payable	19	517	77	1,857
Divestment fees paid in cash	175	1,944	465	2,162
ESR Property Services Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property and lease management fees paid and payable				
- in cash	3,226	3,125	6,215	6,318
- in units	1,487	1,520	2,940	3,200
Lease marketing services commission paid and payable	2,796	3,625	6,152	5,602
Project management fees paid and payable	126	216	266	822
Site staff cost recovery	724	651	1,455	1,240
Property tax service fees paid and payable in cash	3	-	3	-
Perpetual (Asia) Limited (the "Trustee")				
Trustee fees paid and payable	296	214	543	431
ESR Group Limited and its subsidiaries ⁽¹⁾				
Investment management fees paid and payable	334	358	696	732
Asset management fees paid and payable	828	728	1,536	1,459
Property management fees paid and payable	853	750	1,727	1,556
Lease marketing services commission paid and payable	270	333	270	1,071
Acquisition of LSLV Project 5 Pte. Ltd. ⁽²⁾	222,415	-	222,415	-
Acquisition of ESR Yatomi Kisosaki Distribution Centre	330,600	-	330,600	-
Rental support received in relation to ESR Sakura Distribution Centre ⁽³⁾	-	729	-	1,840
Rental support received and receivable in relation to ESR Yatomi Kisosaki Distribution Centre ⁽⁴⁾	217	-	217	-
TSMP Law Corporation				
Legal fees paid and payable	-	-	220	-

(1) Excluding the Manager and ESR Property Services Pte Ltd.

(2) Includes the 20,595,881 LOGOS Consideration Units issued to LOGOS Units No. 1 Ltd and the 19,016,393 Ivanhoe Consideration Units issued to Ivanhoe Cambridge Asia Inc., at an issue price of S\$0.305 per Unit on 29 November 2024, as partial consideration for the acquisition of 20 Tuas South Avenue 14.

(3) Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

(4) Pertains to rental support received and receivable from Kisosaki TMK in relation to the acquisition of ESR Yatomi Kisosaki Distribution Centre.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a real estate team that reports directly to the Chief Executive Officer of the Manager, and has an overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable input and valuation adjustments. If third party information is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Manager's Board of Directors.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable input for the asset or liability.

If the input used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to entire measurement (with Level 3 being the lowest).

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the current financial year, investment properties which have been reclassified as held for divestment were measured in accordance with Level 2 fair value hierarchy.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value

The table below shows an analysis of each class of assets and liabilities of the Group and the Trust measured at fair value as at the end of the reporting period:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
As at 31 December 2024				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	9,732	5,548,674	5,558,406
Financial assets				
Investments at fair value through profit or loss	–	–	261,576	261,576
Derivative financial instruments	–	3,212	–	3,212
	–	12,944	5,810,250	5,823,194
Financial Liabilities				
Derivative financial instruments	–	(4,281)	–	(4,281)
Amount due to non-controlling interest	–	–	(72,366)	(72,366)
	–	(4,281)	(72,366)	(76,647)
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	4,686,985	4,686,985
Financial assets				
Investments at fair value through profit or loss	–	–	300,347	300,347
Derivative financial instruments	–	8,501	–	8,501
	–	8,501	4,987,332	4,995,833
Financial Liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
Amount due to non-controlling interest	–	–	(70,928)	(70,928)
	–	(2,856)	(70,928)	(73,784)

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Trust				
As at 31 December 2024				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	9,732	1,287,655	1,297,387
Financial assets				
Investment at fair value through profit or loss	–	–	71,567	71,567
Derivative financial instruments	–	1,571	–	1,571
	–	11,303	1,359,222	1,370,525
Financial Liabilities				
Derivative financial instruments	–	(3,840)	–	(3,840)
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	1,292,290	1,292,290
Financial assets				
Investment at fair value through profit or loss	–	–	75,910	75,910
Derivative financial instruments	–	3,260	–	3,260
	–	3,260	1,368,200	1,371,460
Financial Liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment properties held for divestment

The fair value of investment properties held for divestment are based on contracted selling price of the subject property with unrelated third parties in arm's length transactions.

Financial derivatives

The fair values of derivative financial instruments such as interest rate swaps and forward foreign currency exchange contracts are based on valuation statements from financial institutions that are the counterparties of the transactions. The fair value of interest rate swaps is calculated by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. The fair values of forward foreign currency exchange contracts are determined using actively quoted forward foreign currency exchange rates at the reporting date.

(d) Level 3 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Amount due to non-controlling interests

The fair value of the amount due to non-controlling interests is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 13(d).

Investment properties held directly or through joint venture

Investment properties are stated at fair value based on valuations as at the reporting date. Any change in the fair value is recorded in profit or loss.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In determining the fair values, the valuers have used valuation methods including direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(d) Level 3 fair value measurements (cont'd)

Investment properties held directly or through joint venture (cont'd)

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The residual value approach uses the discounted cash flows method and the capitalisation approach as the starting point to determine the gross development value before deducting the remaining development costs.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs in Level 3 fair value measurement used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<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"> Market rental growth ranges from 1.35% to 4.84% (2023: 1.80% to 6.30%) per annum. Adjusted price (psm) of S\$1,818 (2023: S\$1,756) Discount rates of 3.60% to 9.75% (2023: 3.90% to 10.50%) Capitalisation rates of 3.80% to 7.75% (2023: 4.10% to 7.50%) Terminal yield rates of 3.90% to 8.00% (2023: 4.20% to 7.75%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> expected market rental growth were higher/(lower); the adjusted price psm were higher/(lower); the discount rates were lower/(higher); the capitalisation rates were lower/(higher); or the terminal yield rates were lower/(higher).

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(d) Level 3 fair value measurements (cont'd)

Investment properties held directly or through joint venture (cont'd)

Key unobservable inputs correspond to:

- Market rental growth, adjusted price psm, capitalisation and terminal yield rates derived from specialised publications from the industrial market and recent sales in the industrial sector.
- Discount rates, based on the risk-free rates derived from government-issued bonds, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 3.

Investments at fair value through profit or loss

The fair value of the investments at fair value through profit or loss, which are unquoted equity investments in property funds, is determined based on the Group's share of the net assets of the property funds with reference to the fair value of the underlying investment properties of the funds. The fair value of these underlying investment properties is determined based on significant unobservable inputs. Accordingly, the fair value of the investments is categorised under Level 3 of the fair value hierarchy.

The following table shows the key unobservable Inputs used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Investment properties held by property funds</i>		
Discounted cash flows method and capitalisation approach	<ul style="list-style-type: none"> • Discount rate of 7.00% to 7.50% (2023: 6.50% to 7.50%) • Capitalisation rates from 5.00% to 6.25% (2023: 4.50% to 8.00%) • Terminal yield rates from 5.25% to 6.75% (2023: 4.75% to 8.25%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the terminal yield rates were lower/(higher).

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(e) Classification of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts shown in the Statement of Financial Position, are as follows:

	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
Group						
As at 31 December 2024						
Investments at fair value through profit or loss	4	–	261,576	–	261,576	261,576
Trade and other receivables*		26,880	–	–	26,880	26,880
Cash and bank balances		83,945	–	–	83,945	83,945
Loans and borrowings	5	–	–	(2,254,000)	(2,254,000)	(2,251,130)
Trade and other payables^		–	–	(152,767)	(152,767)	(152,767)
Amount due to non-controlling interests		–	(72,366)	(219,255)	(291,621)	(291,621)
Derivative financial instruments (net)		–	(1,069)	–	(1,069)	(1,069)
		110,825	188,141	(2,626,022)	(2,327,056)	(2,324,186)
As at 31 December 2023						
Investments at fair value through profit or loss	4	–	300,347	–	300,347	300,347
Trade and other receivables*		23,765	–	–	23,765	23,765
Cash and bank balances		41,985	–	–	41,985	41,985
Loans and borrowings	5	–	–	(1,555,887)	(1,555,887)	(1,546,672)
Trade and other payables^		–	–	(102,198)	(102,198)	(102,198)
Amount due to non-controlling interest		–	(70,928)	–	(70,928)	(70,928)
Derivative financial instruments (net)		–	5,645	–	5,645	5,645
		65,750	235,064	(1,658,085)	(1,357,271)	(1,348,056)

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

13. Fair value measurement (cont'd)

(e) Classification of financial instruments (cont'd)

	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
Trust						
As at 31 December 2024						
Loans to subsidiaries		798,887	–	–	798,887	798,887
Investment at fair value through profit or loss	4	–	71,567	–	71,567	71,567
Trade and other receivables*		45,113	–	–	45,113	45,113
Cash and bank balances		8,834	–	–	8,834	8,834
Loans and borrowings	5	–	–	(1,305,499)	(1,305,499)	(1,302,629)
Trade and other payables^		–	–	(56,618)	(56,618)	(56,618)
Derivative financial instruments (net)		–	(2,269)	–	(2,269)	(2,269)
		852,834	69,298	(1,362,117)	(439,985)	(437,115)
As at 31 December 2023						
Loans to subsidiaries		667,506	–	–	667,506	667,506
Investment at fair value through profit or loss	4	–	75,910	–	75,910	75,910
Trade and other receivables*		49,097	–	–	49,097	49,097
Cash and bank balances		10,131	–	–	10,131	10,131
Loans and borrowings	5	–	–	(1,147,253)	(1,147,253)	(1,138,038)
Trade and other payables^		–	–	(46,059)	(46,059)	(46,059)
Derivative financial instruments (net)		–	404	–	404	404
		726,734	76,314	(1,193,312)	(390,264)	(381,049)

* Excludes prepayments, GST receivable and capitalised cost.

^ Excludes rent received in advance and GST payable.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

14. Segment reporting

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by 3 countries: Singapore, Australia and Japan. All geographical locations are in the business of investing in industrial properties, which is the only business segment of the Group.

The Manager assesses the performance of the geographical segments based on a measure of Net Property Income (“NPI”). Interest income and finance expenses are not allocated to the segments as treasury activities are centrally managed by the Group.

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2024				
Gross revenue	305,737	54,869	9,898	370,504
Property expenses	(96,331)	(10,926)	(1,593)	(108,850)
Net property income	209,406	43,943	8,305	261,654
Share of results of joint venture	2,842	–	–	2,842
Income from investments at fair value through profit or loss	–	7,803	–	7,803
Change in fair value of investments at fair value through profit or loss	–	(26,796)	–	(26,796)
Change in fair value of investment properties	(198,573)	(33,938)	12,331	(220,180)
Change in fair value of right-of-use of leasehold land	1,195	6,984	–	8,179
Finance costs on lease liabilities for leasehold land	(11,940)	(19,529)	–	(31,469)
	<u>2,930</u>	<u>(21,533)</u>	<u>20,636</u>	<u>2,033</u>
Unallocated amounts:				
- Interest income				9,300
- Borrowing costs				(78,185)
- Change in fair value of financial derivatives				(6,559)
- Foreign exchange gain				5,935
- Management fees				(20,724)
- Trust expenses				(7,674)
Total loss for the period before tax				<u>(95,874)</u>
Income tax expense				(11,740)
Total loss for the period after tax				<u>(107,614)</u>
Segment Assets and Liabilities				
As at 31 December 2024				
<u>Segment assets</u>				
Investment properties (including right-of-use assets and investment property held for divestment)	4,171,239	887,976	499,191	5,558,406
Investment in joint venture	39,806	–	–	39,806
Investments at fair value through profit or loss	–	261,576	–	261,576
Others	85,619	8,716	50,065	144,400
	<u>4,296,664</u>	<u>1,158,268</u>	<u>549,256</u>	<u>6,004,188</u>
Unallocated assets ⁽¹⁾				3,212
Consolidated total assets				<u>6,007,400</u>
Segment liabilities	720,882	343,194	9,367	1,073,443
Unallocated liabilities ⁽²⁾				2,258,281
Consolidated total liabilities				<u>3,331,724</u>

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

14. Segment reporting (cont'd)

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2023				
Gross revenue	323,760	54,983	7,607	386,350
Property expenses	(100,348)	(11,466)	(1,377)	(113,191)
Net property income	223,412	43,517	6,230	273,159
Share of results of joint venture	3,876	–	–	3,876
Income from investments at fair value through profit or loss	–	9,215	–	9,215
Change in fair value of investments at fair value through profit or loss	–	(39,839)	–	(39,839)
Change in fair value of investment properties	(186,268)	13,891	5,559	(166,818)
Change in fair value of right-of-use of leasehold land	710	7,975	–	8,685
Finance costs on lease liabilities for leasehold land	(12,636)	(19,540)	–	(32,176)
	<u>29,094</u>	<u>15,219</u>	<u>11,789</u>	<u>56,102</u>
Unallocated amounts:				
- Interest income				15,651
- Borrowing costs				(91,664)
- Change in fair value of financial derivatives				(16,346)
- Foreign exchange loss				(1,240)
- Management fees				(21,924)
- Trust expenses				(6,348)
Total loss for the period before tax				<u>(65,769)</u>
Income tax expense				2,104
Total loss for the period after tax				<u><u>(63,665)</u></u>
Segment Assets and Liabilities				
As at 31 December 2023				
<u>Segment assets</u>				
Investment properties (including right-of-use assets)	3,489,570	1,023,970	173,445	4,686,985
Investment in joint venture	41,233	–	–	41,233
Investments at fair value through profit of loss	–	300,347	–	300,347
Others	49,137	9,480	10,626	69,243
	<u>3,579,940</u>	<u>1,333,797</u>	<u>184,071</u>	<u>5,097,808</u>
Unallocated assets ⁽¹⁾				8,501
Consolidated total assets				<u><u>5,106,309</u></u>
Segment liabilities	419,843	358,344	4,101	782,288
Unallocated liabilities ⁽²⁾				1,558,743
Consolidated total liabilities				<u><u>2,341,031</u></u>

⁽¹⁾ Unallocated assets consist of derivative financial assets.

⁽²⁾ Unallocated liabilities consist of derivative financial liabilities and interest-bearing borrowings.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

15. Financial ratios

	31.12.2024	31.12.2023
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- including performance component of management fees	1.04	0.99
- excluding performance component of management fees	1.04	0.99
Portfolio turnover rate ⁽²⁾	3.41	15.37

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs and income tax expense.

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

16. Commitments

(a) Commitments

In October 2023, the Group entered into a Deed of Income Support in connection with the divestment of a property where it will provide net property income support (“NPI Support”) to the purchaser of the property. The NPI Support is for a period of 36 months from 16 October 2023 and has an upper limit of S\$8.6 million per annum. Based on the Manager’s estimate, the remaining NPI Support to be paid to the purchaser as at the reporting date is approximately S\$2.9 million (31 December 2023: S\$4.8 million).

(b) Capital commitments

As at the reporting date, the Group has the following capital commitments:

- S\$9.8 million (31 December 2023: S\$33.4 million) of capital commitments in respect of redevelopment works, asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements. These projects are targeted to be completed by 2025.
- A\$7.05 million (31 December 2023: A\$7.05 million) of capital commitments in respect of the 10.0% interest in EALP, which may be called upon by EALP to finance its activities.
- US\$70.0 million (31 December 2023: US\$Nil) of capital commitments in respect of the subscription agreement entered into with Japan Income Fund, SCSp, which may be called upon by its managing partner (associé gérant commandité) to finance the activities of Japan Income Fund.

(c) Guarantees

- The Trust has provided unsecured corporate guarantees to banks in respect of interest rate swap contracts entered into by certain subsidiaries with total notional amount of S\$254.3 million (31 December 2023: S\$269.7 million).
- The Trust has provided unsecured corporate guarantees of S\$8.8 million (31 December 2023: S\$9.3 million) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

**ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

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

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

BY ORDER OF THE BOARD

ESR-REIT Management (S) Limited

As Manager of ESR-REIT

(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132)

Adrian Chui

Chief Executive Officer and Executive Director

24 January 2025

For further enquiries, please contact:

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