



# FUTURE READY

Annual Report 2022





## ABOUT US

### **Vision**

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

### **Mission**

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

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

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

### **About ESR-LOGOS REIT**

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

As at 31 December 2022, ESR-LOGOS REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S\$5.7 billion. Its portfolio comprises 82 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (61 assets), Australia (20 assets) and Japan (1 asset), with a total gross floor area of approximately 2.3 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

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

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

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19 Tai Seng Avenue, Singapore





# A LEADING NEW ECONOMY AND FUTURE-READY APAC S-REIT

Despite the ongoing global challenges and macroeconomic uncertainties, ESR-LOGOS REIT has continued to advance its strategy to solidify its foothold as a leading New Economy and Future-Ready APAC S-REIT. The completion of the merger with ARA LOGOS Logistics Trust has bolstered ESR-LOGOS REIT's relevance and resilience to cater to the needs of industrialists today and beyond.

NUMBER OF PROPERTIES

**82**

ACROSS SINGAPORE,  
AUSTRALIA AND JAPAN

**62.8%**

NEW ECONOMY EXPOSURE

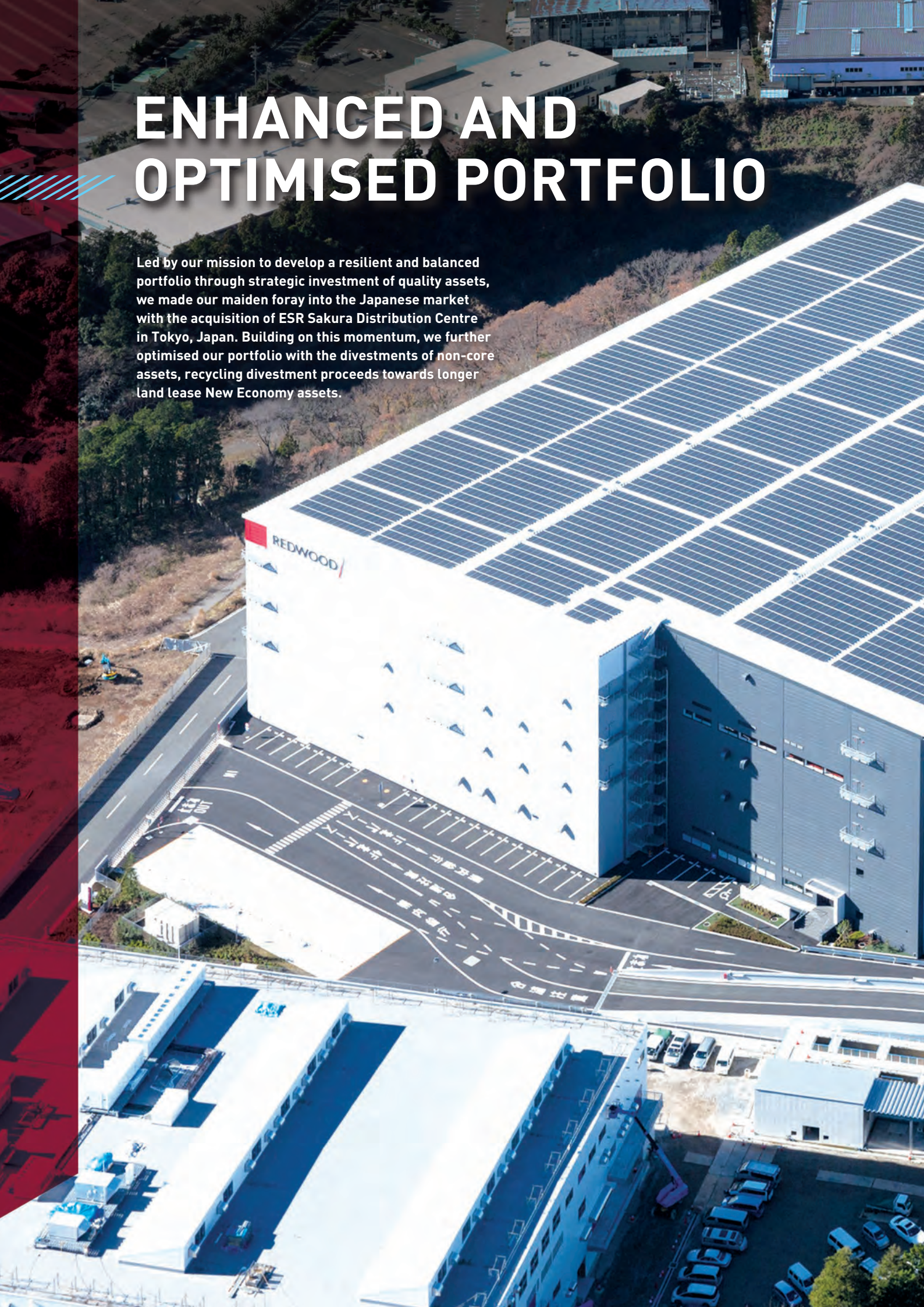
TOTAL ASSETS  
**S\$5.7bn<sup>1</sup>**

<sup>1</sup> As at 31 December 2022



# ENHANCED AND OPTIMISED PORTFOLIO

Led by our mission to develop a resilient and balanced portfolio through strategic investment of quality assets, we made our maiden foray into the Japanese market with the acquisition of ESR Sakura Distribution Centre in Tokyo, Japan. Building on this momentum, we further optimised our portfolio with the divestments of non-core assets, recycling divestment proceeds towards longer land lease New Economy assets.





COMPLETED  
**1**  
DPU ACCRETIVE  
MERGER WITH  
ARA LOGOS  
LOGISTICS TRUST

COMPLETED  
**1**  
DPU ACCRETIVE ACQUISITION  
• ESR SAKURA  
DISTRIBUTION CENTRE  
• ESR-LOGOS REIT'S  
MAIDEN JAPAN ACQUISITION

ANNOUNCED  
**5**  
DIVESTMENTS OF NON-CORE  
ASSETS AT PREMIUM TO FAIR  
VALUE OF 14.9%

COMPLETED  
**1**  
ASSET ENHANCEMENT OF 53  
PEREGRINE DRIVE, AUSTRALIA

OCCUPANCY RATE  
**92.7%**

RENTAL REVERSION  
**+11.8%**  
FY2021: -1.7%







# SOLIDIFYING FINANCIAL AND CAPITAL Foothold

At ESR-LOGOS REIT, we aim to create value for Unitholders and investors through delivering strong financial performance and proactive capital management. With our prudent capital management strategies, we are confident of navigating the global business landscape to deliver stable performance and long-term value for our Unitholders.

FY2022 DPU  
**3.000**  
cents

FY2022 GROSS REVENUE  
**S\$343.2m**  
+42.3% Y-0-Y

INTEREST RATE FIXED  
**72.0%**

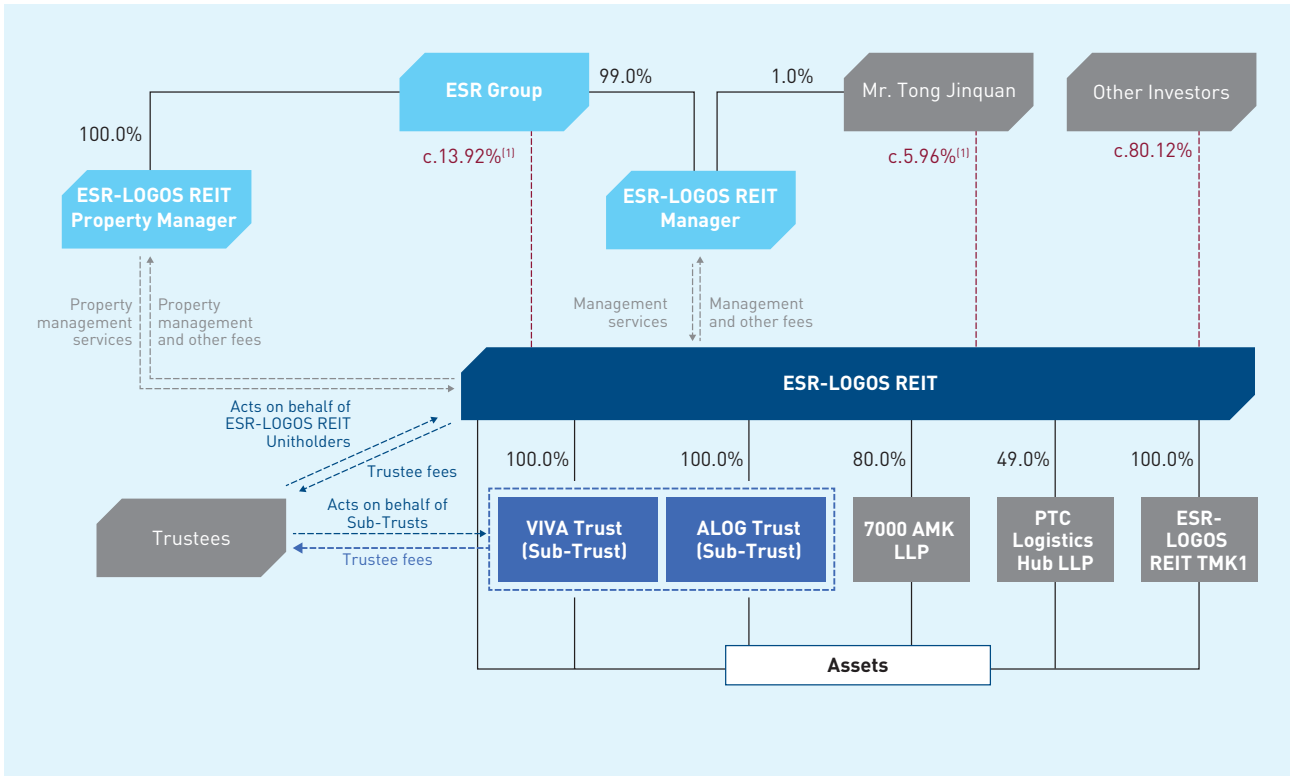
WELL SUPPORTED BY  
**11**  
LENDING BANKS

WEIGHTED AVERAGE  
FIXED DEBT EXPIRY  
**2.0**  
years

COMMITTED UNDRAWN  
REVOLVING CREDIT FACILITY  
AVAILABLE  
**S\$320.4m**



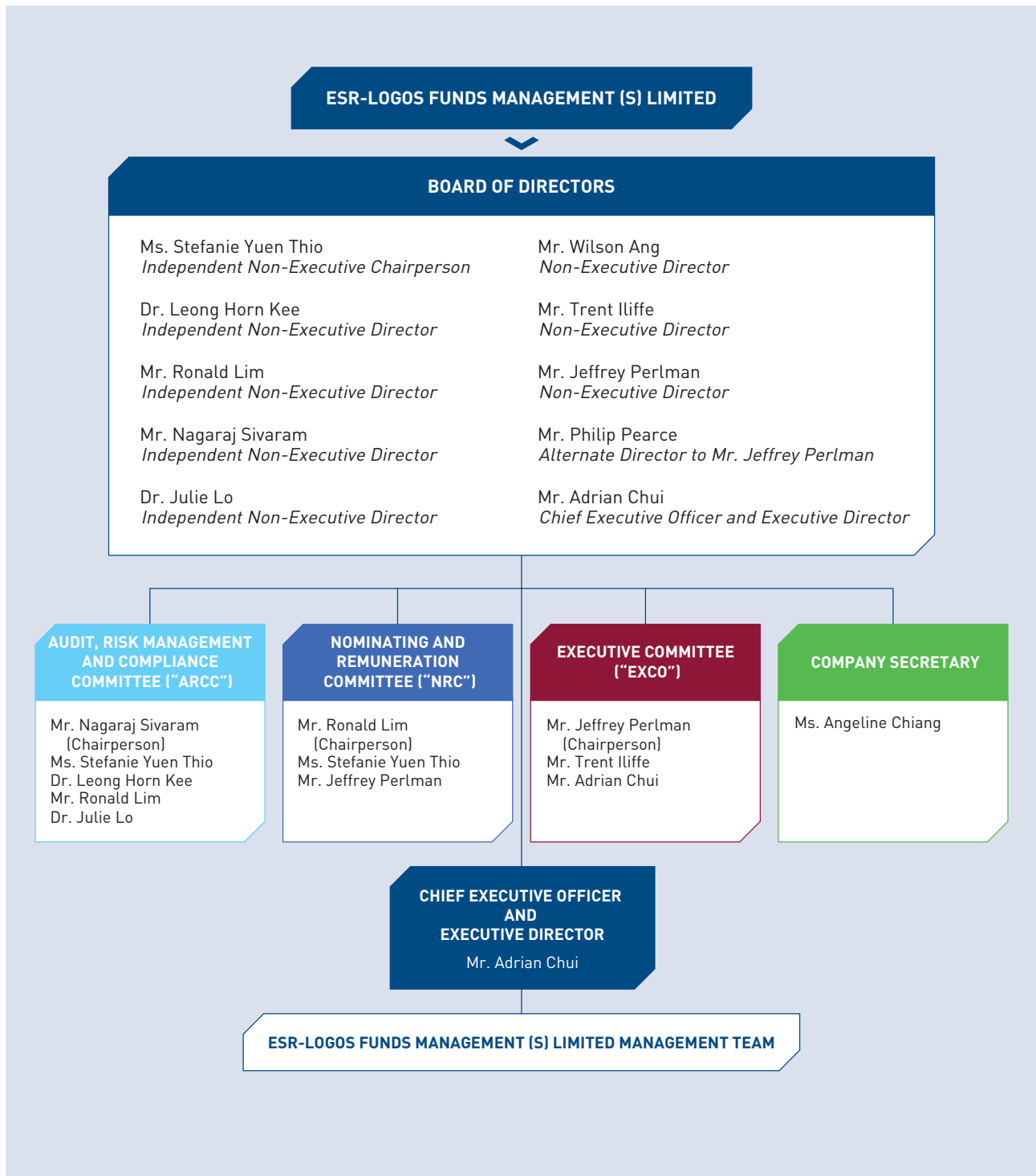
# TRUST STRUCTURE



Note: (1) Includes direct interests and/or deemed interests through holding entities in ESR-LOGOS REIT. Figures as at 27 February 2023.



# ORGANISATION STRUCTURE





# ABOUT OUR SPONSOR

## ABOUT ESR

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$156 billion<sup>1</sup> in total assets under management (“AUM”), ESR’s fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of Gross Domestic Product in APAC, and also includes an expanding presence in Europe and the U.S.. ESR provides a diverse range of

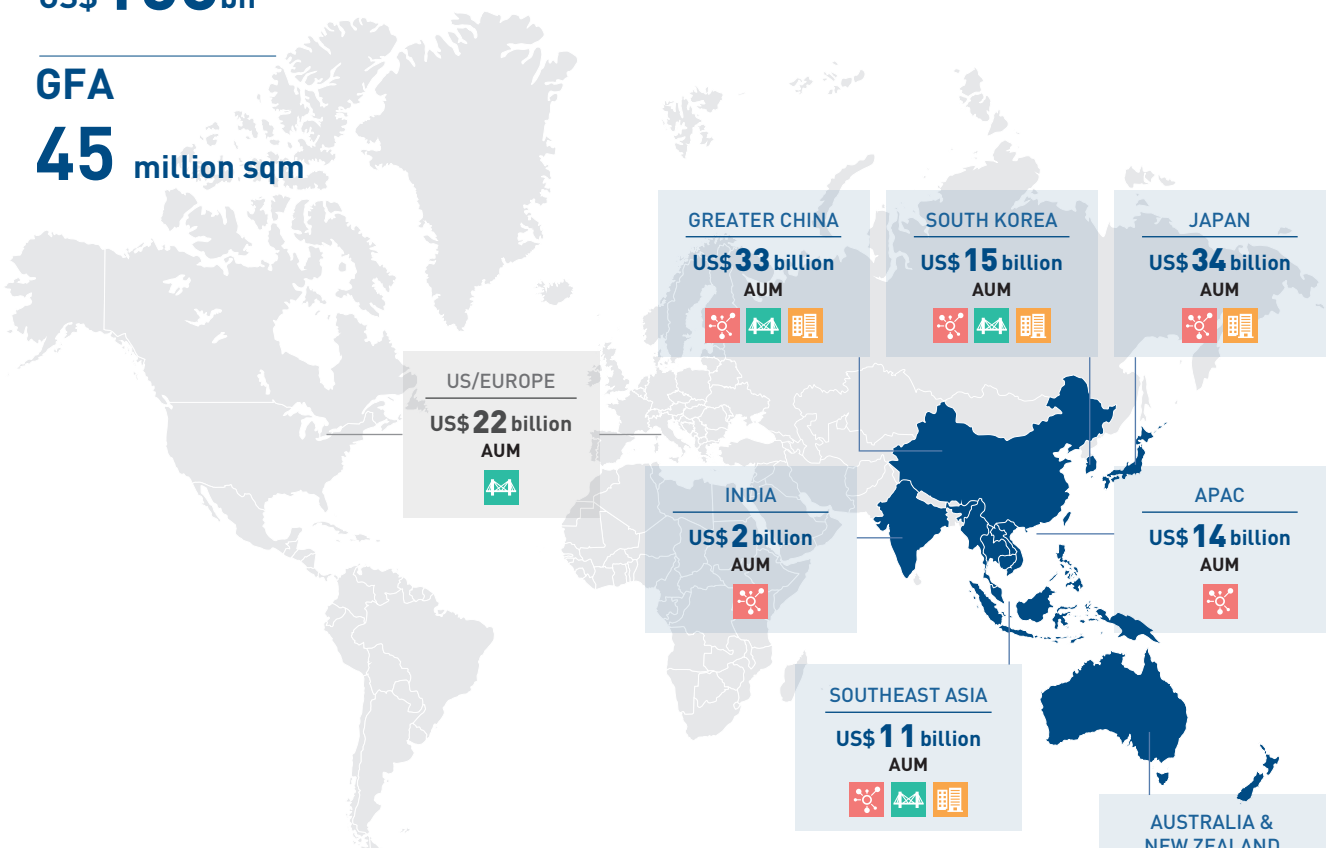
real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. ESR’s purpose – Space and Investment Solutions for a Sustainable Future – drives ESR to manage sustainably and impactfully and ESR considers the environment and the communities in which it operates as key stakeholders of its business.

AUM<sup>1</sup>

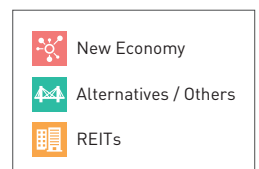
US\$ **156**bn

GFA

**45** million sqm



GREATER CHINA	32%
JAPAN	11%
SOUTH KOREA	13%
AUSTRALIA / NEW ZEALAND	19%
SOUTHERN ASIA	12%
INDIA	5%
APAC	5%
US / EUROPE	3%

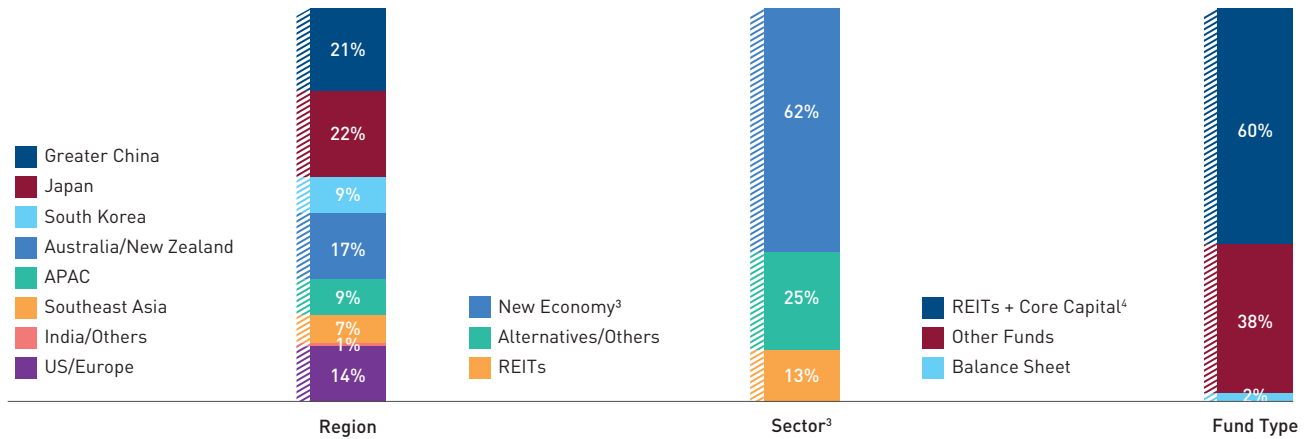


\* Information as of 31 December 2022



## APAC'S #1 Real Asset Manager Powered by the New Economy

### AUM<sup>1</sup> Composition



## ESR Group's Robust Scale, Vastly Expanded Capabilities and Deeper Breath of Offerings will Define the Future of APAC Real Estate

#1 REAL ASSET MANAGER IN APAC	POWERED BY THE NEW ECONOMY	WITH A FULL SUITE OF INVESTMENT SOLUTIONS	AND A GLOBAL FOOTPRINT WITH LEADING APAC PRESENCE
<p><b>3<sup>rd</sup> Largest</b> Listed Real Estate Manager Globally</p>	<p><b>US\$73 bn</b> New Economy AUM<sup>1</sup></p>	<p><b>US\$46 bn</b> Public REITs</p>	<p><b>&gt;95%</b> GDP in APAC Covered<sup>6</sup></p>
<p><b>12 of Top 20</b> Global LP Relationships</p>	<p><b>US\$11.9 bn</b> Development WIP<sup>5</sup></p>	<p><b>60%</b> REITs + Core Capital<sup>4</sup></p>	<p><b>28</b> COUNTRIES; ~84% OF ASSETS ALLOCATED IN APAC</p>

Notes:

- Based on constant FX translation as of 31 December 2021 for a like-for-like comparison. Based on FX translation as of 31 December 2022, total AUM would be US\$145 billion (US\$11 billion FX translation impact) and New Economy AUM would be US\$68 billion (US\$5 billion FX translation impact).
- Includes ESR-LOGOS REIT and ESR KendallSquare REIT.
- Excludes the AUM of Associates as of 31 December 2022.
- REITs + Core Capital defined as core funds and public REITs for ESR and public market assets (including Cromwell and Kenedix REITs) and core funds for ARA.
- New Economy assets only. Excludes ESR-LOGOS REIT and Sabana REIT.
- Based on 2020 Nominal GDP per Euromonitor.



## MESSAGE TO UNITHOLDERS



**MR. ADRIAN CHUI**  
Chief Executive Officer and  
Executive Director

**MS. STEFANIE YUEN THIO**  
Independent Non-Executive Chairperson

### Dear Unitholders,

We started the year with an air of optimism having benefited from the accelerated growth of e-commerce and buoyed by green shoots of a recovery in late 2021. However, as the year progressed, challenges to the operating environment increased with several uncertainties in play. Geopolitical issues and supply chain disruptions arising from the Ukraine-Russia War fuelled the energy crisis, increasing the cost of energy and inflationary pressures on labour, materials, and services globally. In response to soaring inflation, central banks raised interest rates aggressively to curb demand in the near term. These developments had broad impact across economies and businesses, elevating the risk of a global recession.

Amidst this backdrop, we continued to take strategic steps to enhance our resilience and agility, positioning ESR-LOGOS REIT as a leading New Economy and Future-Ready APAC S-REIT, through the completion of the successful merger with ARA LOGOS Logistics Trust (now known as ALOG Trust) (“ALOG”) in April 2022 by way of a trust scheme of arrangement (the “Scheme”), and took further steps to focus our footprint in developed and mature markets that provides us with scale and presence — Singapore, Australia and Japan.

With 82 modern properties covering approximately 2.3 million sqm of gross floor area (“GFA”), we are better positioned to engage tenants in New Economy industries with strong tailwinds given the continued deep economic structural trends that are having a profound impact on the way goods are produced, delivered and consumed, thus pushing demand towards New Economy assets like logistics and high-specs properties. The future of e-commerce is expected to remain bright over the next few years, albeit at a slower pace as compared to the past two years. Market estimates indicate that approximately 200 million sqm of additional e-commerce-dedicated logistics space will be required globally over the next five years to support the growth of global retail e-commerce<sup>1</sup>. Furthermore, supply chain security is expected to be a major driver of demand for well-located quality warehousing spaces as companies continue to transition from ‘Just-in-Time’ to ‘Just-in-Case’ business strategies.

As a result, FY2022 gross revenue reached a record high of S\$343.2 million, an increase of 42.3% from S\$241.3 million in FY2021. The increase was primarily due to contributions from our enlarged portfolio after the merger with ALOG which was completed in April 2022. Amount available for distribution in FY2022 increased 54.8% to S\$177.1 million, from S\$114.4 million a year ago. With the strong performance, we provided Unitholders with a FY2022 distribution per unit of 3.000 Singapore cents.

<sup>1</sup> CBRE, 7 June 2022, Global E-commerce Outlook 2022 Update, <https://www.cbre.com/insights/reports/global-e-commerce-outlook-2022>



### A NEW ECONOMY FUTURE-READY APAC S-REIT

During the year, we successfully executed on our 4R strategy: Rejuvenate, Recycle, Recapitalise, and Reinforce, to enhance the quality of ESR-LOGOS REIT's portfolio and increase our exposure to the high-growth New Economy sector.

As at 31 December 2022, we have a portfolio of 82 quality and diversified assets (excluding 48 Pandan Road held through a joint venture) across key gateway markets, comprising 61 assets in Singapore, 20 in Australia and one in Japan. Including our investments in three property funds, ESR-LOGOS REIT closed the year with total assets of S\$5.7 billion, compared with S\$3.3 billion as at 31 December 2021.

On the back of sustainable demand and tight supply of modern quality warehouse spaces in our markets amidst our continued Asset Enhancement Initiatives ("AEIs") and redevelopments, portfolio occupancy remained high at 92.7%, compared with 92.0%<sup>2</sup> in the previous financial year. Leasing remained robust as we secured 516,501 sqm of total leases in FY2022, comprising 373,650 sqm of renewed leases and 142,851 sqm of new leases. As testament to the strength of our leasing teams, we realised average positive rental reversions of 11.8%, compared to -1.7%<sup>2</sup> in the previous financial year. The strong rental reversion is broad-based with the Logistics (+15.7%) and High-Specs (+12.3%) segments driving the reversions.

### Portfolio Rejuvenation through Acquisitions, Redevelopments and AEIs

Our rejuvenation strategy covers three key areas: (1) acquisitions of quality value-accretive assets; (2) redevelopment of older-specs assets into modern and future-ready properties; and (3) AEIs to repurpose and rejuvenate dated assets to suit the demands of the New Economy.

As testament to the investment and asset management expertise and abilities of the ESR-LOGOS REIT Manager, we successfully rejuvenated our portfolio towards modern, in demand and scalable assets, ensuring their relevance to the needs of businesses in New Economy sectors. As at 31 December 2022, New Economy assets of Logistics and High-Specs spaces accounted for 62.8% of our total portfolio, a significant increase from 41.5%<sup>2</sup> as at 31 December 2021.

In FY2022, we completed the AEI of 53 Peregrine Drive in Australia which added a new 10,115 sqm warehouse with a 16,220 sqm container-rated hardstand for A\$19.2 million. Through this development, we secured the tenant at the asset for a long 13.7-year lease term.

Currently, we have three ongoing AEIs and redevelopments which present immediate organic growth opportunities:

- 16 Tai Seng Street is undergoing enhancement to maximise its plot ratio. At a cost of approximately S\$32.0 million, the works will increase GFA by approximately 2,793 sqm, bringing the total GFA to approximately 22,800 sqm. The AEI is expected to complete in 1Q2024 and deliver an estimated yield-on-cost of approximately 6.0%.
- 7002 Ang Mo Kio Ave 5 is also undergoing enhancement to maximise its plot ratio. At a cost of approximately S\$53.3 million, the AEI will deliver an additional multi-tenanted high-specs building with a GFA of 24,600 sqm suitable for advanced manufacturing, info-comm and data centre tenants. The AEI is expected to be completed in 3Q2023 with an estimated yield-on-cost of approximately 7.1%.
- 21B Senoko Loop is currently undergoing a two-phase built-to-suit redevelopment to transform the property from a general industrial building to a high-specs property. Phase 1 is expected to complete in 1H2023 and Phase 2 is expected to be completed in 1Q2024. At a cost of approximately S\$38.5 million, the AEI will deliver an estimated yield-on-cost of approximately 6.6%.

### Recycling Capital through Divestments of Non-Core Assets

Our second strategy allows us to recycle our portfolio by divesting non-core assets which are relatively smaller in size and/or have relatively short land tenures with limited redevelopment potential. Funds raised through the sale of non-core assets will be channelled to pare down our debt levels or be redeployed towards higher quality assets which cater primarily to the New Economy sector.

In FY2022, we announced the divestments of five non-core properties that were executed at a premium of 14.9% to fair value. These non-core properties comprised 28 Senoko Drive, 3 Sanitarium Drive, 2 Jalan Kilang Barat, 49 Pandan Road and 70 Seletar Aerospace View. Four of the divestments have been completed and the divestment of 70 Seletar Aerospace View is slated to be completed in 2Q2023.

Looking ahead, we have also identified a portfolio of non-core assets valued at up to S\$450 million for divestment over the next 12 months.



## MESSAGE TO UNITHOLDERS

### Recapitalising Our Balance Sheet for Future Growth

As part of our proactive approach to capital management, we closed the year with a gearing level of 41.8% and an all-in cost of debt of 3.66%. We have a well spread-out and staggered debt maturity profile with a weighted average debt expiry of 2.9 years and no more than 21% of debt will expire per year over the next three years. Mitigating the volatility of interest rate movements, 72.0% of borrowings are on fixed interest rates with a weighted average fixed debt expiry of 2.0 years.

In FY2022, we also executed several capital raising initiatives to further optimise our capital structure and provide support for our growth strategy. We entered into a S\$835.0 million and A\$365.0 million unsecured loan facilities agreement in relation to the merger of ESR-REIT and ALOG.

In June 2022, we also successfully issued S\$150.0 million 5.50% subordinated perpetual securities, which were issued pursuant to the S\$750.0 million Multicurrency Debt Issuance Programme of ESR-LOGOS REIT. In October 2022, we entered into a JPY7.1 billion unsecured loan facility agreement and a JPY12.2 billion secured loan facility agreement for the partial financing of our maiden acquisition in Japan, which we will elaborate on further below. To round off FY2022, we also announced the reset of the distribution rate for the S\$150.0 million 4.60% subordinated perpetual securities which were issued pursuant to the S\$750.0 million Multicurrency Debt Issuance Programme of ESR-LOGOS REIT in November 2022, as well as the redemption of the S\$100.0 million 5.50% subordinated perpetual securities (which were issued pursuant to the S\$1 billion Multicurrency Debt Issuance Programme of ALOG) in December 2022.

We maintained a good level of financial flexibility to fund our growth aspirations with a debt headroom of S\$858.8 million as at 31 December 2022. We have access to S\$320.4 million of committed undrawn revolving credit facilities at attractive margins, which can be utilised to refinance our FY2023 debt expiries of S\$230.0 million, thereby reducing interest expense and commitment fees on the revolving credit facilities. ESR-LOGOS REIT remains well supported by 11 local and international banks.

We continue to focus on strengthening our financial position and preserving Unitholder value over the long-term.

### Reinforcing Sponsor Support for Quality Growth

We will continue to rejuvenate our portfolio by leveraging our Sponsor's network, footprint and local expertise with a focus on New Economy assets. ESR Group has a global portfolio of over US\$68 billion in New Economy assets, providing us with an executable asset pipeline. This is a significant competitive advantage as quality modern logistics assets continue to be scarce across major logistics markets globally amidst increasing competition and the comparative advantage of private equity funds for such assets.

As testament to our ability to tap into our Sponsor's quality portfolio, we realised our maiden entry into Japan with the acquisition of ESR Sakura Distribution Centre ("ESR Sakura DC") from ESR Group for S\$169.8 million (JPY17,800 million) in October 2022. With net lettable area of 81,507 sqm, the 5-storey modern freehold logistics property will set the foundation for us to ride on the strong logistics growth trends in the Greater Tokyo area.

While we enjoy good access to our Sponsor's portfolio, we will continue to exercise prudence in our investment process. We will continue to focus on high-quality New Economy assets in scalable markets where we are able to leverage ESR Group's real estate platform and local expertise, to achieve value add to our Unitholders.

### OUR ESG COMMITMENTS

The Board and Management team have outlined in this year's Sustainability Report our longer-term ESG targets and aspirations which are built on the United Nations' Sustainability Development Goals and aligned with the ESG objectives of our Sponsor. Post merger with ALOG, we introduced new material topics and targets, and removed outdated material topics to better reflect our sustainability ambitions as a larger REIT.

On the Environmental front, we have set goals for the reduction of total energy and water consumption across our multi-tenanted buildings. Cognizant of the challenges posed by climate change to our operations, we are also developing a decarbonisation roadmap for our portfolio.

As at 31 December 2022, there are 11 properties in our portfolio with BCA Green Mark Gold/Gold Plus certifications, as well as one property with LEED Platinum certifications. Moving forward, we target to achieve Green Mark certification for 80% of our buildings by 2030.



On the Social element, we continue to maintain fair employment practices and are a signatory to Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). We maintain high levels of employee satisfaction and all of our employees received professional training in 2022, covering technical skills related to their functions and other soft skills.

During the year, we co-organised a portrait taking session for the elderly from low-income families in Kembangan Chai Chee together with Kampong Chai Chee Community Centre, as well as provided a space at ESR BizPark @ Chai Chee for the operation of Kidzcare Tuition Centre as part of our ongoing efforts in supporting disadvantaged youth in partnership with Kembangan-Chai Chee (KCC) Youth Network. We also provided sponsorship for the SportCares Community Futsal Programme, a structured programme to keep youths at-risk off the streets and bring about holistic behavioural changes through sports.

On the Governance front, we continue to uphold high standards of corporate governance to ensure ESR-LOGOS REIT is aligned with best practices and is responsive to change. We value Board and Management team diversity and are committed to zero lapses in corporate governance. Having experienced the disruptions brought about by the pandemic, we continue to ensure that procedures and business continuity plans are in place for preparedness and resilience.

## OUTLOOK

The multitude of macroeconomic and geopolitical challenges are expected to carry into 2023 with recession expected to set into two of the largest economies — U.S. and Europe. Supply chain disruptions and continued interest rate hikes will affect economic sentiments, trade, financial and business activities which will impact companies along the value chain, demand for space, rental growth, and operating costs.

On a positive note, in the medium to longer term, the depth and pace of economic structural trends are expected to continue benefiting ESR-LOGOS REIT as demand trends towards New Economy assets in the logistics and high-specs segments. The opening up of China's borders is expected to help alleviate the supply chain disruptions and ease inflationary pressures.

ESR-LOGOS REIT remains focused on our continued efforts to optimise the value of our portfolio, ensuring our capital structure remains sound to tide us through these difficult times and leverage on the deep economic structural reforms for sustainable growth. Despite the potential uplift in the medium to longer term with our New Economy pivot, in the short term, we may expect uneven distribution growth as we continue to rejuvenate and recycle our assets with AEs, redevelopments and divestments, coupled with continued cost pressures. We remain cautiously optimistic given the progress that we have made with our 4R strategy and in transforming ESR-LOGOS REIT into a leading New Economy and Future-Ready APAC S-REIT.

We continue to transform and enhance ESR-LOGOS REIT for the benefit of Unitholders with long-term horizons.

## A WORD OF APPRECIATION

Following the completion of the merger with ALOG, Mr. Ooi Eng Peng and Mr. Tong Jinqun retired as Non-Executive Directors on 1 July 2022 and 29 July 2022 respectively. Mr. Khor Un-Hun stepped down as Independent Non-Executive Director on 2 August 2022, while Mr. Philip Pearce stepped down as Non-Executive Director and was appointed as Alternate Director to Mr. Jeffrey Perlman, Non-Executive Director on 3 June 2022. On behalf of the Board, we would like to extend our heartfelt appreciation to Mr. Ooi, Mr. Tong and Mr. Khor for their invaluable contributions during their tenure of service.

On 3 June 2022, we welcomed Mr. Nagaraj Sivaram as Independent Non-Executive Director. A Chartered Accountant by training, Mr. Sivaram has extensive experience in auditing listed companies in the logistics and real estate industries. On 1 July 2022, Mr. Trent Iliffe was appointed as Non-Executive Director, bringing with him significant experience, expertise and network in the real estate space across Asia including Australia. We welcomed Dr. Julie Lo as Independent Non-Executive Director on 1 November 2022. Dr. Lo comes with extensive legal experience in the public healthcare sector and with global companies. Mr. Sivaram, Mr. Iliffe and Dr. Lo continue to provide further depth and diversity to the competencies and skillsets of the Board.



## MESSAGE TO UNITHOLDERS

On behalf of the Board and Management team, we would like to extend our heartfelt appreciation to our Unitholders, our Sponsor, our tenants and our partners for their loyalty, trust and continued support. We would also like to thank our dedicated employees for their resilience and tenacity in implementing our strategies to deliver quality returns for Unitholders over the longer-term.

Sincerely yours,

**STEFANIE YUEN THIO**

*Independent Non-Executive Chairperson*

**ADRIAN CHUI**

*Chief Executive Officer and Executive Director*

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## YEAR IN BRIEF

### JANUARY

- Participated in SIAS-ESR-REIT Virtual Dialogue Session in relation to the proposed merger of ESR-REIT and ALOG
- Announced revised scheme consideration for the proposed merger between ESR-REIT and ALOG
- Announced results for the financial year ended 31 December 2021: Distribution per Unit ("DPU") grew 6.7% y-o-y to 2.987 cents
- Completed divestment of 28 Senoko Drive for S\$12.0 million at 8.4% discount to fair value

# 2022

### FEBRUARY

- Participated in investor presentations for remisers in relation to the proposed merger of ESR-REIT and ALOG

### MARCH

- Participated in SIAS-ESR-REIT Virtual Information Session
- Held Extraordinary General Meeting on 21 March 2022 and received approval from Unitholders in relation to the proposed merger of ESR-REIT and ALOG
  - ✓ ESR-REIT: 98.6% of total number of votes received were cast in favour
  - ✓ ALOG: 94.8% of total number of votes received were cast in favour

### APRIL

- Completed merger between ESR-REIT and ALOG
- Announced Build-to-Suit Redevelopment at 21B Senoko Loop for NTS Components Singapore Pte Ltd
- Entry into S\$835.0 million and A\$365.0 million unsecured loan facilities in relation to the proposed merger of ESR-REIT and ALOG, with DBS Bank Ltd. and its Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation, Singapore Branch, The Hongkong

and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited

- 13th Annual General Meeting held on 29 April 2022 and all resolutions were approved by Unitholders
- Announced interim business update for the financial quarter ended 31 March 2022

### MAY

- Commenced trading as ESR-LOGOS REIT on SGX-ST
- Participated in the REITs Symposium 2022
- Announced divestment of 3 Sanitarium Drive, Australia, for A\$55.0 million at 18.5% premium to fair value



### JUNE

- Successful issuance of S\$150.0 million 5.50% subordinated perpetual securities pursuant to the S\$750 million debt issuance programme of ESR-LOGOS REIT
- Announced the following changes to the Board and Board Committee's composition with effect from 3 June 2022:
  - ✓ Appointment of Mr. Nagaraj Sivaram as Independent Non-Executive Director and member of the Audit, Risk Management and Compliance Committee
  - ✓ Re-designation of Mr. Philip Pearce as an Alternate Director to Mr. Jeffrey Perlman



### JULY

- Announced the following changes to the Board and Board Committee's composition with effect from 1 July 2022:
  - ✓ Appointment of Mr. Trent Iliffe as Non-Executive Director and member of the Executive Committee ("EXCO")
  - ✓ Appointment of Ms. Stefanie Yuen Thio as member of the Nominating and Remuneration Committee
  - ✓ Appointment of Mr. Jeffrey Perlman as Chairman of the EXCO
  - ✓ Stepping down of Mr. Ooi Eng Peng as Non-Executive Deputy Chairman

## NOVEMBER

- Completed divestment of 2 Jalan Kilang Barat
- Announced reset of distribution rate for the S\$150.0 million 4.60% fixed rate perpetual securities issued pursuant to the S\$750 million multicurrency debt issuance programme of ESR-LOGOS REIT
- Announced retirement of RBC Investor Services Trust Singapore Limited and appointment of Perpetual (Asia) Limited as Trustee of ESR-LOGOS REIT



## DECEMBER

- Announced divestment of 70 Seletar Aerospace View for S\$7.1 million at 4.8% premium to fair value
- Announced notice of redemption to the securityholders of the S\$100.0 million 5.50% subordinated perpetual securities issued under the S\$1 billion multicurrency debt issuance programme of ALOG

## OCTOBER

- Held Extraordinary General Meeting on 12 October 2022 in relation to the acquisition of ESR Sakura Distribution Centre and resolution was 99.67% approved by Unitholders
- Entry into a JPY12.2 billion secured loan facility with Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. and a JPY7.1 billion unsecured loan facility with Sumitomo Mitsui Banking Corporation Singapore Branch and MUFG Bank, Ltd.
- Announced interim business update for the financial quarter ended 30 September 2022
- Participated in REITAS Annual Conference 2022
- Participated in REITs Investment Forum organised by The Edge Singapore
- Announced 53 Peregrine Drive obtained practical completion and 19 Tai Seng Avenue achieved 100% occupancy
- Completed the acquisition of ESR Sakura Distribution Centre, Japan
- Announced appointment of Dr. Julie Lo as Independent Non-Executive Director with effect from 1 November 2022

## SEPTEMBER

- Announced lease renewal by ams-OSRAM at 7000 Ang Mo Kio Avenue 5, continuing long term partnership with ESR-LOGOS REIT
- Announced divestment of 2 Jalan Kilang Barat for S\$35.3 million at 21.7% premium to fair value
- Participated in S-REIT 20th Anniversary Celebration 2022 organised by The Edge Singapore, REITAS and SGX



## AUGUST

- Announced stepping down of Mr. Tong Jinqun as Non-Executive Director with effect from 29 July 2022
- Completed divestment of 3 Sanitarium Drive, Australia
- Announced results for the financial period from 1 January 2022 to 30 June 2022: DPU fell 6.0% y-o-y for 1H2022
- Announced change of distribution frequency to semi-annual with effect from 2H2022
- Announced Asset Enhancement Initiative ("AEI") at 16 Tai Seng Street, with anchor tenant secured
- Announced divestment of Pandan Logistics Hub for S\$43.5 million at 15.1% premium to fair value

- Announced the following changes to the Board and Board Committee's composition with effect from 2 August 2022:
  - ✓ Stepping down of Mr. Khor Un-Hun as Chairman of the Audit, Risk Management and Compliance Committee and succession by Mr. Nagaraj Sivaram
- Announced resignation of Chief Financial Officer Mr. Lawrence Chan and succession by Mr. Don Kok
- Announced proposed acquisition of ESR Sakura Distribution Centre, marking ESR-LOGOS REIT's maiden foray into Japan market



## FY2022 KEY HIGHLIGHTS



### RESILIENT PORTFOLIO PERFORMANCE AMIDST MACROECONOMIC UNCERTAINTIES

Amount available for distribution to Unitholders increased

**54.8%**

to

**S\$177.1 million**

Distribution per Unit increased

**0.4%**

year-on-year to

**3.000 cents**

for FY2022



### REJUVENATION OF PORTFOLIO

Completion of the merger with

**ARA LOGOS Logistics Trust**

Acquisition of maiden Japanese asset

**ESR Sakura Distribution Centre in Tokyo, Japan**

Completed Asset Enhancement Initiative  
**53 Peregrine Drive**

Ongoing Asset Enhancement Initiatives

- **7002 Ang Mo Kio Avenue 5**
- **16 Tai Seng Street**

Ongoing Redevelopment  
**21B Senoko Loop**



### RECYCLING CAPITAL TO UNLOCK VALUE

Announced the divestments of 5 non-core assets totalling

**S\$151.3 million**

with

**14.9%**

premium above valuation

- 28 Senoko Drive, Singapore
- 3 Sanitarium Drive, Australia
- 2 Jalan Kilang Barat, Singapore
- 49 Pandan Road, Singapore
- 70 Seletar Aerospace View, Singapore

Identified up to

**S\$450 million**

of

**non-core assets to be divested over next 12 months**



### RECAPITALISE BALANCE SHEET FOR FUTURE GROWTH CATALYSTS

#### Gearing

**41.8%**

#### High proportion of fixed rate debt

**72.0%** for 2.0 years

#### Cost of debt

**3.66%**  
per annum

**S\$320.4**  
million of committed  
available RCF for refinancing

Portfolio **96%**  
unencumbered

#### Well supported by

**11** lending banks

#### Debt headroom of

**S\$858.8**  
million



### CONTINUED ESG COMMITMENTS

#### ENVIRONMENTAL

- Refreshed material factors and targets post-merger with ALOG
- Decarbonisation Roadmap to be implemented in FY2023

#### Newly Certified Green Buildings:

- 7002 Ang Mo Kio Ave 5 — BCA Greenmark "Gold" Certification
- 16 Tai Seng Street — BCA Greenmark "Gold" Certification
- 21B Senoko Loop — BCA Greenmark "Gold" Certification

#### Solar Harvesting Programme:

- Identified properties for solar panel installation which will be carried out progressively over the next three years
- The installations are expected to increase solar power generation at our properties by 50% by year 2025 (from base year 2019)

#### Building Certifications:

- Green Mark Gold/Gold Plus — 6 Properties
- LEED Platinum/Gold — 2 Properties
- Green Mark Certified — 3 Properties

#### SOCIAL

- Co-organised portrait taking for low income elderlies in Kembangan Chai Chee ("KCC"), with KCC Community Centre
- Sponsorship of SportCares Community Futsal Programme
- Partnered KCC Youth Network to provide the Kidzcare Tuition Center at ESR BizPark @ Chai Chee

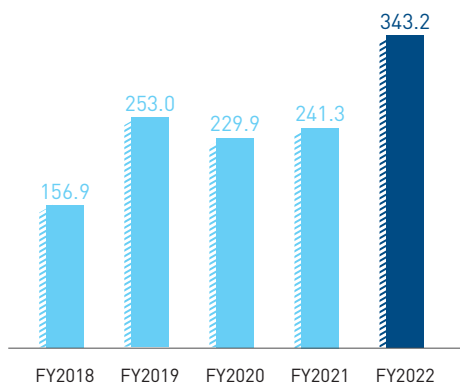
#### GOVERNANCE

- Improvement in GRESB score to 2 Star (69 points) from 1 Star (52 points)
- Refreshed Board of Directors and implemented enhanced board diversity policy and targets

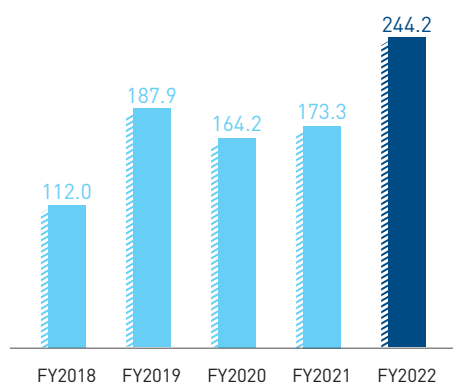


# FIVE-YEAR FINANCIAL HIGHLIGHTS

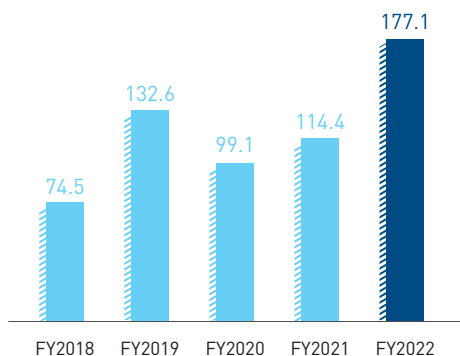
**Gross Revenue**  
(S\$ million)



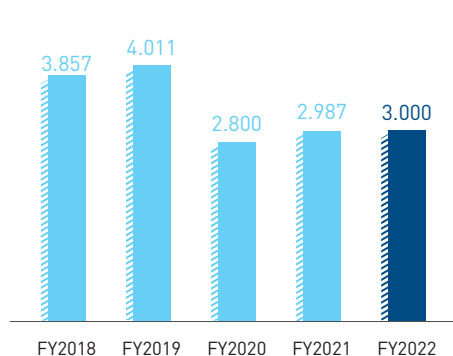
**Net Property Income**  
(S\$ million)



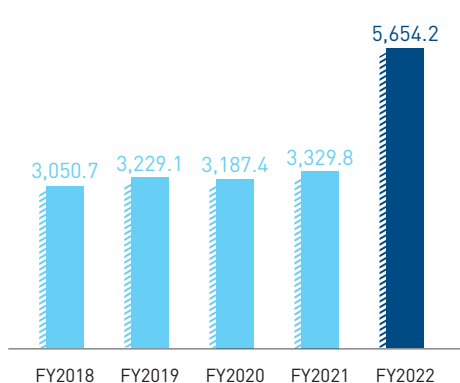
**Amount Available for Distribution to Unitholders**  
(S\$ million)



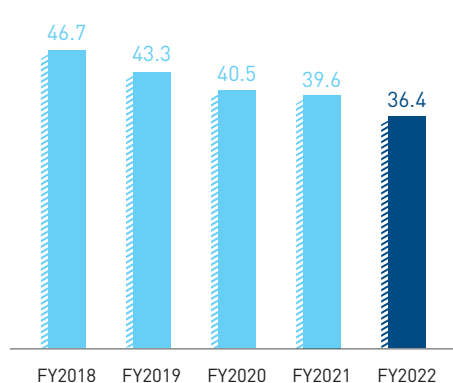
**DPU**  
(cents per Unit)



**Total Assets**  
(S\$ million)



**Net Asset Value**  
(cents per Unit)



For the Financial Year	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Gross Revenue (S\$ million)</b>	<b>343.2</b>	241.3	229.9	253.0	156.9
<b>Net Property Income (S\$ million)</b>	<b>244.2</b>	173.3	164.2	187.9	112.0
<b>Total Assets (S\$ million)</b>	<b>5,654.2</b>	3,329.8	3,187.4	3,229.7	3,050.7
<b>Amount Available for Distribution to Unitholders (S\$ million)</b>	<b>177.1</b>	114.4	99.1	132.6	74.5
<b>DPU (cents)</b>	<b>3.000</b>	2.987	2.800	4.011	3.857
<b>Net Asset Value per Unit (cents)</b>	<b>36.4</b>	39.6	40.5	43.3	46.7
<b>Financial Position</b>					
Total Assets (S\$ million)	<b>5,654.2</b>	3,329.8	3,187.4	3,229.7	3,050.7
Total Net Borrowings (S\$ million)	<b>2,076.1</b>	1,190.9	1,178.6	1,191.1	1,268.2
Unitholders' Funds (S\$ million)	<b>2,444.7</b>	1,598.0	1,447.0	1,508.6	1,479.7
<b>Key Financial Ratios</b>					
Debt to Total Assets (%)	<b>41.8</b>	40.0	41.5	41.4	41.9
Weighted Average All-in Cost of Debt (p.a.) (%)	<b>3.7</b>	3.3	3.5	3.9	3.8
Interest Coverage Ratio (times) <sup>1</sup>	<b>2.8</b>	3.0	2.6	2.8	3.0
<b>Capital Management</b>					
Total Loan Facilities Available (S\$ million)	<b>2,413.4</b>	1,462.4	1,305.0	1,290.0	1,360.0
Gross Borrowings (S\$ million)	<b>2,093.0</b>	1,199.5	1,186.0	1,200.0	1,277.6
Perpetual Securities Issued (S\$ million)	<b>400.0</b>	150.0	150.0	150.0	150.0
Units in Issue (million)	<b>6,719.2</b>	4,030.3	3,576.4	3,487.3	3,170.2
Market Capitalisation (S\$ million) <sup>2</sup>	<b>2,486.1</b>	1,934.5	1,412.7	1,848.3	1,616.8
<b>Trading Statistics for Financial Year</b>					
Opening Price (S\$)	<b>0.480</b>	0.405	0.535	0.505	0.565
Highest Price (S\$)	<b>0.485</b>	0.510	0.560	0.565	0.595
Lowest Price (S\$)	<b>0.320</b>	0.375	0.240	0.500	0.470
Closing Price (S\$)	<b>0.370</b>	0.480	0.395	0.530	0.510
Volume Weighted Average Price (S\$)	<b>0.397</b>	0.446	0.372	0.530	0.525
Total Volume Traded (million Units)	<b>2,543.8</b>	2,461.1	3,588.4	1,520.1	490.4
Average Volume per Day (million Units)	<b>10.2</b>	9.8	14.4	6.1	2.0
<b>Total Return (%)<sup>3</sup></b>	<b>-16.85</b>	30.00	-19.81	12.06	-2.75

1 Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense. Interest expense includes amortisation of debt-related transaction costs and distributions to perpetual securities, but excludes finance costs on lease liabilities under FRS 116.

2 Computed based on closing price and Units in issue at the end of the financial year.

3 Performance is calculated on the change in unit price over the year, based on the closing price of the last day of the preceding year and the closing price of the current year, including the assumption that distributions paid were reinvested at the closing price on the ex-distribution date.



# UNIT PRICE PERFORMANCE

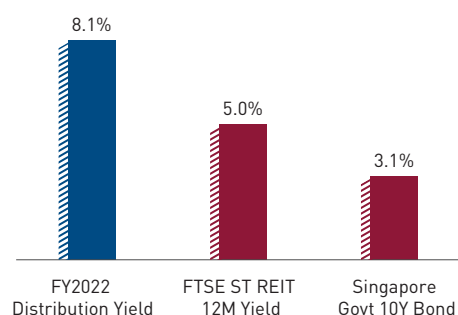
## TRADING PERFORMANCE IN FY2022

In FY2022, the global economy experienced a wide array of challenges, ranging from high energy prices, aggressive interest hikes by central banks to tackle unprecedented high inflation, as well as geopolitical risks from the ongoing Russian-Ukraine conflict. According to the Ministry of Trade and Industry<sup>1</sup>, the Singapore economy expanded by 3.6% in 2022, moderating from the 8.9% growth in 2021, and is forecasted to grow at 0.5–2.5% in 2023.

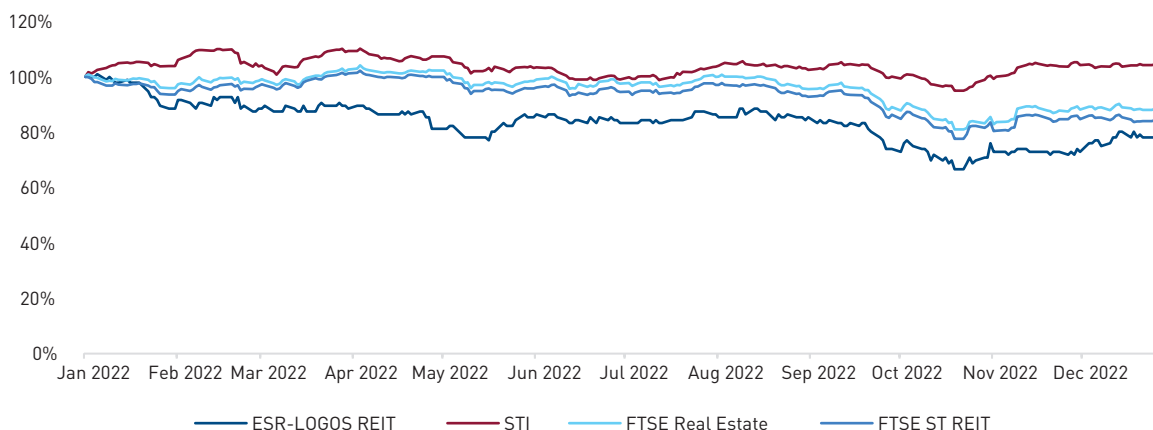
ESR-LOGOS REIT's closing unit price was S\$0.370 as at 31 December 2022, with one year volume weighted average price of S\$0.397 as at 31 December 2022. ESR-LOGOS REIT's market capitalisation was approximately S\$2.5 billion as at 31 December 2022, increasing from S\$1.9 billion as at 31 December 2021. Additionally, average daily trading volume for FY2022 increased to 10.2 million units from 9.8 million units in FY2021.

Distribution per Unit ("DPU") for FY2022 was 3.000 cents, translating to a distribution yield of 8.1% based on the closing unit price of S\$0.370 as at 31 December 2022.

### Attractive Yield (%) (As at 31 December 2022)



## Comparative Trading Performance FY2022

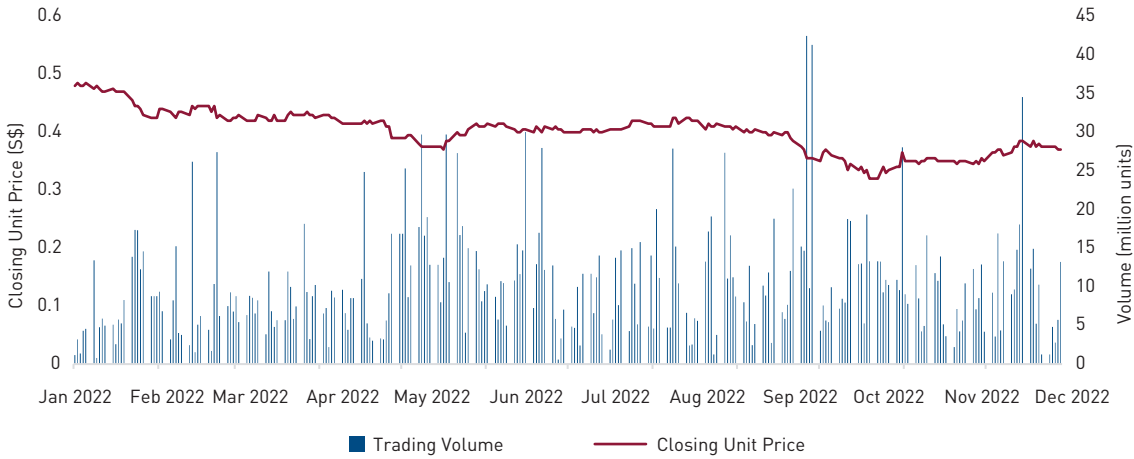


## Trading Data Across Five Years

	2022	2021	2020	2019	2018
Opening (S\$)	0.480	0.405	0.535	0.505	0.565
Closing (S\$)	0.370	0.480	0.395	0.530	0.510
Highest (S\$)	0.485	0.510	0.560	0.565	0.595
Lowest (S\$)	0.320	0.375	0.240	0.500	0.470
Volume Weighted Average Price (S\$)	0.397	0.446	0.372	0.530	0.525
Total Trading Volume (million units)	2,543.8	2,461.1	3,588.4	1,520.1	490.4
Average Daily Trading Volume (million units)	10.2	9.8	14.5	6.1	2.0

<sup>1</sup> Ministry of Trade and Industry Singapore, 13 February 2023, MTI Maintains 2023 GDP Growth Forecast at "0.5 to 2.5 Per Cent", [https://www.mti.gov.sg/Newsroom/Press-Releases/2023/02/MTI-Maintains-2023-GDP-Growth-Forecast-at-0\\_5-to-2\\_5-Per-Cent](https://www.mti.gov.sg/Newsroom/Press-Releases/2023/02/MTI-Maintains-2023-GDP-Growth-Forecast-at-0_5-to-2_5-Per-Cent)

Monthly Trading Performance in FY2022



5-Year Trading Performance



Constituent of Select Key Indices

- BI Singapore Real Estate Owners and Developers Valuation Peers
- iEdge S-REIT Index
- iEdge S-REIT Leaders SGD Index (Price Return)
- Bloomberg Asia Real Estate Investment Trust Index
- Bloomberg Singapore Large, Mid & Small Cap Price Return Index
- WisdomTree Global ex-US Real Estate Index
- EPRA NAREIT Asia Total Return Index USD
- FTSE ASEAN All-Share Index
- Solactive GBS Developed Markets Real Estate CAD Index CA NTR
- FTSE EPRA Nareit Global REITs TR Index
- FTSE EPRA Nareit Developed 100% Hedged to USD Total Return Index
- Bloomberg World Real Estate Large, Mid & Small Cap Price Return Index
- FTSE EPRA Nareit Developed Rental Index UnHedged in AUD Net
- MSCI ACWI Value Small USD Index
- Vanguard FTSE Pacific ETF INAV
- Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index NTR
- Bloomberg APAC Developed Markets Large, Mid & Small Cap Price Return Index
- FTSE Developed Asia Pacific All Cap Net Tax (US RIC) Index
- Bloomberg APAC ex Japan Large, Mid & Small Cap Price Return Index
- Bloomberg Asia Large, Mid & Small Cap Price Return Index
- Bloomberg Developed Markets Mid & Small Cap Price Return Index USD
- MSCI World ex USA IMI (VRS Taxes) Net Return USD Index
- FTSE Developed ex US All Cap Net Tax (US RIC) Index
- Bloomberg World ex North America Large, Mid & Small Cap Price Return Index
- Bloomberg World ex US Large, Mid & Small Cap Price Return Index
- Bloomberg Developed Markets Large, Mid & Small Cap Price Return Index
- Bloomberg World Large, Mid & Small Cap Price Return Index



# BOARD OF DIRECTORS



**MS. STEFANIE YUEN THIO**  
Independent Non-Executive Chairperson



**DR. LEONG HORN KEE**  
Independent Non-Executive Director



**MR. RONALD LIM**  
Independent Non-Executive Director



**Mr. NAGARAJ SIVARAM**  
Independent Non-Executive Director



**DR. JULIE LO**  
Independent Non-Executive Director



**MR. WILSON ANG**  
Non-Executive Director



**MR. TRENT ILIFFE**  
Non-Executive Director



**MR. JEFFREY PERLMAN**  
Non-Executive Director



**MR. PHILIP PEARCE**  
Alternate Director  
to Mr. Jeffrey Perlman



**MR. ADRIAN CHUI**  
Chief Executive Officer and  
Executive Director

## Ms. Stefanie Yuen Thio, 53

### Independent Non-Executive Chairperson

Date of first appointment as a Director: 29 March 2019  
 Date of appointment as Chairperson: 1 July 2021  
 Length of service as a Director (as at 28 February 2023):  
 3 years 11 months

#### Board Committees Served On:

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

#### Description:

Ms. Stefanie Yuen Thio is the Joint Managing Partner of TSMP Law Corporation and heads its corporate practice. Admitted to the Singapore Bar in 1994, she has over 29 years of legal experience in mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients range from listed corporates to international companies, including in the logistics industry and REITs. She is regularly named by legal journals as a leading practitioner in her areas of specialisation.

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

#### Academic & Professional Qualifications:

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

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

- ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd., the managers of ARA US Hospitality Trust, where she also chairs the Audit Committee

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

- TSMP Law Corporation

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

- Singapore Medical Group Limited

## Dr. Leong Horn Kee, 70

### Independent Non-Executive Director

Date of first appointment as a Director: 8 January 2019  
 Length of service as a Director (as at 28 February 2023):  
 4 years 1 month

#### Board Committees Served On:

- Audit, Risk Management and Compliance Committee (Member)

#### Description:

Dr. Leong is the Chairman of CapitalCorp Ventures Pte Ltd, a boutique corporate finance advisory company, which he founded in 2009. He was previously with the Far East Organization group from 1993 to 2008, serving as Managing Director of Orchard Parade Holdings Limited, Managing Director and Chief Executive Officer of Yeo Hiap Seng Ltd, and Executive Director of Far East Organization, where he was closely involved in property development and management. From 1977 to 1983, Dr. Leong served in the Ministry of Finance and Ministry of Trade and Industry. He was a Member of Parliament for 22 years until 2006. He was also the Non-Resident Ambassador to Mexico from 2006 to February 2013 and the Non-Resident High Commissioner to Cyprus from July 2014 to July 2021. He is currently the Non-Resident Ambassador to Argentina since September 2020.

#### Academic & Professional Qualifications:

- Bachelor of Production Engineering (First Class Honours), Loughborough University
- Bachelor of Science (Economics), University of London
- Bachelor of Arts in Chinese Language and Literature, Beijing Normal University
- Master of Business Administration, INSEAD
- Master of Business Research, University of Western Australia
- Doctor of Business Administration, University of Western Australia

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

- PARAGON REIT Management Pte Ltd (Manager of PARAGON REIT)
- CSC Holdings Limited
- IGG Inc.

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

- CapitalCorp Ventures Pte. Ltd.

##### Major Appointment (other than Directorship)

- Singapore Ambassador to Argentina

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

Nil

<sup>1</sup> Present (as at 31 December 2022) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022).

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



# BOARD OF DIRECTORS

## Mr. Ronald Lim, 76

### Independent Non-Executive Director

Date of first appointment as a Director: **8 January 2019**  
 Length of service as a Director (as at 28 February 2023):  
**4 years 1 month**

#### Board Committees Served On:

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

#### Description:

Mr. Ronald Lim has more than 38 years of experience in the banking and finance industry. Mr. Lim was with United Overseas Bank Ltd (UOB) from March 1973 to November 2009 where he last held the appointment of Executive Director and Division Head of Commercial Banking in which the Bank is a leader in the SMEs market. Prior to the above and during his tenure with UOB, Mr. Lim had also held leadership appointments as Head of Human Resource and Head of Branches Division where he was involved in the management and development of human capital, its delivery channels and banking services. From November 2009 to October 2011, Mr. Lim was an Adviser to RGE Pte Ltd, a resource-based manufacturing group in the paper and pulp, palm oil and the oil and gas industries.

#### Academic & Professional Qualifications:

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

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

- Hiap Hoe Limited

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

- The HEAD Foundation Limited

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

Nil

## Mr. Nagaraj Sivaram, 63

### Independent Non-Executive Director

Date of first appointment as a Director: **3 June 2022**  
 Length of service as a Director (as at 28 February 2023): **8 months**

#### Board Committees Served On:

- Audit, Risk Management and Compliance Committee (Chairman)

#### Description:

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

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

He is currently a Board Member and Audit Committee Chairman of the Land Transport Authority, Singapore Institute of Technology and GK Goh Holdings Ltd.

#### Academic & Professional Qualifications:

- Bachelor of Commerce, University of Bombay
- FCA – Chartered Accountant
- Certified Public Accountant

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

- G. K. Goh Holdings Limited

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

- Land Transport Authority
- Singapore Institute of Technology

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

Nil

<sup>1</sup> Present (as at 31 December 2022) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022).

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

**Dr. Julie Lo, 61****Independent Non-Executive Director**

Date of first appointment as a Director: **1 November 2022**  
 Length of service as a Director (as at 28 February 2023): **3 months**

**Board Committees Served On:**

- Audit, Risk Management and Compliance Committee (Member)

**Description**

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

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

**Academic & Professional Qualifications:**

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

**Present Directorships/Chairmanships<sup>1</sup>:****Listed Companies**

Nil

**Principal Commitments<sup>2</sup>**

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

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

Nil

**Mr. Wilson Ang, 57****Non-Executive Director**

Date of first appointment as a Director: **8 January 2019**  
 Length of service as a Director (as at 28 February 2023): **4 years 1 month**

**Board Committees Served On:**

Nil

**Description:**

Mr. Ang has extensive experience in real estate investment trust management, industrial property investment and consultancy services. He was appointed as the Group CEO of OT Group Pte Ltd and is responsible for steering the growth and strategic direction of the group of companies with businesses spanning across real estate agency, advisory and valuation from November 2019 to July 2021. He co-founded Viva Industrial Trust Management Pte. Ltd. ("VITM"), the manager of Viva Industrial Trust ("VIT") in 2012 where he served as the CEO and Executive Director of VITM in steering the growth and enhancing the value of VIT post its successful listing on the SGX-ST in November 2013 until its merger with ESR-REIT in October 2018.

Prior to his roles with VITM, Mr. Ang was the Consultant of Asia Industrial Services with Colliers International focusing on Industrial Investment Markets in Singapore and Asia, advising building owners, investors including REITs, private and institution funds on their real estate portfolio as well as servicing their real estate portfolio requirements across Asia. Mr. Ang also co-founded Cambridge Industrial Trust Management Limited ("CITM"), the manager of Cambridge Industrial Trust ("CIT") in 2005 where he served as the Managing Director (Investment) and became CEO from 2007 to 2009. Prior to co-founding CITM, Mr. Ang was the Executive Director and Head of the Industrial Division at Colliers International (Singapore) Pte. Ltd.

**Academic & Professional Qualifications:**

- Bachelor of Science (Estate Management) (Honours), National University of Singapore.

**Present Directorships/Chairmanships<sup>1</sup>:****Listed Companies**

Nil

**Principal Commitments<sup>2</sup>**

- Resilience Capital Pte Ltd

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

Nil

<sup>1</sup> Present (as at 31 December 2022) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022).

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

# BOARD OF DIRECTORS

## Mr. Trent Iliffe, 56

### Non-Executive Director

Date of first appointment as a Director: **1 July 2022**

Length of service as a Director (as at 28 February 2023): **7 months**

#### Board Committees Served On:

- Executive Committee (Member)

#### Description:

Mr. Iliffe is currently the Managing Director & Co-CEO of LOGOS Property Group Limited. He is one of the members in ESR Group Limited's Management Business Leadership Team and has a broad depth of experience in the Asia market and has extensive experience in Australia. He has an extensive property industry career spanning over 30 years including 12 years as a co-founder of LOGOS. Prior to joining LOGOS, as the Regional Director with LaSalle Investment Management, Mr. Iliffe was responsible for Industrial real estate investment in China and the Asia Pacific where he negotiated Joint Ventures, Development Management, Asset Management and Sale and Purchase Agreements. He also established JLL's China Industrial Business leading 60 staff in seven offices around China. Mr. Iliffe's career includes a highly successful span as the National Transaction Leader at Colliers International.

#### Academic & Professional Qualifications:

- Bachelor of Business (Land Economy), University of Western Sydney

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

Nil

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

- LOGOS Property Group Limited (and various subsidiaries of this entity)

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

Nil

## Mr. Jeffrey Perlman, 39

### Non-Executive Director

Date of first appointment as a Director: **18 January 2017**

Length of service as a Director (as at 28 February 2023): **6 years 1 month**

#### Board Committees Served On:

- Nominating and Remuneration Committee (Member)
- Executive Committee (Chairman)

#### Description:

Mr. Perlman is based in Singapore, joined Warburg Pincus in 2006 and leads the firm's investments in Southeast Asia. Additionally, Mr. Perlman focuses on real estate investments across the greater Asia-Pacific region. Prior to joining Warburg Pincus, he worked in the Real Estate Investment Banking Group at Credit Suisse. He currently serves as the Chairman of ESR Group Limited (1821.HK) and also serves on the Board of Directors for ESR Group Limited, ESR-LOGOS Funds Management (ESR-LOGOS REIT), ARA Asset Management Holdings, BW Industrial Development JSC, Lodgis Hospitality Holdings, Mofang Apartments, Nova Property Investment, NWP Retail, Trax Technology Solutions, Online Pajak, Momo, Weave Co-Living Cayman Limited, StorHub, Circles Asia Cayman Limited, Princeton Digital Group Limited and Oona Insurance.

#### Academic & Professional Qualifications:

- Bachelor of Business Administration (BBA) from the Ross School of Business, University of Michigan

#### Present Directorships/Chairmanships<sup>1</sup>:

##### Listed Companies

- ESR Group Limited
- Circles Asia Cayman Limited

##### Other Principal Commitments<sup>2</sup>

- Achilles Systems Pte. Ltd.
- BW Industrial Development Joint Stock Company
- Cubic City Service Apartment Group Holdings Limited
- Circles Asia Cayman Limited
- ESR Group Limited
- Lodgis Investments Ltd (became the holding company of Lodgis Hospitality Holdings Private Limited as of 8 March 2019)
- Nova Property Investment Co., Ltd.
- Online Mobile Services Joint Stock Company
- PT Nirvana Wastu Pratama
- Princeton Digital Group Limited
- Storhub Limited (fka Staurolite Gem Holdings Ltd)
- Trax Technology Solutions Pte Ltd
- Weave Co-Living Cayman Limited
- Oona Insurance Holdings Investments Pte Ltd
- Frontier Global Investments Pte Ltd
- Evolution DC Capital Pte Ltd
- Wicks Investments Pte Ltd
- Galen Investments Holdings Pte Ltd
- Galen Management Holdings Pte Ltd
- Warburg Pincus Singapore Pte Ltd
- WPSG Master Holdings Pte Ltd
- WOH Logistics Management Pte Ltd

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

Nil

<sup>1</sup> Present (as at 31 December 2022) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022).

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



**Mr. Philip Pearce, 55****Alternate Director to Mr. Jeffrey Perlman**

Date of first appointment as an Alternate Director: **3 June 2022**  
 Length of service as an Alternate Director (as at 28 February 2023):  
**8 months**

**Board Committees Served On:**

Nil

**Description:**

Mr. Pearce has over 25 years of experience in the real estate sector throughout the Asia Pacific Region. He has been in his current role as CEO of ESR Australia since 2017, where he has established ESR's Australian business and grown it to its existing portfolio of assets under management of \$14.9 billion. Before joining ESR, he was an Executive Director and the Managing Director of Greater China for Goodman Group, responsible for US\$5 billion of assets across Hong Kong and China, having established Goodman's business in the China market. From October 2002 to July 2006, Mr. Pearce was seconded to Ascendas-MGM Pte Ltd, the manager of Ascendas Real Estate Investment Trust, where he held the position of portfolio manager. Prior to Goodman, Mr. Pearce held various roles at AMP Capital across valuation, asset management and funds management. He was a sitting member on the Board of Goodman Group from 2013 to 2016.

**Academic & Professional Qualifications:**

- Bachelor of Commerce (Land Economy), Western Sydney University, Australia
- Graduate Diploma in Applied Finance, Australian Securities Institute
- Member of the Australian Institute of Company Directors

**Present Directorships/Chairmanships<sup>1</sup>:****Listed Companies**

Nil

**Principal Commitments<sup>2</sup>:**

- ESR Real Estate (Australia) Pty Ltd

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

Nil

**Mr. Adrian Chui, 47****Chief Executive Officer and Executive Director**

Date of first appointment as a Director: **24 March 2017**  
 Length of service as a Director (as at 28 February 2023):  
**5 years 11 months**

**Board Committees Served On:**

- Executive Committee (Member)

**Description:**

Mr. Chui has more than 20 years of extensive real estate experience, particularly in the REIT sector, across property investments and divestments, funds management and structuring, capital markets, acquisition financing, mergers and acquisitions, and property research. Prior to joining the Manager, Mr. Chui was responsible for the Southeast Asia real estate business at Standard Chartered Bank. His experience in the REITs and Business Trusts market includes structuring cross border property investments and fund raising for REITs as well as property research. He was formerly with Morgan Stanley Asia (Singapore) Securities Pte Ltd, where he was the lead property research analyst responsible for Singapore listed REITs and property companies. He has also held management roles with CapitaCommercial Trust Management Limited and was part of the pioneer management team at Ascendas Funds Management (S) Limited.

**Academic & Professional Qualifications:**

- Bachelor of Business, Nanyang Technological University, Singapore

**Present Directorships/Chairmanships<sup>1</sup>:****Listed Companies**

Nil

**Principal Commitments<sup>2</sup>**

- 7000 AMK LLP
- PTC Logistics Hub LLP
- ESR-LOGOS REIT AUS (MTN) Pty Ltd

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

Nil

<sup>1</sup> Present (as at 31 December 2022) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2020 to 31 December 2022).

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

# MANAGEMENT TEAM



From left to right:

**MR. CARLVIN CHIA**

Co-Head of Asset Management

**MS. LOY YORK YING**

Head of Compliance and Risk Management

**MR. LEONG SAI KEONG**

Co-Head of Asset Management

**MS. NANCY TAN**

Head of Investment

**MS. CHARLENE-JAYNE CHANG**

Head of Capital Markets and Investor Relations

**MR. DON KOK**

Chief Financial Officer

**MR. ADRIAN CHUI**

Chief Executive Officer and Executive Director

**MS. KAREN LEE**

Deputy Chief Executive Officer

**MS. IRENE PHUA**

Head of Human Resources and Corporate Services

**MR. CHAN WEI CHIE**

General Manager and Head of Property Management

## Mr. Adrian Chui

Chief Executive Officer (“CEO”) and Executive Director

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

Mr. Chui has more than 20 years of extensive real estate experience, across property investments and divestments, funds management and structuring, capital markets, acquisition financing, mergers and acquisitions, fund raising (across debt, equity-linked and equity) and property research in Singapore, Australia and Japan. He was the pioneer in leading and structuring of Singapore’s first-ever REIT merger in 2018.

Prior to joining the Manager, Mr. Chui was responsible for the Southeast Asia real estate business at Standard Chartered Bank. His deal experience across private funds, REITs and Business Trusts market includes structuring cross border property investments, fund raising and sell-side property research in industrial, logistics, hospitality, office, retail and healthcare. He was formerly with Morgan Stanley Asia (Singapore) Securities Pte Ltd, where he was the lead property research analyst responsible for Singapore listed REITs and property companies. He has also held management roles with CapitaCommercial Trust Management Limited and was part of the pioneer management team at Ascendas Funds Management (S) Limited. He is also an EXCO member of REITAS.

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

## Ms. Karen Lee

Deputy Chief Executive Officer

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

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

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

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



## MANAGEMENT TEAM

### Mr. Don Kok

Chief Financial Officer (“CFO”)

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

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

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

### Ms. Charlene-Jayne Chang

Head of Capital Markets and Investor Relations

Ms. Chang joined the Manager in April 2017 as Head of Capital Markets and Investor Relations. She reports to the CEO and manages the capital markets/fundraising, treasury and investor relations/corporate communications functions of the Manager, including the provision of insights on originating and executing strategic initiatives, mergers and acquisitions and capital markets/fundraising and treasury strategies.

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

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

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

## Mr. Carlvin Chia

### Co-Head of Asset Management

Mr. Chia joined the Manager in May 2022. Together with Mr. Leong, Mr. Chia is responsible for developing and executing asset management strategies to drive income performance and returns of ESR-LOGOS REIT's portfolio. Reporting to the Deputy CEO, he has over 20 years of experience in the real estate industry, including portfolio and asset management, development, marketing, leasing, and property management.

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

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

## Mr. Leong Sai Keong

### Co-Head of Asset Management

Mr. Leong is the Co-Head of Asset Management with the Manager and reports to the Deputy CEO. Mr. Leong, together with Mr. Chia, is responsible for developing and executing asset management strategies to drive income performance and returns of ESR-LOGOS REIT's portfolio. He has over 30 years of experience in the real estate industry, including portfolio and asset management, development, marketing, leasing, and property management.

Prior to joining the Manager, Mr. Leong was previously with Ascendas Funds Management (S) Limited, the manager of Ascendas REIT for over ten years where he was responsible for the asset management, leasing and tenancy management and project management as the Head of Light and High-Specs Properties Portfolio as well as the Deputy Head for Singapore Revenue Management. Prior to this, Mr. Leong was also with NTUC Healthcare Co-Operative Ltd, Wearnes Development Pte Ltd and Jones Lang Wootton Property Consultants Pte Ltd (currently known as Jones Lang LaSelle Property Consultants Pte Ltd) in the areas of marketing, development and asset management of residential, commercial and industrial facilities in Singapore.

Mr. Leong holds a Bachelor of Science (Economics) in Management Studies from the University of London.

## MANAGEMENT TEAM

### Ms. Nancy Tan

Head of Investment

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

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

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

### Ms. Loy York Ying

Head of Compliance and Risk Management

Ms. Loy joined the Manager in June 2014 as Head of Compliance. She reports to the CEO and is responsible for all internal and external compliance requirements for the Trust, the Manager and all other related companies of the Manager. She has over 18 years of experience in regulatory and compliance requirements in the financial services industry.

Prior to joining the Manager, Ms. Loy was the Head of Regulatory Advisory and Policy, Compliance at Maybank Singapore and was responsible for the oversight and management of all compliance-related requirements of Singapore branch. Prior to that, she also managed portfolio and provided financial advisory services to high net-worth individuals with DBS Bank Ltd and UOB Ltd.

Ms. Loy holds a Bachelor of Business (Banking) from Nanyang Technological University. She also holds the Institute of Banking and Finance Advanced, Compliance (Banking) Certification.



## Ms. Irene Phua

### Head of Human Resources and Corporate Services

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

Ms. Phua has more than 21 years of experience providing human capital insight to management, developing talent to enhance skills and productivity as well as cultivating leaders for business continuity. Prior to joining the Manager, Ms. Phua was the Associate Director of a real estate consultancy firm and was responsible for formulating human resource strategies for the company.

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

## Mr. Chan Wei Chie

### General Manager and Head of Property Management

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

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

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

# Value Creation

ESR-LOGOS REIT harnesses its competitive strengths to build a resilient and balanced portfolio of quality assets aligned with market trends and demands to deliver value to its key stakeholders. ESR-LOGOS REIT is committed to further its value creation and seeks new opportunities to expand and strengthen its diversified portfolio.

## OUR COMPETITIVE STRENGTHS



### Resilient and Balanced Portfolio

A balanced portfolio with 82 quality income-producing industrial properties with total assets amounting to S\$5.7 billion across four sub-asset classes in key industrial zones across Singapore, Australia and Japan, together with investments in three property funds. We have diversified our portfolio by sub-sector type, tenants and geography.



### Diversified Tenant Network

An extensive tenant base of 448 tenants create a tenant network that reduces overall exposure to any one particular sector.



### Prudent and Balanced Capital and Risk Management

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



### Proactive Asset Management

Maximising the growth potential of the portfolio is realised through proactive asset management focusing on marketing and leasing, delivering high standards of property and customer service, improving operational efficacy and costs, and engaging in asset enhancement initiatives.



### Experienced and Professional Management Team

ESR-LOGOS REIT's management team comprises real estate and finance professionals with proven track record and a wealth of experience across local and regional real estate companies and financial institutions, setting the tone for a collaborative team culture focused on results.



### Backed by Strong and Committed Sponsor

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



### Continued Commitment Towards Sustainability

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

## OUR LONG-TERM STRATEGY

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



#### Active Acquisition and Development Growth

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



#### Achieving Organic Growth

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



#### Exercising Prudent Capital Management

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

## OUR ASSETS



### Business Parks

#### Asset Type:

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

#### Tenant Profile:

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

*Read more on pages 116 to 117*



### High-Specs Industrial

#### Asset Type:

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

#### Tenant Profile:

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

*Read more on pages 118 to 119*



### Logistics

#### Asset Type:

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

#### Tenant Profile:

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

*Read more on pages 120 to 121*



### General Industrial

#### Asset Type:

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

#### Tenant Profile:

Companies that engage in general manufacturing activities.

*Read more on pages 122 to 125*

## OUR ACHIEVEMENTS IN 2022

### Operational Highlights

- Completion of merger with ALOG to form a leading New Economy and Future-Ready APAC S-REIT
- Maiden acquisition of first Japanese property, ESR Sakura Distribution Centre, Tokyo, Japan
- Completed Asset Enhancement Initiative of 53 Peregrine Drive, Australia
- Ongoing Asset Enhancement Initiatives at:
  - 7002 Ang Mo Kio Avenue 5, Singapore
  - 16 Tai Seng Street, Singapore
- Ongoing Redevelopment at 21B Senoko Loop, Singapore
- Announced the divestments of five non-core assets totalling S\$151.3 million at a 14.9% premium above valuation
  - 28 Senoko Drive, Singapore
  - 3 Sanitarium Drive, Australia
  - 2 Jalan Kilang Barat, Singapore
  - 49 Pandan Road, Singapore
  - 70 Seletar Aerospace View, Singapore
- Identified more than S\$450 million of non-core assets to be divested over the next 12 months

*Read more on pages 47 to 55*

### Financial Highlights

- Net property income increased 41.0% year-on-year to S\$244.2 million
- Amount available for distribution to Unitholders increased 54.8% to S\$177.1 million
- Distribution per Unit of 3.000 Singapore cents for FY2022

*Read more on pages 56 to 59*

### Investor Engagement

- Awarded Best Annual Report Award (Bronze), REITs and Business Trust Category, at Singapore Corporate Awards 2022

*Read more on pages 42 to 46*

### Capital Management

- Entry into S\$835.0 million and A\$365.0 million unsecured loan facilities in relation to the proposed merger of ESR-REIT and ALOG, with DBS Bank Ltd. and its Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited
- Successful issuance of S\$150.0 million 5.50% subordinated perpetual securities pursuant to the S\$750.0 million multicurrency debt issuance programme of ESR-LOGOS REIT
- Entry into a JPY12.2 billion secured loan facility with Sumitomo Mitsui Banking Corporation Limited and MUFG Bank, Ltd. and a JPY7.1 billion unsecured loan facility with Sumitomo Mitsui Banking Corporation Singapore Branch and MUFG Bank, Ltd.
- Announced reset of distribution rate for the S\$150.0 million 4.60% fixed rate perpetual securities issued pursuant to the S\$750.0 million multicurrency debt issuance programme of ESR-LOGOS REIT
- Announced notice of redemption to the securityholders of the S\$100.0 million 5.50% subordinated perpetual securities issued under the S\$1 billion multicurrency debt issuance programme of ALOG

*Read more on pages 60 to 61*

### Sustainability

- Refreshed material factors and targets post-merger with ALOG
- Decarbonisation Roadmap to be implemented in FY2023
- Obtained new green building certifications, bringing the total Greenmark or LEED certified buildings in the portfolio to 12 buildings:

*Read more on pages 164 to 201*

## OUR PRIORITIES FOR 2023

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



## KEY TRENDS UNDERPINNING OUR STRATEGY

To create long term value, we consider the implications of current key macro trends and review our business strategy and outlook regularly to stay relevant and ahead of our competitors. The current key trends and opportunities shaping our strategy and business outlook are set out below.



### CHANGING CONSUMER BEHAVIOUR

The COVID-19 pandemic accelerated the exponential growth of e-commerce activities, as consumers adapted and gravitated to shopping online. The convenience of shopping anywhere and anytime triumphed over having to confine shopping to within store hours to make a purchase. This change in consumer behaviour has led many businesses to reassess their business model and physical footprint to sustain their operations for the long term.

The shift to online platforms underpinned space requirements for distribution centres and last mile delivery hubs to be located close to consumers. There has also been an increase in physical space requirements to operate digital services such as data processing and cloud storage, arising from demand from companies which are beneficiaries of the increased online purchases, such as retailers, supermarkets, transportation and logistics operators, amongst others.

#### Opportunities for Growth

E-commerce continues to be an important driver for majority of the space demand by tenants.

Increasing demand from e-commerce and third-party logistics sectors supported an increase in activity take-up within the warehouse spaces, with some demand spilling over into general industrial properties.

The momentum of demand for data centres is also likely to continue, which is expected to provide ample opportunities for ESR-LOGOS REIT. With the completion of asset enhancement at 7002 Ang Mo Kio Avenue 5, we will be able cater to high-tech space users including data centre users.



### EVOLVING NEEDS OF INDUSTRIALISTS AND END-USERS

Supply chain disruptions during the peak of the COVID-19 pandemic severely crippled the operations of many industrialists as their inventory was previously based on the "Just in Time" model to reduce excess supply. Industrialists have now evolved to a "Just in Case" model to hold a higher level of inventory to buffer against supply chain disruptions and diversify supply chain sources to reduce dependency on a single inventory source.

There is also a renewed focus on national stockpiling programs by the authorities to ensure the resilience of Singapore's food supply chain, leading to an increased demand over and above the already tight supply of cold storage spaces in Singapore.

#### Opportunities for Growth

ESR-LOGOS REIT's focus on the new economy sectors, in particular the logistics sector, will benefit from the growing demand for logistics and cold storage space arising from the evolving needs of end-users.

We will continue to pursue value-accretive acquisitions and asset enhancement initiatives to align our portfolio to meet the evolving demands of industrialists.

The Manager is also currently evaluating a potential redevelopment of an existing logistics asset into a modern, ramp-up cold storage facility equipped with automated storage and green mark certification.



## MANAGING ECONOMIC UNCERTAINTIES

The COVID-19 pandemic has taught businesses and organisations valuable lessons in ensuring the relevance of their business model in the long term.

In addition to the uneven recovery from the COVID-19 pandemic, companies are also coping with other current macroeconomic headwinds such as the war between Ukraine and Russia, rising energy price pressures and interest rate hikes.

It is therefore increasingly important for firms to plan ahead and to continually adapt to the rapidly changing market dynamics while exercising prudence in their expansion plans. In addition, there is an increasing need for firms to improve efficiency and invest in solutions that will tap on technology to enable streamline operations.

### Opportunities for Growth

ESR-LOGOS REIT has consistently demonstrated active leasing strategies and tenant management to drive value with a strong focus to maintain stable levels of occupancy above the industrial average. We have forged strong and productive relationships with tenants, enabling us to consistently engage them well ahead of expiries to manage vacancy risks. We are also able to work with tenants to incorporate technology solutions into their business operations at their facilities to help improve efficiency and reduce reliance on manpower, in turn increasing customer “stickiness”.

Diversifying our sources of capital and strengthening our capital structure have also allowed us to better manage our risks. Active steps have been taken to safeguard against interest rate volatility, resulting in 72.0% of the REIT’s interest rate exposure being fixed with a weighted average fixed debt expiry of 2.0 years. This allows us to maintain financial flexibility to optimise investment opportunities as and when they arise and leverage opportunities to further create value for our investors.



## MANUFACTURING 2030

First announced in January 2021, the Singapore Government has stated its plans to grow the manufacturing sector’s value add by 50% over the next 10 years. As the Singapore economy transitions to high-value manufacturing, the manufacturing sector also aspires to digitalise the industry landscape and increase industrialists’ adoption of technology.

As part of the enhancement of the sector, Singapore launched several programs, including the setup of a digital manufacturing laboratory facility to aid the development of next-generation manufacturing execution systems. It is expected that such programs and initiatives will help Singapore companies increase the use of advanced technologies including 3D printing, enhance productivity, improve efficiencies, optimize production and enable businesses to be greener and more sustainable.

### Opportunities for Growth

With enterprise and consumer demand for smart factories and technology, ESR-LOGOS REIT’s portfolio comprises high-specification properties that will allow industrialists to digitalise their processes seamlessly. Other properties can also undergo addition and alteration works to enable them to be suitable for such adoption of technological solutions.

Ongoing asset enhancement works to high-specification properties, such as 7002 Ang Mo Kio Avenue 5 and 16 Tai Seng Street, will improve and update building specifications and prepare the property to be future-ready to meet the manufacturing sector’s growth and needs.



## SUSTAINABILITY AND CLIMATE CHANGE

There has been a general shift towards greater emphasis on Environmental, Social and Governance (“ESG”) requirements. This focus is no longer optional but a critical requirement to be incorporated into business plans and operations.

Increasingly, investors and tenants have also increased their focus on environmental and sustainability matters and would prefer properties that are environmentally friendly and able to demonstrate the mitigation of their impact on climate. As such, property owners need to be cognisant of the ESG impact of the buildings in their portfolio and to continually make improvements in their ESG offerings.

### Opportunities for Growth

ESR-LOGOS REIT has refreshed its sustainability targets post-merger with ALOG, and is approaching ESG initiatives with a refreshed focus.

The team is progressively adopting disclosures in alignment with TCFD framework, which are structured around the four core elements of governance, strategy, risk management, as well as metrics and targets.

The Manager is also currently working on a Decarbonisation Roadmap to be implemented in FY2023 to move towards its long-term sustainability goals set out for the REIT.

## INVESTOR ENGAGEMENT

ESR-LOGOS REIT places great emphasis on strengthening communication and maintaining constant dialogue with existing and potential investors, analysts, media and other stakeholders (collectively, the “Investment Community”), responding to their enquiries and providing them with timely, transparent and accurate information on its business strategy, operational and financial performance.

The Manager adopts strong governance practices including an Investor Relations and Corporate Communications

(“IRCC”) Policy that articulates its core communication values. As ESR-LOGOS REIT grows in strength, maintaining open channels of communication enables the investment community to better understand the REIT’s strategic directions and how it creates value for its Unitholders. The Manager has a dedicated IRCC team that proactively engages and meets the investment community. The investment community enjoys regular access to the senior management team through one-on-one meetings, presentations, property tours, conferences, investor roadshows, conference calls and webcasts.

### PRINCIPLES UNDERPINNING THE IRCC FRAMEWORK



#### EFFICIENCY

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



#### TRANSPARENCY

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



#### CLARITY

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

### NURTURE AND MAINTAIN STRONG LINKS WITH THE INVESTMENT COMMUNITY

ESR-LOGOS REIT conducts briefings and meetings upon the announcement of its 1H and 2H/FY results, where the Manager discusses its long-term investment strategy, provides extensive information on its financial performance, and reiterates its commitment to Unitholder returns. The IRCC team is focused on helping investors understand how the REIT creates sustainable competitive advantages through the rejuvenation of its portfolio via asset enhancements and accretive acquisitions, divestments of non-core assets, and recycling of capital.

The investor relations (“IR”) website is the primary source of corporate information, financial data, distribution information and significant business developments for the investment community. ESR-LOGOS REIT releases its financial results on a half-yearly basis and provides voluntary business updates in the interim quarters (1Q and 3Q). ESR-LOGOS REIT releases its half year results and full year results no more than 45 days and 60 days, respectively, from the end of the respective financial period. Financial results and material information are made available on the IR website immediately upon

release to the SGXNET to ensure timely disclosure of information. The investment community can reach the IRCC team directly through email or the IR hotline provided below and on the corporate website.

In addition to these channels, ESR-LOGOS REIT uses social media to communicate to the public. The REIT encourages investors, the media and other parties interested in ESR-LOGOS REIT to review the information posted on the social media channels listed on the IR website. As part of ESR-LOGOS REIT’s ongoing effort to improve investor relations, the REIT will continue to review the level of disclosure it provides, aligning it with global best practices, as well as taking the 2018 Code of Corporate Governance and similar benchmarks into account.

In view of the ongoing recovery of business activities and lifting of COVID-19 restrictions, the Manager has also resumed its participation in several physical conferences and events which were attended by local and global investors. These physical conferences and events have allowed us to regain access to potential new investors and resume the strengthening of relations with long term investors.



## Analysts Engagement

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

ESR-LOGOS REIT is currently covered by 10 analysts.

Research Analyst Coverage	Analyst	Contact
CIMB	Lock Mun Yee	munyee.lock@cimb.com
Citibank	Brandon Lee	brandon2.lee@citi.com
CLSA	Wong Yew Kiang	yew.kiang.wong@clsa.com
Daiwa	David Lum	david.lum@sg.daiwacm.com
DBS	Derek Tan Dale Lai	derektan@db.com dalelai@db.com
Maybank	Li Jialin	jialin.li@maybank.com
Morningstar / BNP Paribas	Xinfu Lee	xinfu.lee@morningstar.com
OCBC	Chu Peng	chupeng@ocbc.com
RHB	Vijay Natarajan	vijay.natarajan@rhbgroup.com
SCCM	Simeon Ang Ilvin Cornelis	simeon.ang@sccmasia.com ilvin.cornelis@sccmasia.com

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

## Institutional Investors Engagement

In FY2022, the IRCC team kept up its institutional engagement via participation in roadshows and one-on-one meetings with institutional investors. These meetings provided investors with timely updates on our portfolio and allowed the Management team to communicate ESR-LOGOS REIT's strategy, especially post the merger with ALOG, and amidst the backdrop of the volatile macroeconomic environment. These on-going engagements resulted in increased visibility for the REIT in the investment community.

The IRCC team was invited to participate in conferences to speak to both local and overseas investors. Participation in these conferences have significantly raised the profile of the REIT, leading to increased trading liquidity and higher trading volumes. The REIT also saw the inclusion of more quality long-only and specialist real estate investors in its unitholding register.

## Retail Investors Engagement

Retail investors remain an integral part of the Manager's communications outreach programmes. ESR-LOGOS REIT is a member of the Securities Investors Association (Singapore) ("SIAS") Shareholder Communication Programme which targets to enhance investor communication with members of the public. ESR-LOGOS

REIT also has membership with the REIT Association of Singapore ("REITAS").

In March 2022, in the interest of public health and safety given that COVID-19 restrictions had not been fully lifted, ESR-LOGOS REIT convened a full virtual Extraordinary General Meeting ("EGM") to seek Unitholders' approval in relation to the proposed merger of ESR-REIT and ALOG.

With the gradual easing of COVID-19 restrictions and resumption of physical events, ESR-LOGOS REIT conducted its 13th Annual General Meeting ("AGM") under a hybrid setting on 29 April 2022, as well as convened a hybrid EGM on 12 October 2022 to seek Unitholders' approval in relation to the acquisition of ESR Sakura DC, the REIT's maiden acquisition in Japan. The number of in-person attendees at the hybrid meetings were limited to the first 300 Unitholders who registered on a first-come, first-served basis. The virtual meetings were also broadcasted through a live webcast comprising both video and audio-only feeds to other Unitholders. All resolutions were passed at the AGM and the two EGMs held in FY2022.

With the lifting of safe-distancing measures and recovery of business activities throughout 2022, ESR-LOGOS REIT further enhanced its engagement with retail investors through participation in a combination of physical and

# INVESTOR ENGAGEMENT

virtual conferences. These events provided investors with greater insight and a deeper understanding into the REIT's operational performance, business strategies and outlook in the industrial property markets where the REIT operates in, namely Singapore, Australia and Japan.

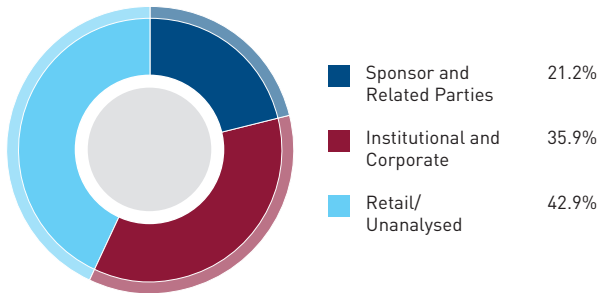
In addition to these activities, the Manager participated in the annual REITs Symposium 2022 hybrid event, which was jointly organised by ShareInvestor and REITAS in May 2022 and was well attended by over 1,800 participants. The Manager had a virtual booth at the online symposium where the Manager had a presentation to share the REIT's operational and financial performance, and the participants could download the REIT's financial publications as well as have their queries addressed in a Q&A segment.

In December 2022, the Manager also collaborated with The Edge Singapore on the production of a four-episode educational video series — “*Understanding REITs*”, where the Manager had the opportunity to share its business strategies, operational and financial performance, as well as showcase assets in the REIT's portfolio as case studies.

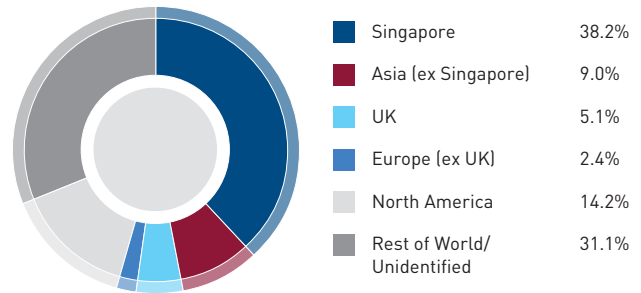
### Accolades

In 2022, ESR-LOGOS REIT was awarded the Best Annual Report Award (Bronze), REITs and Business Trust Category, at the Singapore Corporate Awards 2022, which recognised the REIT for excellence in corporate governance and commitment to the highest standards of accountability and transparency.

Unitholders by Type



Unitholders by Geography



## FY2022 INVESTOR RELATIONS CALENDAR

	Activity	Dates
1 <sup>st</sup> Quarter	SIAS ESR-REIT Virtual Dialogue Session	13 January 2022
	FY2021 Post-Results Analyst and Media Briefing	27 January 2022
	Investor Presentations to Remisiers	15 February 2022
	18 <sup>th</sup> Annual CITIC CLSA ASEAN Forum 2022	9 March 2022
	SIAS Virtual Information Session	10 March 2022
	Extraordinary General Meeting	21 March 2022
2 <sup>nd</sup> Quarter	1Q2022 Interim Update	27 April 2022
	13 <sup>th</sup> Annual General Meeting	29 April 2022
	REITs Symposium 2022	18 May 2022
	DBS Property Conference: Taking Stock on the Global Re-Opening Story	21 May 2022
	PERE Asia Summit 2022: Capital Markets Update	23 May 2022
	DBS PB-REITAS Webinar: S-REITs: Withstanding the Test of Times	31 May 2022
	Citibank Pan-Asia Regional Investor Conference 2022	1 June 2022
	HSBC 6 <sup>th</sup> Annual Asia Credit Conference	10 June 2022
	Maybank Invest ASEAN 2022	23 June 2022
	DBS ESR Group Sponsor & REIT Day	24 June 2022
	CIMB Japanese Investors NDR	24 June 2022
	SGX Korean Investor Site Visit and Presentation	27 June 2022
	SGX-YUANTA NDR	28 June 2022
	UBS APAC Property Conference 2022	29 June 2022
	Morgan Stanley Virtual ASEAN Conference 2022	30 June 2022
	3 <sup>rd</sup> Quarter	1H2022 Post-Results Analyst and Media Briefing
Citi-SGX-REITAS REITs/Sponsors Forum 2022		25 August 2022
S-REITs 20 <sup>th</sup> Anniversary Celebration 2022, organised by The Edge Singapore, REITAS and SGX		1 September 2022
SGX Korean Investor Site Visit and Presentation		2 September 2022
RHB Kuala Lumpur NDR		5 September 2022
RHB Bangkok NDR		6 September 2022
4 <sup>th</sup> Quarter	BofA Securities 2022 Global Real Estate Conference	14 September 2022
	REITAS Annual Conference	7 October 2022
	3Q2022 Interim Update	26 October 2022
	The Edge Singapore REIT investment Forum 2022	29 October 2022
	UBS Australia Corporate Day	9 November 2022
	Morgan Stanley's Twenty-First Annual Asia Pacific Summit	16 November 2022
	Citibank Hong Kong NDR	31 November 2022
	The Edge Singapore 4-part Educational Video Series "Understanding REITs"	12 December 2022



# INVESTOR ENGAGEMENT

## FINANCIAL CALENDAR

Activity	FY2022	FY2023 <sup>1</sup>
Announcement of Full Year Financial Results	27 January 2022	30 January 2023
Extraordinary General Meeting	21 March 2022	28 March 2023
Payment of Fourth Quarter / Second Half Distribution to Unitholders	30 March 2022	29 March 2023
Announcement of First Quarter Interim Update	27 April 2022	26 April 2023
Annual General Meeting	29 April 2022	26 April 2023
Payment of First Quarter Distribution to Unitholders	23 June 2022	—
Announcement of Half Year Financial Results	27 July 2022	25 July 2023
Payment of Second Quarter / First Half Distribution to Unitholders	27 September 2022	26 September 2023
Extraordinary General Meeting	12 October 2022	—
Announcement of Third Quarter Interim Update	26 October 2022	25 October 2023

## INVESTOR COMMUNICATIONS

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

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

For further enquiries, please contact:

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

<sup>1</sup> Please note that these dates are indicative and subject to change without prior notice. Please refer to our company announcements made on SGXNET for timely updates.

# OPERATIONS REVIEW

## WE SEEK TO ACTIVELY OPTIMISE THE PORTFOLIO AND ENHANCE ITS PERFORMANCE TO STAY AHEAD OF INDUSTRY TRENDS AND BECOME FUTURE-READY

### CREATING VALUE FOR UNITHOLDERS

ESR-LOGOS REIT remains committed to bring together the capabilities, tenant base, capital resources and global connections to deliver sustainable returns for our Unitholders. In April 2022, the Manager unlocked value by completing the merger of ESR-REIT and ALOG to create a leading New Economy and Future-Ready APAC S-REIT. This is in line with the long-term strategy to accelerate our exposure to the sustainable growth of in-demand logistics properties – the largest secular growth opportunity in Asia, driven by the rapid rise of e-commerce and further amplified by paradigm shifts in global manufacturing supply chains. With the enlarged portfolio, we have not only deepened our presence in key Singapore industrial clusters and expanded our foothold in new economic hubs in Australia, we have also gained greater access to the Sponsor's New Economy pipeline properties.

Over the medium-to-long term, the Manager expects significant opportunities to arise across its S\$5.7 billion<sup>1</sup> portfolio of 82 properties and investments in three property funds. This includes the conversion of properties to New Economy assets such as high-specs industrials and ramp-up logistics facilities as well as the optimisation of the overall portfolio via divestments of non-core assets in order to meet industrialists' evolving business needs.

### Completed Acquisition



2464-11, Ota, Sakura-city, Chiba | Logistics

The Manager continues to seek out value and focus its efforts on acquiring value-accretive properties in established industrial precincts supported by key infrastructure.

On 29 August 2022, the Manager announced the strategic acquisition of ESR Sakura Distribution Centre ("ESR Sakura DC"), a five-storey modern asset in Sakura City, Chiba Prefecture, Tokyo for a purchase price of approximately S\$183.5 million<sup>2</sup> (JPY 17,800 million), inclusive of rental support, from the Sponsor.

ESR Sakura DC has a net floor area of approximately 81,507 sqm and is situated on freehold land of approximately 41,658 sqm. The property was completed in 2015 and located in Sakura City within the Northern part of Chiba Prefecture in Tokyo, strategically situated between the Narita International Airport and Chiba Port. The new addition strengthens ESR-LOGOS REIT's portfolio exposure to the logistics sector with the proportion of New Economy sector increasing to 62.8% (by rental income) and 62.9% (by valuation) as at 31 December 2022.

### Divestment Activity

In FY2022, the Manager announced the divestments of five non-core assets totalling S\$151.3 million at a premium to fair value of 14.9%, as part of its continuing optimisation strategy to enhance income resilience and re-deploy the sale proceeds to pare down debt and to fund AEs and asset acquisitions. The divestment of 28 Senoko Drive, a single-storey general industrial building with an adjacent 4-storey ancillary office building, was completed in 1H2022 while the divestments of 3 Sanitarium Drive, Australia, a single-storey logistics building, and 2 Jalan Kilang Barat, a 9-storey purpose built high-specification building were completed in 2H2022. The divestment of 49 Pandan Road, a 5-storey ramp up warehouse, was also completed in 1Q2023, while the announced divestment of 70 Seletar Aerospace View, a single-storey hangar with a 3-storey office building, is targeted to complete in 1H2023.

1. As at 31 December 2022  
2. Using an illustrative exchange rate of JPY 97.00:S\$1.00

# OPERATIONS REVIEW

## Real Estate Transactions in FY2022

Property	City/Country	Asset Class	Purchase/Sale Consideration	Valuation	Buyer/Seller	Completion Date
<b>Acquisition</b>						
ESR Sakura Distribution Centre	Tokyo, Japan	Logistics	JPY17,800 million	JPY18,030 million <sup>a</sup> JPY18,000 million <sup>b</sup>	ESR 34 GK	31 October 2022
<b>Divestments</b>						
28 Senoko Drive	Singapore	General Industrial	S\$12.0 million	S\$13.1 million <sup>c</sup>	Tat Seng Packaging Group Ltd	14 January 2022
3 Sanitarium Drive	NSW, Australia	Logistics	A\$55.0 million	A\$46.4 million <sup>d</sup>	Australasian Conference Association Limited	22 July 2022
2 Jalan Kilang Barat	Singapore	High-Specs Industrial	S\$35.3 million	S\$29.0 million <sup>e</sup>	Cars & Coffee Holdings Pte. Ltd.	24 November 2022
49 Pandan Road	Singapore	Logistics	S\$43.5 million	S\$37.8 million <sup>f</sup>	ST Logistics Pte. Ltd.	21 February 2023
70 Seletar Aerospace View	Singapore	General Industrial	S\$7.1 million	S\$6.8 million <sup>g</sup>	Air 7 Asia Pte. Ltd	2Q2023 (Expected)

- a Based on independent valuation conducted by Colliers International Japan KK as at 30 June 2022 using the income capitalisation method and discounted cash flow method
- b Based on independent valuation conducted by CBRE K.K. as at 30 June 2022 using the income capitalisation method and discounted cash flow method
- c Based on independent valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2021 using the income capitalisation method and discounted cash flow method
- d Based on independent valuation conducted by Colliers International Valuation & Advisory Services (NSW) Pty Limited as at 19 May 2022 using the income capitalisation method and discounted cash flow method
- e Based on independent valuation conducted by Edmund Tie & Company (SEA) Pte Ltd as at 29 September 2022 using the income capitalisation method, discounted cash flow method and direct comparison method
- f Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2022 using the income capitalisation method, discounted cash flow method and direct comparison method
- g Based on independent valuation conducted by Knight Frank Pte Ltd as at 1 December 2022 using the income capitalisation method and discounted cash flow method

### Completed Asset Enhancement Initiatives

The AEI of 53 Peregrine Drive, Queensland reflects our focus to unlock value within our existing portfolio to bolster our recurring income.

AEI works were carried out at 53 Peregrine Drive to increase its gross floor area by 26,335 sqm with an additional warehouse of 10,115 sqm and hardstand of 16,220 sqm. The AEI was completed in 4Q2022 at a cost of approximately A\$19.2 million and the property is 100% leased to ACFS Port Logistics Pty Ltd. This AEI is expected to deliver an estimated yield on cost of approximately 7.5% on a stabilised basis.

As part of its proactive asset management strategy to maintain the competitiveness of the portfolio, the Manager also embarked on a series of defensive AEIs at five identified properties, namely 24 Penjuru Road, 5 Changi South Lane, 1 Greenwich Drive, 51 Alps Avenue and 49

Pandan Road. These defensive AEIs included works such as toilet upgrading, CCTV system upgrading and repainting works, and have been completed across 2Q2022 and 3Q2022 for a total cost of approximately S\$4.8 million.



AEI works completed in 4Q2022



### Ongoing Asset Enhancement Initiatives / Redevelopment

In 2022, the Manager announced that 16 Tai Seng Street will be undergoing rejuvenation works to maximise its unutilised plot ratio to create an additional 2,793 sqm of space as well as to enhance tenants' experiences by carrying out extensive works which include façade upgrading, improvement of drop-off points and lift lobbies, the addition of two new passenger lifts, toilets upgrading, and a new covered external linkway to the Tai Seng MRT station. The property will also be fitted out with electrical vehicle charging docks and is part of the Manager's pipeline of assets for its solar panel installation plan. The development works are estimated to cost approximately S\$32.0 million, with an estimated yield on cost of up to 6.0% and is expected to complete by 1Q2024.

In addition, the Manager also announced on 12 April 2022 that 21B Senoko Loop will be undergoing redevelopment in two phases to convert the building from a general industrial asset to a build-to-suit high-specifications facility for NTS Components Singapore Pte Ltd ("NTS"). The cost of the redevelopment is approximately S\$38.5 million and it is expected to be completed by 1Q2024. When completed, the property is expected to deliver an estimated yield-on-cost of approximately 6.6% on a stabilised basis. Upon completion, the property will be leased to NTS on a triple net basis for 15 years with annual rental escalations. NTS will be fully responsible for the payment of utilities, maintenance expense, property tax and land rent.

The AEI of 7002 Ang Mo Kio Avenue 5 is on track to complete by 3Q2023 for approximately S\$53.3 million. Upon completion, the additional GFA area created will be able to cater to advanced manufacturing, info-comm and data centre tenants.

The above on-going AEIs and redevelopments are aimed at rejuvenating the existing portfolio to capture value and deliver growth in net asset value as well as to increase the attractiveness and efficiency of its assets to attract high value tenants.

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



AEI works expected to complete by 1Q2024

### PORTFOLIO VALUATION

ESR-LOGOS REIT commissioned an independent valuation of its portfolio in FY2022. In determining the valuation figures, the valuers have applied the following methodologies including the direct comparison method, capitalisation approach, discounted cash flows method and residual value approach to arrive at the open market value.

As at 31 December 2022, the total valuation of ESR-LOGOS REIT's 82 properties was approximately S\$4.61 billion<sup>3</sup>. These independent valuations were conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., CBRE Valuations Pty Limited and Colliers International Japan KK.

Several existing properties within the portfolio registered uplift in valuations due to savings in operational expenses arising from the payment of upfront land premium for the land rent conversion of four logistics properties after the merger as well as the ongoing AEIs at 16 Tai Seng Street and 7002 Ang Mo Kio Avenue 5. However, several Singapore properties recognised a depreciation in revaluation against their valuation as at 31 December 2021, mainly due to shorter remaining land lease tenure.

3. Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-LOGOS REIT holds 80% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-LOGOS REIT holds 49.0% interest

## OPERATIONS REVIEW

The overall increase over the previous valuation of S\$2.95 billion<sup>3</sup> as at 31 December 2021 was mainly due to the acquisitions of ALOG's portfolio and ESR Sakura DC in Japan.

	Valuation as at 31 Dec 2021 <sup>3</sup>	Valuation as at 31 Dec 2022 <sup>3</sup>	Variance (31 Dec 2021 vs 31 Dec 2022)
	(S\$ million)	(S\$ million)	(%)
<b>By Asset Class</b>			
Business Parks	836.1	837.5	+0.2
High-Specs Industrial	590.4	615.9	+4.3
Logistics	620.6	2,285.0	+268.2
General Industrial	901.4	872.0	-3.3
<b>By Country</b>			
Singapore Portfolio	2,948.5	3,766.3	+27.7
Australia Portfolio	-	661.9	n.m.
Japan Portfolio	-	182.2	n.m.
<b>Total Portfolio</b>	<b>2,948.5</b>	<b>4,610.4</b>	<b>+56.4</b>

Note: n.m. - not meaningful

### PORTFOLIO REVIEW

As at 31 December 2022, ESR-LOGOS REIT holds interests in 82 properties, each located in key industrial clusters across the three countries in Singapore, Australia and Japan, with an aggregate gross floor area of approximately 2.3 million sqm.

### Key Portfolio Statistics

	As at 31 December 2021 <sup>4</sup>	As at 31 December 2022 <sup>3</sup>	Variance (%)
<b>Number of Properties</b>	56	<b>82</b>	+46.4
Gross Floor Area (million sqm)	1.3	2.3	+61.7
Net Lettable Area (million sqm)	1.2	2.2	+73.3
Portfolio Occupancy (%)	92.0	92.7	+0.7

### Portfolio Occupancy

Portfolio occupancy remained stable at 92.7% as at 31 December 2022. The occupancy for the REIT's Singapore portfolio has remained consistently above the JTC average of 89.7% in FY2022. For Australia, the occupancy has also remained consistently high at approximately 99.5%, which is in line with the national occupancy as a result of the tight supply and strong demand in the market.

	1Q2022	2Q2022	3Q2022	4Q2022
Singapore Occupancy (%)	91.5	92.6	90.4	90.2
JTC Average (%)	89.8	90.0	89.7	89.4
Australia Occupancy (%)	-	99.4	99.5	99.5
Australia National Occupancy (%)	-	99.0	99.1	99.4
Japan Occupancy (%)	-	-	-	100.0 <sup>^</sup>
<b>Portfolio Occupancy (%)</b>	<b>91.5</b>	<b>94.1</b>	<b>92.4</b>	<b>92.7</b>

<sup>^</sup> Based on Financial Occupancy

3. Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-LOGOS REIT holds 80% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-LOGOS REIT holds 49.0% interest

4. As disclosed in Annual Report 2021

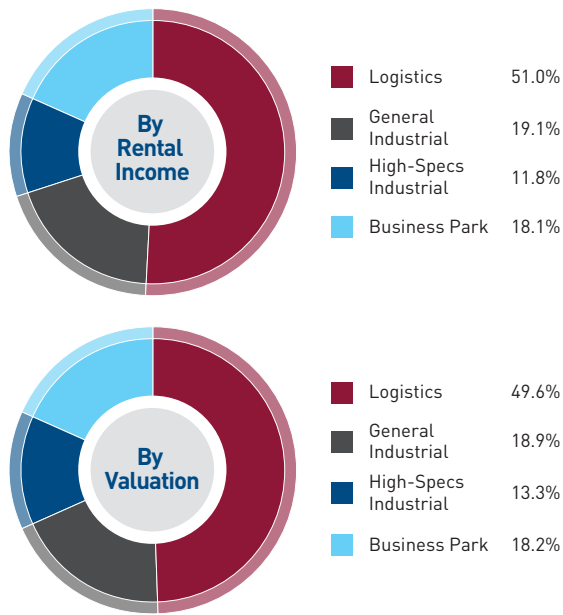
**Well-Diversified Portfolio**

ESR-LOGOS REIT continues to own and manage a range of industrial properties, comprising Business Parks, High-Specs Industrial, Logistics and General Industrial. Collectively, New Economy assets account for 62.8% of the portfolio by rental income and 62.9% by valuation. With limited potential supply in the near future, ESR-LOGOS REIT is well-positioned to capture the growing demand in the High-Specs Industrial and Logistics sectors. The Manager will proactively manage its portfolio to scale up its proportion of New Economy assets.

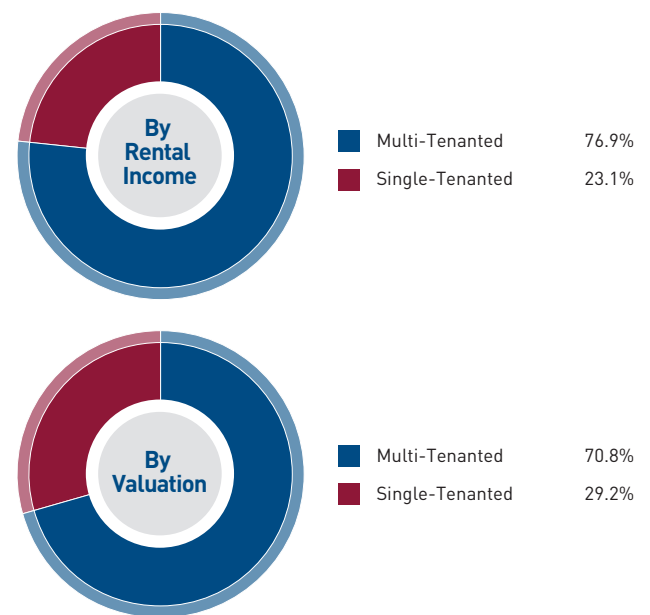
**Breakdown of Single-tenanted and Multi-tenanted Buildings**

The Manager aims to achieve a healthy mix of multi-tenanted buildings (“MTB”) and single-tenanted buildings (“STB”) in the portfolio through proactive asset and lease management. MTBs provide tenant diversification while STBs, with longer leases and built-in rental escalations, provide yield stability. Proactive portfolio conversion over the years have increased ESR-LOGOS REIT’s exposure to MTBs and STBs, currently constituting 76.9% and 23.1% of the portfolio respectively based on rental income as at 31 December 2022, and 70.8% and 29.2% of the portfolio respectively based on valuation as at 31 December 2022. This provides potential upside for the contracted rents in MTBs to revert to market levels upon expiry.

**Asset Class**



**Single-tenanted vs Multi-tenanted Buildings**





## OPERATIONS REVIEW

### Portfolio Lease Expiry Profile

In line with its proactive leasing strategy, the Manager has consistently engaged its tenants well ahead of lease expiries to manage vacancy risk. As at 31 December 2022, the lease expiry profile for ESR-LOGOS REIT remained well-balanced with a portfolio weighted average lease expiry (by rental income) of 3.2 years. For new and renewed leases in FY2022, the weighted average lease expiries (by rental income) based on the date of commencement are 7.3 years for new leases and 3.1 years for renewed leases as at 31 December 2022 respectively. No more than 27.0% by rental income and 27.1% of the portfolio's total leases by net leasable area will expire in any one year over the next five years.

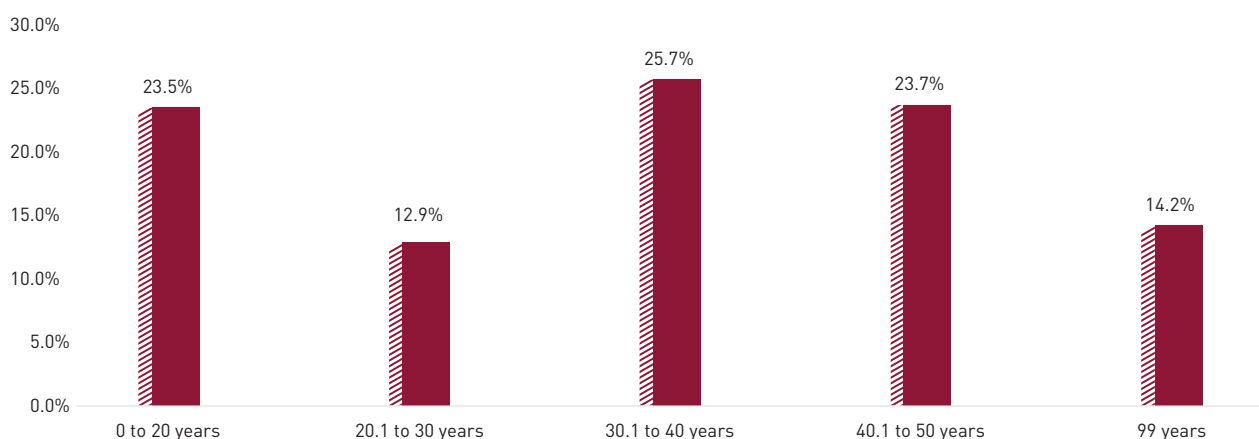
ESR-LOGOS REIT's leases have either marked-to-market rent reviews at fixed periods or include annual rental escalations throughout the lease term. Some leases are also on a triple-net basis where tenants are responsible for property expenses such as property tax, land rent, insurance and maintenance.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

### Land Lease Expiry Profile

As at 31 December 2022, the weighted average land lease expiry of ESR-LOGOS REIT's portfolio was 37.4 years by valuation, up from 30.7 years a year ago, mainly due to overseas exposure to freehold assets in Australia and Japan.

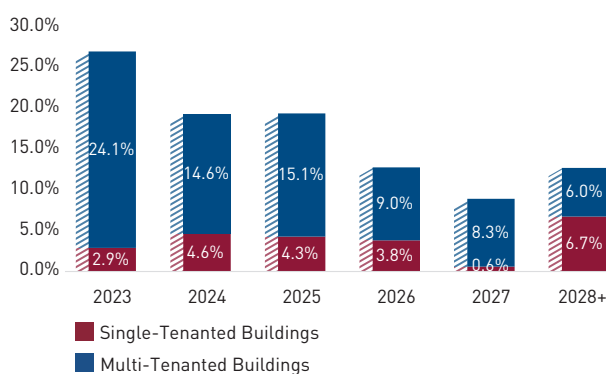
Land Tenure Expiry	Business Park		High-Specs Industrial		Logistics		General Industrial		Total	
	No. of Properties	Asset Value (S\$ m)	No. of Properties	Asset Value (S\$ m)	No. of Properties	Asset Value (S\$ m)	No. of Properties	Asset Value (S\$ m)	No. of Properties	Asset Value (S\$ m)
0 to 20 years	1	232.0	-	-	10	691.2	9	161.4	20	1,084.6
20.1 to 30 years	-	-	2	83.7	5	436.0	4	65.0	12	584.7
30.1 to 40 years	1	32.5	3	393.6	5	203.0	16	563.3	25	1,192.4
40.1 to 50 years	1	573.0	2	138.6	3	300.7	3	82.3	9	1,094.6
Freehold <sup>^</sup>	-	-	-	-	17	654.1	-	-	17	654.1
<b>Total</b>	<b>3</b>	<b>837.5</b>	<b>7</b>	<b>615.9</b>	<b>40</b>	<b>2,285.0</b>	<b>32</b>	<b>872.0</b>	<b>82</b>	<b>4,610.4</b>

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



	% of Rental Income	% by Net Lettable Area ("NLA")
2023	27.0%	27.1%
2024	19.2%	17.9%
2025	19.4%	16.7%
2026	12.8%	13.5%
2027	8.9%	6.0%
2028 and beyond	12.7%	18.8%

Weighted Average Lease Expiry  
(% of Rental Income)



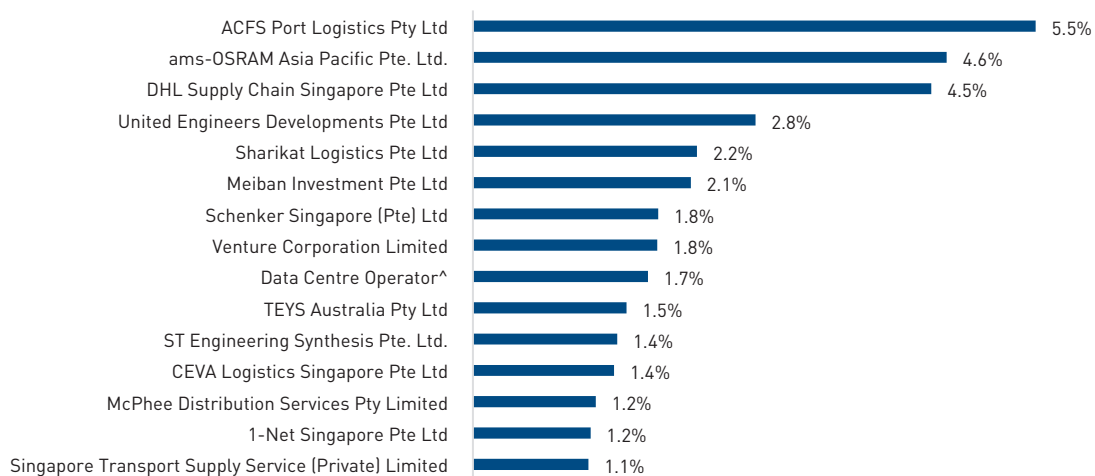
### Portfolio Top 15 Tenants

ESR-LOGOS REIT's rental income is well-spread across its portfolio of 448 tenants. The top 15 tenants accounted for 34.8% by rental income and 32.7% by net lettable area. As at 31 December 2022, no single tenant contributed more than 5.5% of the portfolio's total rental income. The Manager will continue to diversify its tenant mix across trade sectors to mitigate concentration risk and enhance portfolio resilience.

### Top 15 Tenants (% of Rental Income)

Tenant	Trade Sector	% of Rental Income
ACFS Port Logistics Pty Ltd	Logistics & Warehousing	5.5%
ams-OSRAM Asia Pacific Pte. Ltd.	Electronics	4.6%
DHL Supply Chain Singapore Pte Ltd	Logistics & Warehousing	4.5%
United Engineers Developments Pte Ltd	Hotel	2.8%
Sharikat Logistics Pte Ltd	Logistics & Warehousing	2.2%
Meiban Investment Pte Ltd	Manufacturing	2.1%
Schenker Singapore (Pte) Ltd	Logistics & Warehousing	1.8%
Venture Corporation Limited	Logistics & Warehousing	1.8%
Data Centre Operator^	Data Centre	1.7%
TEYS Australia Pty Ltd	Logistics & Warehousing	1.5%
ST Engineering Synthesis Pte. Ltd.	Logistics & Warehousing	1.4%
CEVA Logistics Singapore Pte Ltd	Logistics & Warehousing	1.4%
McPhee Distribution Services Pty Limited	Logistics & Warehousing	1.2%
1-Net Singapore Pte Ltd	Info-Comm & Technology	1.2%
Singapore Transport Supply Service (Private) Limited	Logistics & Warehousing	1.1%
<b>Total</b>		<b>34.8%</b>

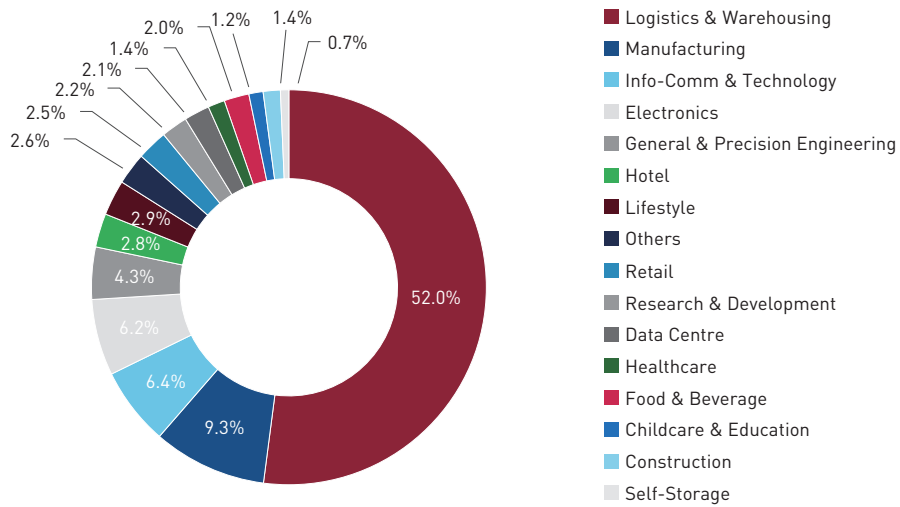
^ Tenant not named due to confidentiality obligations



# OPERATIONS REVIEW

## Portfolio Trade Sector Analysis

ESR-LOGOS REIT's portfolio is well-diversified across various industries including logistics & warehousing, manufacturing, info-comm & technology, electronics, general & precision engineering amongst others. As at 31 December 2022, logistics and warehousing remained the largest contributor to rental income at 52.0% of the total portfolio. Manufacturing remained the second largest contributor at 9.3% while info-comm & technology makes up about 6.4% of portfolio rental income. Collectively, the top three largest trade sectors made up roughly 67.7% of the portfolio.



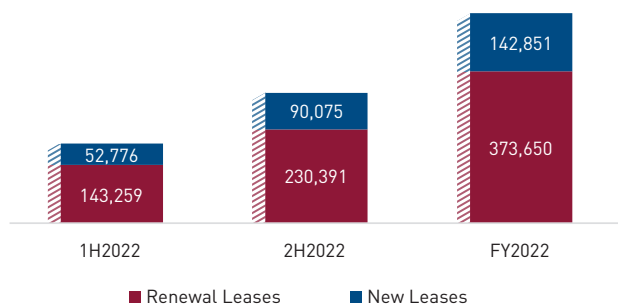
**ACTIVE LEASING MANAGEMENT**

We are always looking for new ways to help businesses grow. Working in tandem with our tenants, we seek out innovative solutions to fulfil their space needs. The diversity of our property portfolio means we offer a wide range of space options. Our approach to building strong tenant customer relationships is predicated on partnership and commitment, and we constantly challenge ourselves to go above and beyond in our service.

**Breakdown of Renewals and New Leases for FY2022**

Despite the ongoing uncertainties in business sentiments and lingering impact from COVID-19, the Manager focused on renewals and attracting new tenants. Approximately 516,501 sqm of prime industrial space were leased out during FY2022, of which renewals amounted to 373,650 sqm while new leases accounted for approximately 142,851 sqm in the portfolio. A total of 201 leases were signed in FY2022 (FY2021: 173<sup>4</sup>). The Manager will focus on tenant retention to maintain a stable portfolio occupancy against the backdrop of uncertain macroeconomic conditions.

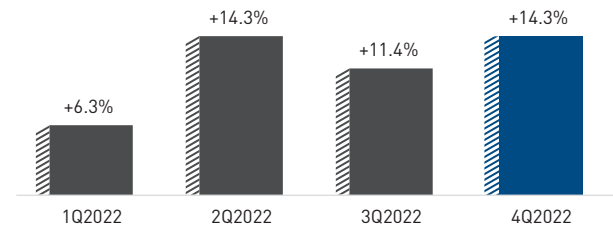
**FY2022 Renewals and New Leases (sqm)**



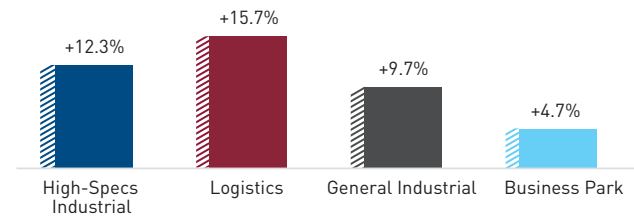
**Rental Reversions for FY2022**

Given the continued changes in economic structural trends, ESR-LOGOS REIT delivered strong portfolio rental reversions in FY2022 at +11.8%, compared to -1.7%<sup>4</sup> in FY2021. The strong rental reversions were broad based across all four sub-sectors and driven primarily by the New Economy sectors of Logistics (+15.7%) and High-Specs Industrial (+12.3%).

**Portfolio Rental Reversions for FY2022 (by quarter)**



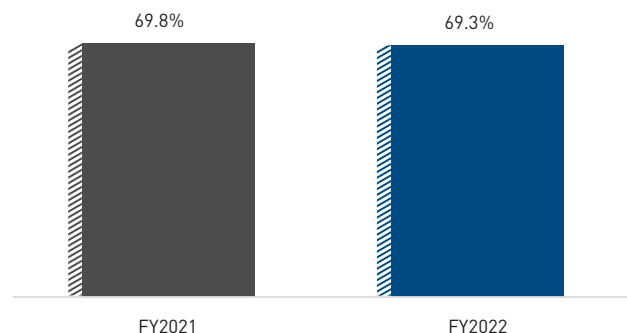
**Portfolio Rental Reversions for FY2022 (by asset type)**



**Tenant Retention Rate**

ESR-LOGOS REIT achieved a stable tenant retention rate of 69.3% as at 31 December 2022 compared to 69.8%<sup>4</sup> over the same period last year. Larger tenants retained include ams-OSRAM Asia Pacific Pte. Ltd., Venture Corporation Limited and NTS Components Singapore Pte Ltd. This is a testament to our strong relationship with our tenants as well as proactive lease management to produce income resilience across our portfolio while striving to remain aligned to market trends.

**Portfolio Tenant Retention Rates**



4 As disclosed in Annual Report 2021



## FINANCIAL REVIEW

STATEMENT OF NET INCOME AND DISTRIBUTION	FY2022	FY2021	Fav/(Unfav)
	S\$'000	S\$'000	%
<b>Gross revenue</b>	<b>343,232</b>	241,286	<b>42.3</b>
Property expenses	(98,989)	(68,025)	(45.5)
<b>Net property income ("NPI")</b>	<b>244,243</b>	173,261	<b>41.0</b>
Income from investments at fair value through profit or loss	11,129	1,536	n.m.
Management fees	(21,201)	(14,840)	(42.9)
Trust expenses	(5,172)	(2,772)	(86.6)
Borrowing costs, net	(62,247)	(43,869)	(41.9)
Finance costs on lease liabilities for leasehold land	(23,743)	(11,825)	(100.8)
<b>Net income</b>	<b>143,009</b>	101,491	<b>40.9</b>
Taxable income	147,561	113,568	29.9
Tax-exempt income	12,049	183	n.m.
Capital distribution	17,487	642	n.m.
<b>Amount available for distribution to Unitholders</b>	<b>177,097</b>	114,393	<b>54.8</b>
<b>Distribution per Unit ("DPU") (cents)</b>	<b>3.000</b>	2.987	<b>0.4</b>

Note: n.m. - not meaningful

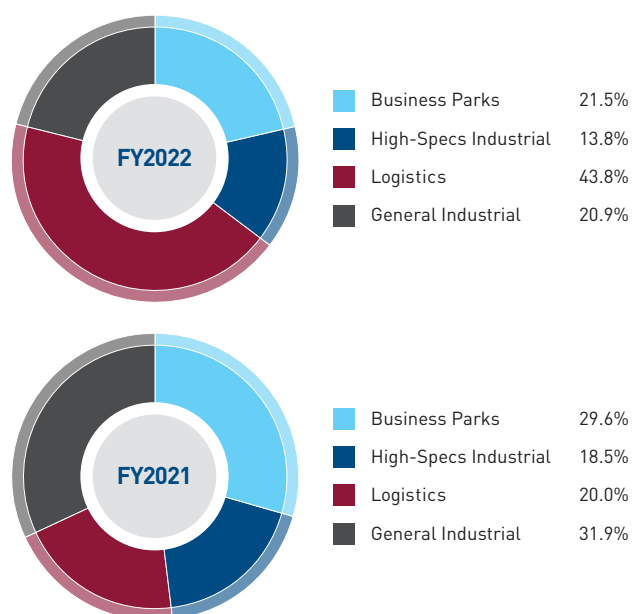
In April 2022, ESR-LOGOS REIT completed the merger with ALOG, by way of a trust scheme of arrangement (the "Merger"). As part of ESR-LOGOS REIT's strategy to grow the enlarged REIT into a leading New Economy and Future-Ready APAC S-REIT, the Manager has commenced the execution of several strategic initiatives, including the rejuvenation of the portfolio through redevelopments and asset enhancement initiatives as well as recycle capital through the divestment of non-core assets. Despite the challenges posed by the impact of high inflation, rising interest rates and geopolitical tensions, ESR-LOGOS REIT delivered a set of robust results for the financial year ended 31 December 2022 ("FY2022").

### Gross Revenue

ESR-LOGOS REIT's gross revenue for FY2022 was S\$343.2 million, an increase of S\$101.9 million or 42.3% from FY2021. The increase was mainly due to contributions from ALOG following the completion of the Merger in April 2022 and the acquisition of ESR Sakura Distribution Centre in October 2022.

### Gross Revenue by Asset Class

(%)

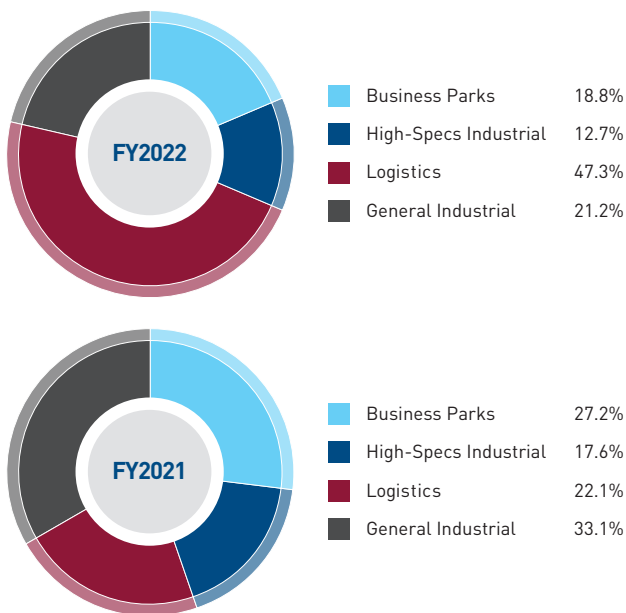


**Net Property Income**

NPI for FY2022 was S\$244.2 million, an increase of S\$71.0 million or 41.0% from FY2021, in tandem with the higher gross revenue. The increase was partially offset by divestments as well as higher property expenses in FY2022 as a surge in global energy prices and higher electricity demand drove utilities expenses higher and inflationary pressures resulted in higher operating expenses.

**Net Property Income Contribution by Asset Class**

(%)



**Net Income**

Net Income for FY2022 was S\$143.0 million, an increase of S\$41.5 million or 40.9% from FY2021 on the back of higher NPI and income contribution from the investments in ESR Australia Logistics Partnership (“EALP”), New LAIVS Trust and Oxford Property Fund. The higher net income was partially offset by higher borrowing costs due to higher base rates and borrowing costs for the debt drawn to partially fund the Merger.

The higher trust expenses for FY2022 was mainly due to the enlarged group subsequent to the Merger.

**Distributions Paid to Unitholders**

The amount available for distribution to Unitholders for FY2022 amounted to S\$177.1 million, an increase of S\$62.7 million or 54.8% as compared to FY2021, which was mainly attributable to higher net income, a non-recurrent tax-exempt income distribution from Viva Trust and distribution of capital gains from the sale of investment properties in prior years.

FY2022 DPU of 3.000 cents was 0.4% higher than the FY2021 DPU of 2.987 cents. ESR-LOGOS REIT’s distribution frequency is on a half yearly basis with effect from 2H2022.

Included in the amount available for distribution to Unitholders was approximately S\$0.4 million (DPU of 0.006 cents) of income support in relation to ESR Sakura DC that was received and paid to Unitholders in FY2022.

A breakdown of the half yearly DPU from FY2020 to FY2022 is as follows:

HALF YEARLY DPU	1 Jan to 30 Jun (1H)	1 Jul to 31 Dec (2H)	Total DPU for the year
FY2020	1.359	1.441	2.800
FY2021	1.554	1.433	2.987
FY2022	1.460	1.540	3.000

ESR-LOGOS REIT’s distribution yield as at 31 December 2022 was 8.1% per annum<sup>1</sup>. The REIT has consistently been delivering a yield higher than that of the Singapore Government 10-year SGD bond of 3.1%.

<sup>1</sup> Based on closing price of S\$0.370 as at 31 December 2022

## FINANCIAL REVIEW

### Distribution Reinvestment Plan

The Distribution Reinvestment Plan (“DRP”) was in place for the distributions for FY2022. The Manager has continued to maintain an active DRP as a component of longer-term capital management and to allow unitholders flexibility in receiving their distribution entitlements. The DRP provides a measured and efficient mean of accessing additional equity capital from existing unitholders.

### Change in the Number of Issued Units

During FY2022, the Manager issued a total of 2,688,930,838 new units pursuant to the partial payment of management fees, distribution reinvestment plan, partial consideration paid in relation to the Merger as well as acquisition fees paid in relation to the Merger and the acquisition of ESR Sakura Distribution Centre. A breakdown of the change in the number of issued units during FY2022 as compared to FY2021 is as follows:

	FY2022	FY2021
	Number of units	Number of units
<b>Issued units at beginning of the year</b>	<b>4,030,257,149</b>	<b>3,576,362,126</b>
Issuance of new units pursuant to:		
— Management fees paid in units	29,931,841	17,475,221
— Distribution Reinvestment Plan	39,907,171	43,530,233
— Private Placement	—	268,818,000
— Preferential Offering	—	124,071,569
— Partial consideration paid in units pursuant to the Merger	2,575,788,303	—
— Acquisition fees paid in units <sup>2</sup>	43,303,523	—
<b>Issued units at end of the year</b>	<b>6,719,187,987</b>	<b>4,030,257,149</b>

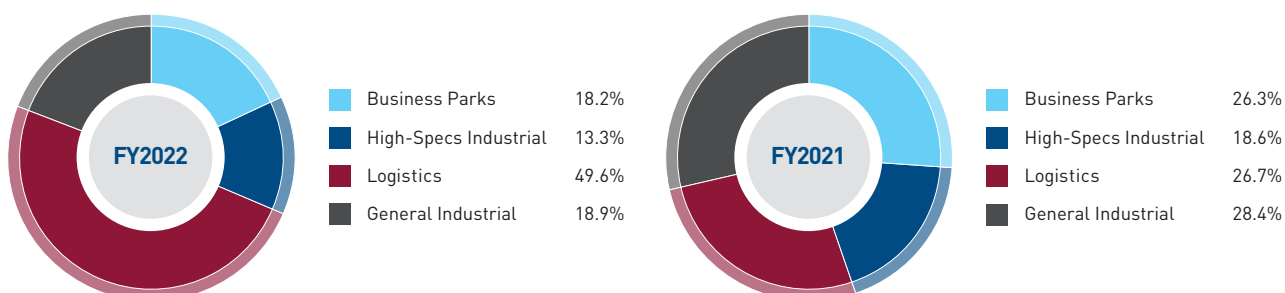
### Valuation of Properties

As at 31 December 2022, the total carrying value of ESR-LOGOS REIT’s investment properties was S\$4.6 billion<sup>3</sup> based on independent external valuations.

During the year, apart from the Merger, ESR-LOGOS REIT acquired ESR Sakura Distribution Centre on 31 October 2022 and also divested 28 Senoko Drive on 14 January 2022, 45 Changi South on 14 March 2022, 3 Sanitarium Drive on 22 July 2022 and 2 Jalan Kilang Barat on 24 November 2022. As at 31 December 2022, two properties (49 Pandan Road and 70 Seletar Aerospace View) were reclassified as investment properties held for divestment.

### Valuation of Properties

(%)



2 The acquisition fees paid in units during FY2022 comprised (i) 38,255,683 new units issued on 17 May 2022 at an issue price of S\$0.4170 per unit as payment in relation to the Merger; and (ii) 5,047,840 new units issued on 15 November 2022 at an issue price of S\$0.3357 per unit as payment in relation to the acquisition of ESR Sakura Distribution Centre

3 Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-LOGOS REIT holds 80% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-LOGOS REIT holds 49.0% interest

### Change in Fair Value of Investment Properties

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

As at 31 December 2022, independent valuations for investment properties were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd.,

CBRE Valuations Pty Limited and Colliers International Japan KK. In determining the fair value of ESR-LOGOS REIT's portfolio, the direct comparison method, capitalisation approach, discounted cash flows and residual value approach were used. The valuation methods used are consistent with those used in prior years.

The change in fair value of investment properties of approximately S\$22.5 million in FY2022 comprised the following:

- fair value loss of S\$24.3 million based on the independent valuations of the investment properties as at 31 December 2022; and
- partially offset by adjustments for straight-line rent and marketing commission for FY2022 of S\$1.8 million.

### Net Assets Attributable to Unitholders

	31 December 2022	31 December 2021	Variance
	S\$'000	S\$'000	%
<b>Total Assets</b>	<b>5,654,158</b>	3,329,765	<b>69.8</b>
<b>Total Liabilities</b>	<b>2,805,071</b>	1,580,682	<b>77.5</b>
<b>Net Assets Attributable to Unitholders</b>	<b>2,444,653</b>	1,597,968	<b>53.0</b>
<b>Net Asset Value ("NAV") per Unit (cents)</b>	<b>36.4</b>	39.6	<b>(8.1)</b>

Total assets increased by 69.8% from S\$3.3 billion as at 31 December 2021 to S\$5.7 billion as at 31 December 2022. The increase was mainly due to the Merger and the acquisition of ESR Sakura Distribution Centre, partially offset by the divestments of 28 Senoko Drive, 45 Changi South, 3 Sanitarium Drive and 2 Jalan Kilang Barat.

Net assets attributable to Unitholders increased by 53.0% to S\$2.4 billion as at 31 December 2022 as compared to S\$1.6 billion as at 31 December 2021. NAV per unit as at 31 December 2022 was 36.4 cents as compared to 39.6 cents as at 31 December 2021. The decrease in NAV per unit was mainly due to the premium paid over ALOG's NAV and transaction costs that were incurred in relation to the Merger being written off in FY2022.

Rental collection for FY2022 has remained healthy with more than 98.0% of total receivables being collected.

### Accounting Policies

The financial statements of ESR-LOGOS REIT are prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 'Reporting Framework for Investment Funds' (RAP 7) issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards.



## CAPITAL MANAGEMENT

ESR-LOGOS REIT's capital management philosophy is grounded on the belief that cultivating diversified sources of capital and strengthening its credit profile to withstand unexpected changes is key to better manage risks for its Unitholders. We adopt a prudent and disciplined approach towards capital management to ensure financial flexibility in order to realise the REIT's growth objectives. Capital management metrics are regularly monitored to ensure they are within regulatory and internal risk thresholds.

### KEY FINANCIAL INDICATORS

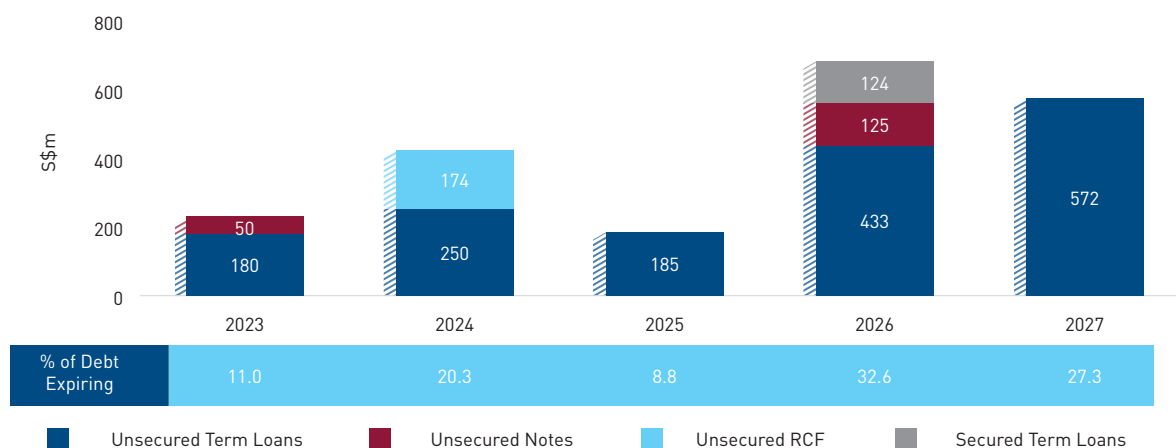
	As at 31 December 2022	As at 31 December 2021
Total Gross Debt (S\$ million)	2,093.0	1,199.5
Debt to Total Assets (%) <sup>(1) (2)</sup>	41.8	40.0
Weighted Average All-in Cost of Debt (%) p.a.	3.66	3.31
Weighted Average Debt Expiry ("WADE") (years)	2.9	2.4
MAS Adjusted Interest Coverage Ratio (times) <sup>(3)</sup>	2.8	3.1
Interest Rate Exposure Fixed (%)	72.0	92.1
Weighted Average Fixed Debt Expiry ("WAFDE") (years)	2.0	2.0
Proportion of Unencumbered Investment Properties (%) <sup>(4)</sup>	96.0	100.0
Debt Headroom (S\$ million) <sup>(5)</sup>	858.8	632.3
Undrawn Available Committed Facilities (S\$ million)	320.4	262.9

ESR-LOGOS REIT's capital structure remains healthy with debt to total assets of 41.8% as at 31 December 2022. This translates to a debt headroom of S\$858.8 million, providing ESR-LOGOS REIT with the financial flexibility to seize opportunities for growth and to meet any refinancing requirements.

To minimise the impact from the volatility of interest rate movements, 72.0% of borrowings have fixed interest rates for a weighted average tenor of 2.0 years.

ESR-LOGOS REIT maintains a well-staggered debt maturity profile, with no more than 32.6% of debt expiring in each year. The weighted average debt expiry is at 2.9 years as at 31 December 2022, as compared to 2.4 years one year ago.

### Debt Maturity Profile as at 31 December 2022



1 Includes ESR-LOGOS 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 Manager is of the view that the higher aggregate leverage as at 31 December 2022 will not have a material impact on the risk profile of ESR-LOGOS REIT as it is still within the MAS regulated aggregate leverage limit

3 Interest expense includes amortisation of debt-related transaction costs and distributions on perpetual securities but excludes finance costs on lease liabilities under FRS 116

4 Excludes ESR-LOGOS REIT's 49% interest in 48 Pandan Road

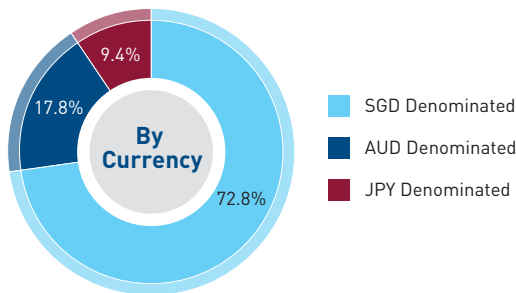
5 The aggregate leverage of a property fund may exceed 45% of the fund's deposited property (up to a maximum of 50%) subject to a minimum adjusted interest coverage ratio of 2.5 times

ESR-LOGOS REIT has S\$230.0 million of debt expiring in FY2023 with the bulk of expiries occurring in 2H2023. The REIT has S\$320.4 million of committed undrawn revolving credit facilities ("RCF") at attractive margins available to refinance FY2023 loan expiries, which potentially reduces interest expense and RCF commitment fees. Subsequent to 31 December 2022, S\$180.0 million term loans expiring in 2H2023 have been repaid ahead of expiry. The REIT remains well-supported by 11 lending banks. The Manager will continue to proactively reduce uncertainties in the REIT's capital structure by extending the debt maturity profile to manage refinancing risks and explore alternative sources of funding across the debt and equity capital markets, where available.

As at 31 December 2022, unsecured term loans and RCF make up 85.7% of total debt and secured term loans make up 5.9% of total debt, while unsecured notes make up the remaining 8.4% of total debt.

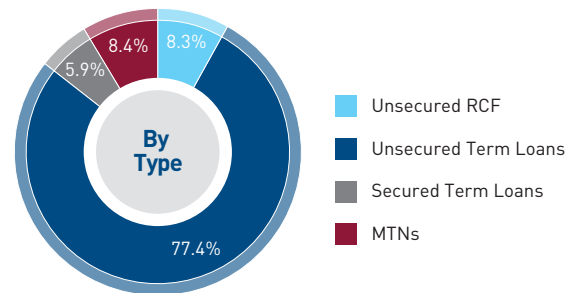
#### Debt Breakdown — By Currency

Total Debt of S\$2,093.0 million



#### Debt Breakdown — By Type

Total Debt of S\$2,093.0 million



#### DIVERSIFIED SOURCES OF FUNDING

In FY2022, ESR-LOGOS REIT entered into the following loan facility agreements:

1. S\$835.0 million and A\$365.0 million unsecured loan facilities with DBS Bank Ltd. and its Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited, and Australia and New Zealand Banking Group Limited on 18 April 2022;
2. A\$25.0 million unsecured loan and bank guarantee facility with Australia and New Zealand Banking Group Limited on 26 April 2022; and
3. JPY7.1 billion unsecured loan facility with Sumitomo Mitsui Banking Corporation Singapore Branch and MUFG Bank, Ltd. on 12 October 2022, and JPY12.2 billion secured loan facility with Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. on 27 October 2022

In June 2022, the Manager successfully issued S\$150.0 million of 5.50% subordinated perpetual securities comprised in Series 008, pursuant to the S\$750.0 million Multicurrency Debt Issuance Programme of ESR-LOGOS REIT.

In November 2022, the Manager also reset the distribution rate for the S\$150.0 million 4.60% subordinated perpetual securities issued in 2017 pursuant to the S\$750.0 million Multicurrency Debt Issuance Programme of ESR-LOGOS REIT to 6.632% per annum for the next five years.

#### CASH FLOWS AND HEDGING

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

The Manager endeavours to maximise natural currency hedge by using borrowings in local currency when financing investments, where possible. Currently, the REIT's AUD and JPY denominated borrowings provide a natural currency hedge for its Australian and Japanese investments, respectively. Foreign exchange volatility is also managed as foreign exchange forward contracts were entered into to hedge a significant portion of distributable income from the REIT's overseas investments to meet distribution payments on a 12-month rolling basis.

Furthermore, 72.0% of borrowings are on fixed interest rates with weighted average fixed debt expiry of 2.0 years. This allows for the REIT to be sufficiently hedged against rising interest rates with allowance for further hedging should favourable opportunities arise.

# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## SINGAPORE MACROECONOMIC OVERVIEW

### Singapore's economic performance in 2022

According to the Ministry of Trade and Industry ("MTI"), overall GDP registered growth of 2.1% year-on-year ("y-o-y") in 4Q2022, a deceleration from 4.0% y-o-y growth in the previous quarter. Singapore's economy expanded by 3.6% in 2022, moderating from 2021's 8.9% growth but slightly higher than the MTI's forecast of 3.5%.

Amid the manufacturing slowdown, the manufacturing sector contracted by 2.6% y-o-y in 4Q2022, reversing from the 1.1% growth in the previous quarter, attributed to output declines in the general manufacturing, electronics, chemicals and biomedical manufacturing clusters. Full-year manufacturing output growth for 2022 decelerated sharply to 2.5% from 13.3% in 2021.

With the easing of border restrictions, the construction sector expanded by 10.0% y-o-y in 4Q2022, an acceleration from previous quarter's 8.1% growth. Full-year construction sector's growth registered 6.7%, easing from 20.5% in 2021.

In 4Q2022, the services producing industries grew by 4.0% y-o-y and registered a full-year growth of 4.8%, from 7.6% in 2021. Growth was led by the Accommodation & Food Services, Real Estate, and Other Services sector (9.0% y-o-y in 4Q2022 and 7.4% in 2022), in line with the lifting of community and border measures as well as the steadfast tourism recovery.

### Singapore's Economic Performance Y-o-Y Growth (%)

GDP & Sectoral Growth Rates	2022	2021	
GDP Growth	3.6	8.9	▼
Manufacturing	2.5	13.3	▼
Construction	6.7	20.5	▼
Wholesale & Retail Trade, Transportation & Storage	3.6	9.8	▼
InfoComm, Finance & Insurance, Professional Services	4.3	8.4	▼
Accommodation & Food Services, Real Estate, Other Services	7.4	3.4	▲

Source: Singstat

### Labour market

In 2022, the labour market recorded significant improvement as compared to the previous year amid sustained economic growth. Based on preliminary estimates, the average overall unemployment rate declined to 2.1% from 2.7% in 2021 and held steady at pre-pandemic level, while total employment rose to an unprecedented level (231,700), largely driven by non-residents as border restrictions were lifted. Resident employment continued to register growth momentum, though at a slower pace compared to 2021.

### Manufacturing and exports

As manufacturing sentiment continued to be weighed down by weaker global demand, overall factory activity contracted for the fifth consecutive month in January 2023. The manufacturing PMI reading edged up 0.1 point to 49.8 while the electronics sector PMI inched up by 0.2 point to 49.1, marking the sixth consecutive month of contraction.

On a 3-month moving average y-o-y basis, Non-oil Domestic Exports contracted further by 20.2% in January 2023 from -14.0% in December 2022. In 2022, NODX recorded 3.0% growth, a notable decline from 2021's 12.1% growth. The weakening export performance has implications for the manufacturing sector.

### Outlook for 2023

In 2023, the U.S. and Eurozone are expected to experience sharp slowdowns, while the global supply chain disruptions may persist amid the protracted war. China's growth is projected to pick up, which improves the regional economies' growth outlook. A further slowdown in Singapore's economy is expected in 2023, with growth forecasted to be "between 0.5 and 2.5%" by the MTI due to weakening global economic conditions. Due to the projected economic slowdown in 2023, the labour market may face headwinds which may impact its growth momentum and unemployment rates are expected to rise.

## RECENT GOVERNMENT POLICIES/INITIATIVES AND ITS IMPACT

### Government Support Measures

Most COVID-19-related support measures have ended as Singapore transitioned into the endemic era. Under the fifth phase of the Jobs Growth Incentive ("JGI") scheme, which runs from October 2022 to March 2023, the Government will co-pay 20% of the first S\$6,000 of gross monthly wages for the first six months for qualifying workers. Meanwhile, the Job Support Scheme ("JSS") had ended in March 2022.

In June last year, the new Energy Efficiency Grant was introduced to help eligible firms to improve their energy efficiency and alleviate rising business costs due to increased energy prices. During Budget 2023, Deputy Prime Minister and Finance Minister Lawrence Wong announced that it will be extended for one year until 31 March 2024, providing continued support for businesses in the Food Services and Food Manufacturing sectors amid higher electricity prices.

The newly introduced Enterprise Innovation Scheme aims to encourage businesses to engage in research and development ("R&D"), innovation as well as capability development activities. Under the scheme, existing tax measures will be enhanced, and a new tax measure will be introduced.

It was also announced during Budget 2023 that the CPF monthly salary ceiling will be raised in phases from S\$6,000 to S\$8,000 by 2026. In addition, the senior worker CPF contribution rates will be increased on 1 January 2024. In view of the rising business costs due to this increase, employers will be provided with a one-year CPF Transition Offset.

The following table summarises the key government support measures relevant to the industrial property sector.

### Key Government Support Measures for the Industrial Property Market

Support Measure	Details
Jobs Growth Incentive (JGI)	<ul style="list-style-type: none"> <li>The JGI scheme was introduced to provide support to employers to expand local hiring from September 2020 to March 2023 (inclusive), so as to create good and long-term jobs for locals.</li> <li>The JGI provides up to 12 months of salary support for each non-mature local hire and 18 months of salary support for each mature hire, person with disability or ex-offender hired by employers that managed to increase their local workforce within the qualifying window:               <ol style="list-style-type: none"> <li>Phase 1 of JGI: September 2020 to February 2021</li> <li>Phase 2 of JGI: March 2021 to September 2021</li> <li>Phase 3 of JGI: October 2021 to March 2022</li> <li>Phase 4 of JGI: April 2022 to September 2022</li> <li>Phase 5 of JGI: October 2022 to March 2023</li> </ol> </li> <li>Under JGI's fifth phase from October 2022 to March 2023, the Government will co-pay 20 per cent of the first \$6,000 of gross monthly wages for the first six months for qualifying workers.</li> </ul>
Job Support Scheme (JSS)	<ul style="list-style-type: none"> <li>Introduced during the Unity Budget in February 2020, over S\$28bn has been disbursed under the JSS support. The scheme ended in March 2022.</li> <li>The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.</li> </ul>



# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Support Measure	Details
Energy Efficiency Grant	<ul style="list-style-type: none"> <li>• First introduced in June 2022, the Energy Efficiency Grant provides support to small and medium-sized enterprises (SMEs) in the food services, food manufacturing and retail sectors to improve their energy efficiency and alleviate increasing business costs due to increased energy prices.</li> <li>• Up to 70 per cent funding support will be provided for eligible firms to adopt energy-efficient equipment in categories that have been pre-approved.</li> <li>• Capped at \$30,000 per company, the grant will cover energy-efficient equipment in categories such as LED lighting and air-conditioners.</li> <li>• Announced during Budget 2023 that it will be extended for one year until 31 March 2024.</li> </ul>
Enterprise Innovation Scheme	<ul style="list-style-type: none"> <li>• Introduced during Budget 2023, the Enterprise Innovation Scheme encourages businesses to engage in R&amp;D, innovation and capability development activities.</li> <li>• Tax deductions will be enhanced for five key activities in the innovation value chain:               <ol style="list-style-type: none"> <li>a. Qualifying R&amp;D undertaken in Singapore;</li> <li>b. Registration of intellectual property;</li> <li>c. Acquisition and licensing of IP rights;</li> <li>d. Training; and</li> <li>e. Innovation projects carried out with polytechnics, the Institute of Technical Education or other qualified partners.</li> </ol> </li> <li>• Tax deductions will be raised to 400 per cent from 250 per cent of qualifying expenditure incurred for every activity annually from Year of Assessment 2024 to 2028, capped at S\$400,000 for each activity (innovation with polytechnics and ITE will be capped at S\$50,000).</li> </ul>
CPF Transition Offset	<ul style="list-style-type: none"> <li>• Introduced during Budget 2023, the one-year CPF Transition Offset is provided to employers to mitigate rising business costs due to the increase in senior worker CPF contribution rates (wef 1 January 2024).</li> <li>• It is equivalent to half of the 2024 increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 70</li> <li>• To be provided to employers automatically and they do not need to apply for the offset.</li> </ul>

Sources: MOF, IRAS, EDMUND TIE Research

## Related Government Initiatives and Policies

First launched between 2016 and 2018, the Industry Transformation Maps ("ITMs") aim to drive industry transformation, support the growth of enterprises, and help Singaporeans take up quality jobs. The refreshed ITMs for five sectors — Electronics, Precision Engineering, Energy & Chemicals, Aerospace and Logistics — outlined strategies to grow Singapore's manufacturing value-added

("VA") by 50% from 2020 to 2030. It involves support for research and development, deep tech innovation, extensive digitalisation and environmental sustainability, as well as foster partnerships between companies and Institutes of Higher Learning.

### Industry Transformation Maps (ITMs) cover 23 industries across six clusters

Cluster	Industries
<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>Precision Engineering</li> <li>Energy &amp; Chemicals</li> <li>Marine &amp; Offshore</li> <li>Aerospace</li> <li>Electronics</li> </ul>
<b>Built Environment</b>	<ul style="list-style-type: none"> <li>Construction</li> <li>Real Estate</li> <li>Security</li> <li>Environmental Services</li> </ul>
<b>Trade &amp; Connectivity</b>	<ul style="list-style-type: none"> <li>Air Transport</li> <li>Logistics</li> <li>Land Transport</li> <li>Sea Transport</li> <li>Wholesale Trade</li> </ul>
<b>Essential Domestic Services</b>	<ul style="list-style-type: none"> <li>Healthcare</li> <li>Education</li> </ul>
<b>Modern Services</b>	<ul style="list-style-type: none"> <li>Professional Services</li> <li>Financial Services</li> <li>ICT &amp; Media</li> </ul>
<b>Lifestyle</b>	<ul style="list-style-type: none"> <li>Food Manufacturing</li> <li>Food Services</li> <li>Hotel</li> <li>Retail</li> </ul>

Source: Ministry of Trade and Industry

As announced by Prime Minister Lee Hsien Loong during his 2022 National Day Rally speech, construction works on Changi Airport's Terminal 5 will resume after a two-year pause due to the pandemic. As part of the transformations to the Changi Region, other key projects in the area include the Changi Aviation Park (for aviation-related sectors), Changi East Industrial Zone and Changi East Urban District (new business and lifestyle destination).

Expected to be fully completed in the 2040s, the next-generation Tuas Mega Port Project will be fully automated and digitalised, with the capacity to handle 65 million twenty-foot equivalent units ("TEUs"), or 1.5 times our current capacity. Till date, five berths have commenced operations under Phase 1 (out of four phases) of the project, with its global reach and connectivity benefitting factories in Tuas and Jurong with quicker production-to-market turnarounds.

Under the Urban Redevelopment Authority's ("URA") latest long-term plan, a "vertical zoning" concept in industrial estates is being explored for the integration of complementary uses within a single development. The Kolam Ayer and Yishun industrial estates, one-north, Tai Seng, Jurong Lake District and Changi Business Park have been identified as potential business-white<sup>1</sup> zones to accommodate non-industrial uses, such as co-working spaces, so as to add vibrancy to industrial developments. Following the relocation of the Paya Lebar Air Base in the 2030s, the existing site is anticipated to be transformed into a new generation town with residential and employment options.

As part of Singapore's green transition plans, the Carbon Pricing (Amendment) Bill was passed in Parliament in November 2022. The carbon tax will be raised to S\$25 per tonne for greenhouse gas emissions in 2024 and 2025, and S\$45 per tonne for greenhouse gas emissions in 2026 and beyond. By 2030, it should reach between S\$50 and S\$80 per tonne, and is on track to reach net-zero greenhouse gas emission by 2050.

With the aim to decarbonise the energy sector, Singapore's first hydrogen-ready power plant is expected to be ready by the first half of 2026. The Keppel Sakra Cogen Plant, which is able to operate entirely on clean-burning hydrogen in the future, will be built on Jurong Island with the capacity to produce up to 600MW of electricity. In addition, a new S\$25 million research institute, known as the NUS Centre for Hydrogen Innovations, was launched in July last year with the aim of making green hydrogen a viable green energy source.

Enacted on August 1 2022, the Land Betterment Charge ("LBC") Act provides for the consolidation of charges for the enhancement of land value under the Singapore Land Authority. With the new LBC regime, the previous Development Charge ("DC"), Temporary Development Levy, and Differential Premium regimes will be replaced. Accordingly, the DC Table of Rates will be replaced with the LBC Table of Rates, which will continue to be revised twice a year.

<sup>1</sup> Business-white sites are industrial sites that allow a greater flexibility of use

## SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

### IGLS Programme

The Industrial Government Land Sales ("IGLS") programme for the first half of 2023 ("1H2023") comprises four sites in the Confirmed List and three sites in the Reserve List totalling around 1.2 million sqft of NLA. Under the latest IGLS programme, all the industrial sites are zoned Business 2 ("B2") and are mostly small land plots smaller than 1.0 ha. In terms of land tenure, one plot in the Confirmed List and two plots in the Reserve List have 20-year leasehold tenure, while the other plots are offered with 30-year leasehold tenure.

The combined estimated NLA that could be generated from the confirmed list sites under the 1H2023 programme has been raised to 786,000 sqft, compared to around 403,000 sqft from the 2H2022 list. However, the total supply of estimated NLA from the reserve list sites under the 1H 2023 has been scaled down to 398,000 sqft from 706,000 sqft in the previous launch.

Details of the sites placed under the 1H2023 and 2H2022 IGLS Programme are shown in the tables below.

### Projected supply of private industrial space from IGLS Programme 1H2023

Location	Site ha	Zoning	Tenure years	NLA '000 sq ft	Status
<b>Confirmed List</b>					
Plot 7 Tampines North Drive 4	2.03	B2	30	448	Launched, closing 28 March 2023
Plot 8 Jalan Papan	0.86	B2	20	106	Launch in February 2023
Plot 10 Tampines North Drive 5	0.50	B2	30	110	Launch in March 2023
Woodlands Avenue 8	0.55	B2	30	121	Launch in April 2023
	<b>3.94</b>			<b>786</b>	
<b>Reserve List</b>					
Plot 3 Jalan Papan	0.72	B2	20	89	Available
11 Tuas Avenue 18	0.40	B2	20	49	Available in May 2023
Tuas Road	2.10	B2	30	259	Available in June 2023
	<b>3.22</b>			<b>398</b>	
<b>Total</b>	<b>7.16</b>			<b>1,184</b>	

Source: JTC

Note: NLA estimated based on 82% efficiency factor applied to the total industrial GFA

## Supply of private industrial space from IGLS Programme 2H2022

Location	Site ha	Zoning	Tenure years	NLA '000 sq ft	Status
<b>Confirmed List</b>					
Plot 2 Jalan Papan	1.24	B2	20	153	Awarded on 9 December 2022
Plot 11a Tampines North Drive 5	0.54	B2	30	119	Not awarded
Plot 5 Jalan Papan	0.56	B2	20	69	Not awarded
25 Gul Drive	0.50	B2	20	62	Tender closed on 25 Jan 2023. Results yet to be announced
	<b>2.84</b>			<b>403</b>	
<b>Reserve List</b>					
Woodlands Industrial Park E7/E8	0.77	B2	30	169	Awarded on 16 December 2022
Plot 3 Jalan Papan	0.72	B2	20	89	Shifted to Reserve List 1H 2023
Plot 7 Tampines North Drive	2.03	B2	30	448	Shifted to Confirmed List 1H 2023
	<b>3.52</b>			<b>706</b>	
<b>Total</b>	<b>6.36</b>			<b>1,109</b>	

Source: JTC

Note: NLA estimated based on 82% efficiency factor applied to the total industrial GFA

**MAJOR INDUSTRIAL INVESTMENT SALES**

In 2022, total major industrial investment sales (S\$10 million and above) amounted to at least S\$1.2 billion. The largest transaction was the sale of 1 Buroh Lane, a five-storey ramp-up multi-temperature-controlled food storage and distribution centre, for S\$191.9 million. The second largest transaction was the acquisition

of Enterprise Logistics Centre, a ramp-up logistics warehouse building in Tuas, for S\$120.6 million by a Singapore unit of Hong Kong-based Intex Development Company. Another major transaction was the sale of Philips APAC Center at Toa Payoh for S\$104.8 million to Ascendas REIT. In addition, Cycle & Carriage Singapore divested four of its properties for an undisclosed sum in October last year.

**Key details of top 3 industrial investment sales in 2022**

Quarter sold	Development	Property Type	Gross Floor Area/Land Area (sq ft)	Remaining tenure, yrs	Purchase price		Purchaser	Seller
					S\$ million	S\$ psf		
3Q 2022	Philips APAC Center	Single-User Factory	163,557	7 + 13	104.8	641	Ascendas REIT	Philips Electronics Singapore Pte Ltd
3Q 2022	1 Buroh Lane	Warehouse	645,500	21	191.9	297	Ascendas REIT	A3 Lux Alpha S.a.r.l
4Q 2022	Enterprise Logistics Centre	Warehouse	319,620	33	120.6	368	Intex Development Company	Far East Organization

Source: EDMUND TIE Research

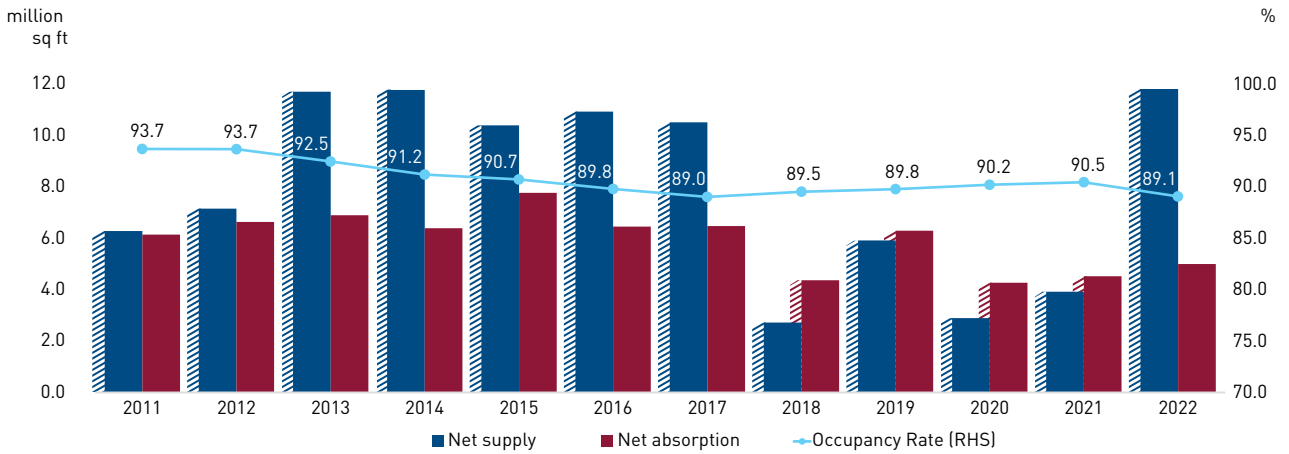


# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## FACTORY

### Demand and Supply

#### Net Supply, Net Absorption and Occupancy (Multiple-and-Single-user Factory Space)



Source: JTC

#### Demand

Despite the manufacturing slowdown, overall demand for factory space remained resilient in 2022. Net absorption rose to 5.0 million sqft in 2022 from 4.5 million sqft in 2021, as demand was largely supported by the high-value manufacturing industries. The occupancy rate dipped to 89.1% in 2022 from 90.5% in 2021.

#### Supply

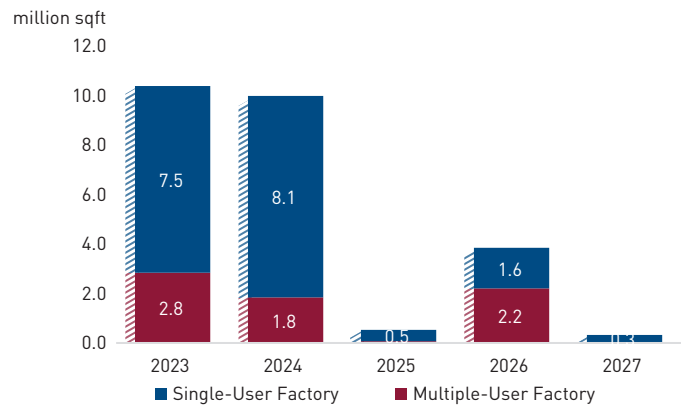
With the alleviation of construction manpower crunch as border restrictions were lifted, total factory stock expanded by 3.0% to 411.0 million sqft from 399.2 million sqft in 2021, surpassing the 1.0% growth witnessed in 2021. In 2022, the largest project completed was TimMac @ Kranji developed by JTC, which received partial TOP of 1.2 million sqft NLA, with full completion expected in 2023.

#### Potential Supply

As at 4Q2022, around 22.9 million sqft (NLA) of factory space is expected to come onstream from 2023 to 2027, of which the bulk of the pipeline is projected to be completed in 2023 (45%) and 2024 (44%).

In 2023, a key upcoming factory project is the Hyundai Motor Group Innovation Centre (0.8 million sqft NLA) located in the Jurong Innovation District, which is designed to develop new automotive technologies, such as for electric cars' production.

#### Factory supply pipeline from 2023 to 2027



Source: JTC

### Projected new supply of top 5 major private factory developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Multiple-user factory developments</b>					
Polaris @ Woodlands	Woodlands Avenue 12	North	0.5	Under construction	2024
Tuas Vista	Tuas South Avenue 2	West	0.3	Under construction	2023
7000 Ang Mo Kio Avenue 5	Ang Mo Kio Avenue 5	North-East	0.2	Under construction	2023
CT FoodNEX	Mandai Estate	North	0.2	PP: April 2022	2026
Food Vision @ Mandai	Mandai Estate	North	0.2	Under construction	2026
<b>Single-user factory developments</b>					
Hyundai Motor Group Innovation Centre	Jurong West Avenue 2	West	0.8	Under construction	2023
Pfizer	Tuas South Avenue 6	West	0.4	Under construction	2024
Sanofi	Tuas South Street 2	West	0.3	Under construction	2025
SATS Food Hub	Bulim Street	West	0.3	PP: July 2022	2024
Wilmar Distribution	Jalan Ahmad Ibrahim	West	0.3	Under construction	2023

Sources: JTC, EDMUND TIE Research

### Projected new supply of major public factory developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Multiple-user factory developments</b>					
Bulim Square	Bulim Lane 1/2	West	1.4	Under construction	2026
JTC Space @ AMK	Ang Mo Kio Street 64/65	North-East	1.0	Under construction	2024

Sources: JTC, EDMUND TIE Research

### Rental Values

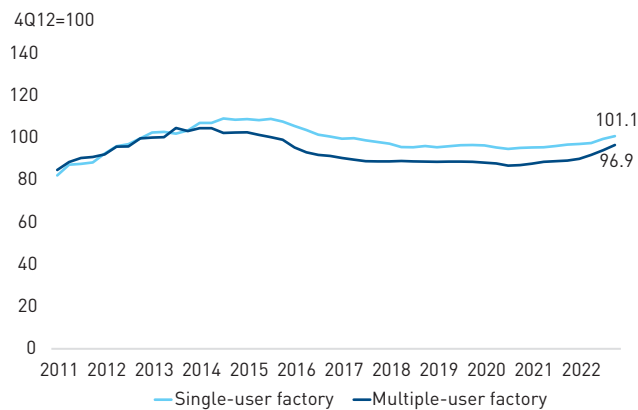
Amid sustained demand, rental values of factory spaces witnessed strong growth in 2022. As at 4Q2022, the rental index for both multiple-user and single-user factory increased at a greater pace by 8.3% y-o-y and 4.1% -y-o-y respectively, compared to the respective increases of 2.5% y-o-y and 1.7% y-o-y in the multiple-user and single-user factory rental indices in 2021.

As at 4Q2022, the 25th percentile, median and 75th percentile monthly rents for multiple-user factory registered at S\$1.72, S\$2.04 and S\$2.50 per sqft per month<sup>2</sup> respectively. For single-user factory, the respective 25th percentile, median and 75th percentile monthly rents were S\$1.25, S\$1.60 and S\$2.19 per sqft per month.

2 The rental data refer to contracted gross rent per month as declared by tenants to IRAS through its e-Stamping system. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives.

# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## JTC Industrial Rental Index (Multiple-and-Single-user Factory)



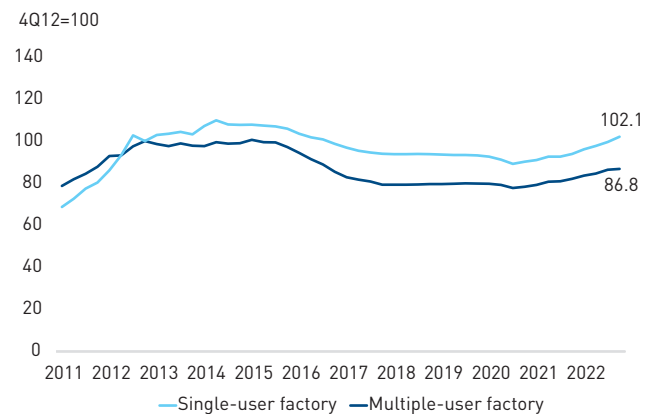
Source: JTC

### Capital Values

According to JTC's price indices, prices of multiple-user and single-user factory rose further by 8.7% y-o-y and 5.7% y-o-y in 4Q2022 respectively, as compared to the 4.1% y-o-y and 4.9% y-o-y increase of multiple-user and single-user factory price indices in 2021.

As at 4Q2022, the median price for multiple-user factory space stood at S\$439 per sqft, while the median price for single-user factory space stood at S\$154 per sqft.

## JTC Industrial Price Index (Multiple-and-Single-user Factory)



Source: JTC

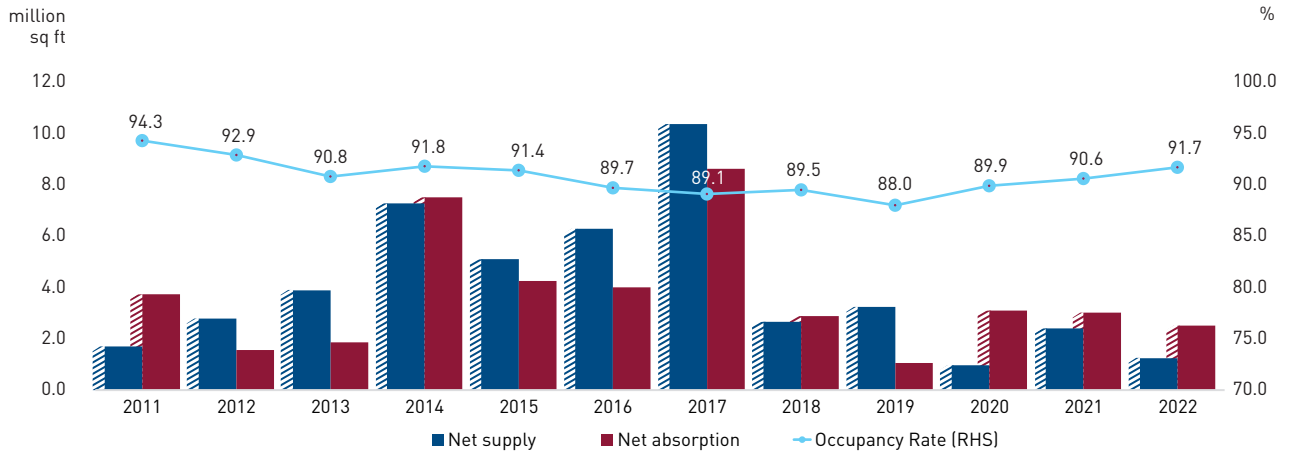
### Outlook for 2023

Manufacturing sentiments continued to be weighed down by weaker global demand, as local manufacturers continued to remain negative about business conditions over the next six months and overall factory activity contracted for the fifth consecutive month in January 2023. Amid multiple economic headwinds and a softer manufacturing outlook, factory rents are likely to moderate after nine consecutive quarters of increase. However, high-value manufacturing industries, such as MedTech and GreenTech, are poised to be new growth areas for the industrial sector and likely contribute to greater demand for industrial spaces. Accordingly, a slower pace of rental growth for multiple-user factory of between 3–5% is projected in 2023.

**WAREHOUSE**

**Demand and Supply**

**Net Supply, Net Absorption and Occupancy (Warehouse)**



Source: JTC

**Demand**

Warehouse net absorption declined slightly to 2.5 million sqft in 2022 from 3.0 million sqft in 2021. However, warehouse demand outpaced supply and resulted in a 1.1% points improvement in occupancy rate to 91.7% in 2022, the highest since 2014. Overall warehouse demand was largely sustained amid protracted supply chain disruptions and the e-commerce growth.

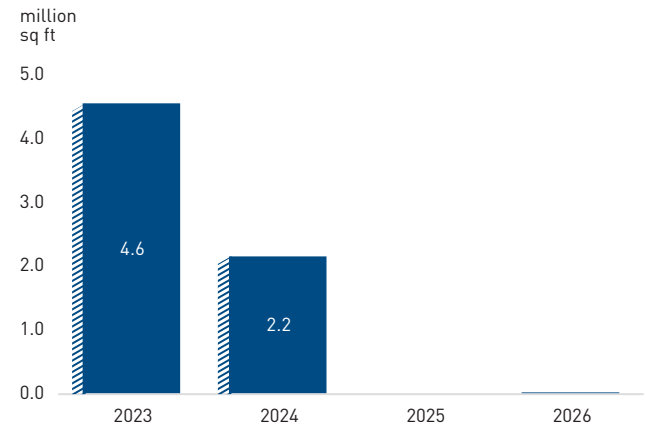
**Supply**

As at 4Q2022, total warehouse stock rose at a slower pace by 1.0% to 122.8 million sqft in 2022 from 121.6 million sqft in 2021 (2.0% increase in stock). With an NLA of 0.9 million sqft, Tee Yih Jia Food Hub at 5 Senoko Road was the largest warehouse completed in 2022.

**Potential Supply**

As at 4Q2022, the supply pipeline for warehouse from 2023 to 2026 is projected to be around 6.7 million sqft (NLA), of which the bulk (68%) is expected to come onstream this year, followed by another 32% in 2024. In 2023, some of the major warehouse projects in the pipeline include Allied Sunview’s 1.1 million sqft (NLA) warehouse and 2PS1 (0.7 million sqft NLA) developed by Soilbuild Business Park REIT.

**Warehouse supply pipeline from 2023 to 2026**



Source: JTC



# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## Projected new supply of top 5 major private warehouse developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Warehouses developments</b>					
Allied Sunview	Sunview Road	West	1.1	WP: March 2019	2023
2PS1	Pioneer Sector 1	West	0.7	Under construction	2023
Fairprice Group Fresh Food Distribution Centre	Sunview Road	West	0.6	Under construction	2023
Soon Bee Huat Trading	Penjuru Lane	West	0.2	Under construction	2023
Drex-Chem Technologies	Tuas Avenue 13	West	0.04	PP: May 2021	2023

Sources: JTC, EDMUND TIE Research

## Projected new supply of major public warehouse developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Warehouses developments</b>					
JTC Logistics Hub @ Gul	Gul Circle	West	0.5	Under construction	2023

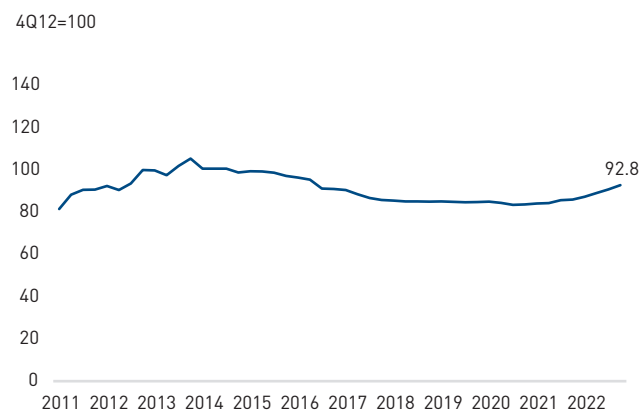
Sources: JTC, EDMUND TIE Research

## Rental Values

As at 4Q2022, warehouse's JTC rental index expanded at a faster pace by 7.9% y-o-y compared to 2.7% y-o-y growth experienced in 2021. The resilient warehouse demand supported further overall rental growth, while modern high-specifications warehouse continued to be highly sought after and commanded high rents.

As at 4Q2022, the 25th percentile, median and 75th percentile warehouse monthly rents were contracted at S\$1.56, S\$1.98 and S\$2.50 per sqft per month<sup>3</sup> respectively.

## JTC Industrial Rental Index (Warehouse)



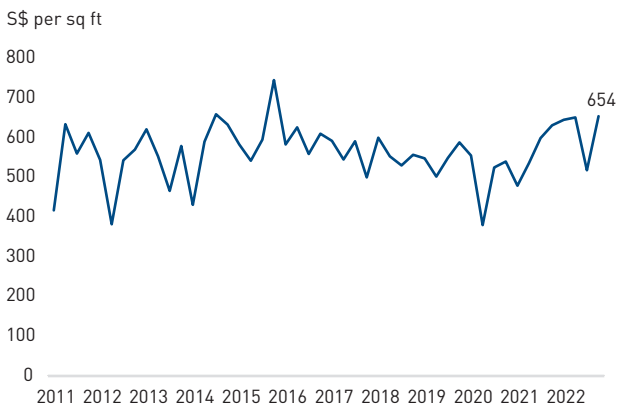
Source: JTC

<sup>3</sup> The rental data refer to contracted gross rent per month as declared by tenants to IRAS through its e-Stamping system. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives

**Capital Values**

Since 4Q2014, JTC has not published the warehouse price index due to the limitations posed by thin transactional activity. As at 4Q2022, the median price of warehouses rose by 3.6% to S\$654 per sqft from S\$631 per sqft as at 4Q2021.

**Median Prices of Warehouse**



Source: JTC

**Outlook for 2023**

Achieving supply chain resilience is likely to continue to be at the forefront of industrialists' agenda amid the protracted supply chain disruptions and heightened stockpiling requirements. Amid flight to quality, modern warehouse and logistics spaces will continue to be highly sought after, with more redevelopments of ageing stock to be anticipated. Amid sustained demand, warehouse spaces are projected to outperform with rental growth of around 6% in 2023.

# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## HIGH-SPECS INDUSTRIAL

High-specs industrial spaces refer to modern spaces (exclude business park) with office-like facades and a main lobby, which includes open space and amenities, such as retail, F&B and recreational amenities. They are typically for light and clean business uses, including R&D, data centre, product design, development and testing as well as service centres. In addition, they usually have high floor to ceiling and high loading/unloading capacity depending on their usage, such as data centres.

### Demand and Supply

#### Demand

Demand for high-specs industrial spaces continued to be strong, underpinned by the growth of the high-value manufacturing industries such as advanced manufacturing, biomedical science and information and communications technology, and R&D innovation. Amid flight to quality, such spaces equipped with modern or built-to-suit facilities are highly sought after amid tight supply.

#### Supply

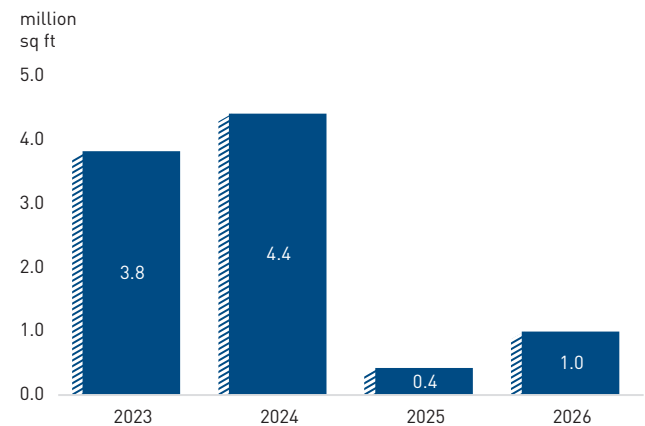
As at 4Q2022, the total high-specs industrial stock expanded by 10.2% to 59.4 million sqft in 2022 from 53.9 million sqft in 2021. The JTC Defu Industrial City (2.9 million sqft NLA) located at Defu South Street 1 was the biggest high-specs industrial project completed in 2022.

## Potential Supply

As at 4Q2022, the supply pipeline for high-specs industrial from 2023 to 2026 is projected to be around 10.0 million sqft (NLA) with the bulk (46%) of the pipeline expected to come onstream in 2024 followed by another 40% in 2023.

In 2023, the largest upcoming high-specs industrial project is Malkoha's (Meta) data centre which will bring forth 1.5 million sqft NLA of space. Another major project this year is Solaris @ Tai Seng (0.9 million sqft NLA) developed by SoilBuild, which is designed to be a campus-style development comprising of four towers, including lab infrastructure for selected units.

### High-specs industrial supply pipeline till 2026



Source: JTC, EDMUND TIE Research

### Projected new supply of major high-specs industrial developments

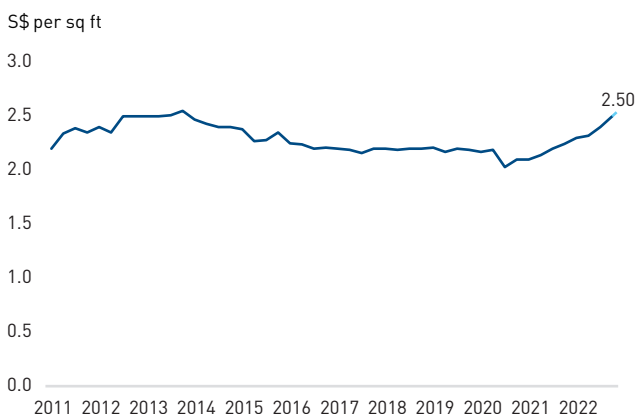
Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>High-specs industrial developments (non-Data Centres)</b>					
United Microelectronics Corporation	Pasir Ris Industrial Drive 1	East	2.1	Under construction	2024
Siltronic Silicon Wafer	Tampines Industrial Avenue 5	East	1.2	Under construction	2024
Solaris @ Tai Seng	Tai Seng Avenue	North-East	0.9	Under construction	2023
Silicon Box	Tampines Industrial Avenue 3	East	0.6	Under construction	2026
Applied Materials	Tampines Industrial Crescent	East	0.6	Under construction	2024
<b>Data Centres</b>					
Malkoha (Meta)	Sunview Way	West	1.5	WP: May 2019	2023
Google Asia Pacific	Lok Yang Way	West	0.6	Under construction	2024
Memphis 1	Genting Lane	Central	0.4	Under construction	2026
Amazon Asia-Pacific Resource	Sunview Drive	West	0.2	Under construction	2025
Amazon Asia-Pacific Resource	Loyang Drive	East	0.1	Under construction	2023

Sources: JTC, EDMUND TIE Research

### Rental Values

Based on the 75th percentile monthly rents of multi-user factory space as a proxy, rents of high-specs industrial premises stood at S\$2.50 per sqft per month<sup>4</sup> as at 4Q2022, a 11.6% increase from S\$2.24 per sqft per month as at 4Q2021.

#### Rents for High-Specs Industrial



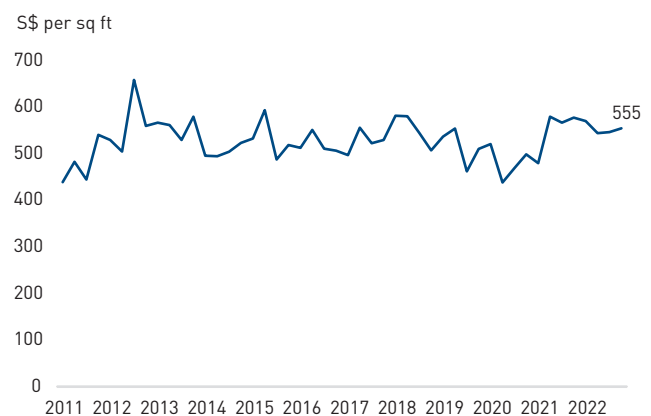
Source: JTC

### Capital Values

Based on the 75th percentile of transacted price for multiple-user factory (based on strata area) as a proxy, capital values of high-specs industrial premises were S\$555 per sqft as at 4Q2022.

In 4Q2022, prices of high-specs industrial spaces declined by 4.0% y-o-y, reversing from the 15.8% increase in 2021.

#### Prices of High-Specs Industrial



Source: JTC

### Outlook for 2023

Despite the manufacturing slowdown, high-value manufacturing industries, such as MedTech and GreenTech, are poised to be new growth areas for the industrial sector and likely contribute to greater demand for high-specs industrial spaces. In line with the growth of advanced manufacturing, rents of high-specs spaces are projected to record growth of between 6% and 7% in 2023.

<sup>4</sup> The rental data refer to contracted gross rent per month as declared by tenants to IRAS through its e-Stamping system. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives

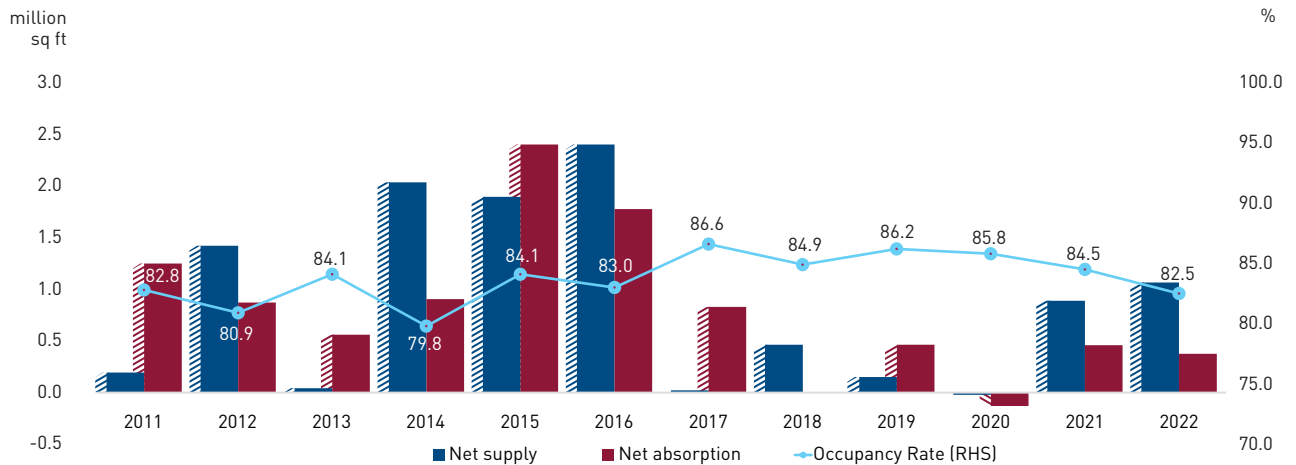


# SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

## BUSINESS PARK

### Demand and Supply

#### Net Supply, Net Absorption and Occupancy (Business Park)



Source: JTC

### Demand

Business park’s leasing demand moderated and recorded a slower pace of absorption of 375,000 sqft in 2022 from 459,000 sqft in 2021. Overall occupancy rate of business parks declined by 2.0% points to 82.5% in 2022, as net supply outpaced net absorption. Nonetheless, there has been growing occupier interest, especially from industries such as biomedical and R&D, in business parks due to cost savings and as part of their decentralisation strategies.

### Supply

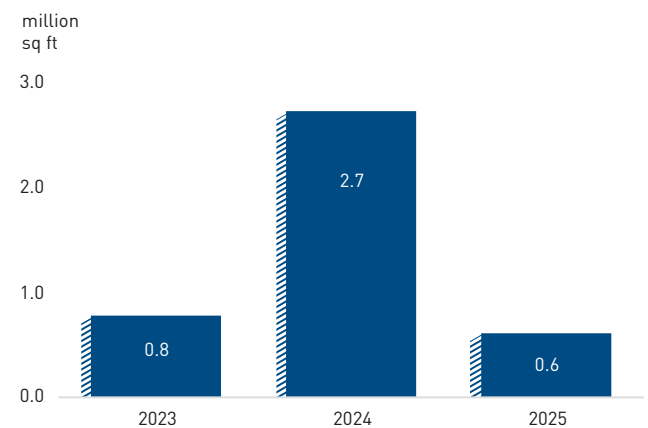
As at 4Q2022, the total business park stock expanded by 4.3% to 25.6 million sqft in 2022 from 24.5 million sqft in 2021, as compared to the 3.8% increase in 2021. CleanTech Three (639,000 sqft NLA) developed by JTC was the biggest project completed in 2022.

### Potential Supply

As at 4Q2022, the supply pipeline for business park from 2023 to 2025 is projected to be around 4.1 million sqft (NLA), with the bulk (66%) of the pipeline expected in 2024, followed by another 19% in 2023.

The major business park projects coming onstream this year include Elementum and Surbana Jurong Campus. In 2024, the JTC-developed Punggol Digital District Phase I (1.5 million sqft NLA) is expected to be completed.

### Business park supply pipeline from 2023–2025



Source: JTC

### Projected new supply of top 5 major private business park developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Business park developments</b>					
1 Science Park Drive	Science Park Drive	Central	1.0	Under construction	2025
Elementum	North Buona Vista Drive	Central	0.3	Under construction	2023
Surbana Jurong Campus	Cleantech Loop	West	0.3	Under construction	2023
7 Science Park Drive	Science Park Drive	Central	0.3	Under construction	2023
Kajima Lab for Global Engineering, Architecture and Real Estate (The Gear)	Changi Business Park Crescent	East	0.1	Under construction	2023

Sources: JTC, EDMUND TIE Research

### Projected new supply of major public business park developments

Developer/development	Location	Region	NLA million sq ft	Status	Expected Completion
<b>Business park developments</b>					
JTC Punggol Digital District (Phase 1)	Punggol Way	North-East	1.5	Under construction	2024
JTC Punggol Digital District (Phase 2)	Punggol Way	North-East	0.6	Under construction	2025

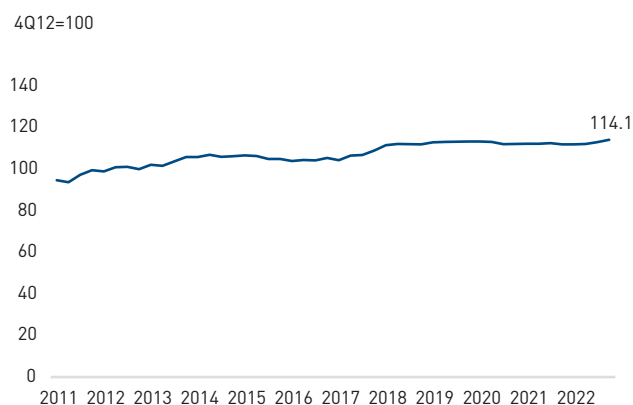
Sources: JTC, EDMUND TIE Research

### Rental Values

Business park's JTC rental index rose by 2.0% as at 4Q2022, reversing from the 0.2% decline experienced in 2021, as rental growth was supported by growing occupier demand.

As at 4Q2022, the 25th percentile, median and 75th percentile monthly rents for business parks stood at S\$3.80, S\$4.27 and S\$4.74 per sqft per month<sup>5</sup> respectively.

### JTC Industrial Rental Index (Business Park)



Source: JTC

### Outlook for 2023

In 2023, the growing occupier interest in the business park segment is expected to continue as more firms are expected to opt for business park spaces for cost savings. In line with the Industrial 4.0 revolution, the high value-add industries, such as biomedical science, information and communications technology, as well as research & development, will be the main driver for demand for business park spaces. In 2023, rents of well-located business parks are forecasted to rise by 2–3%.

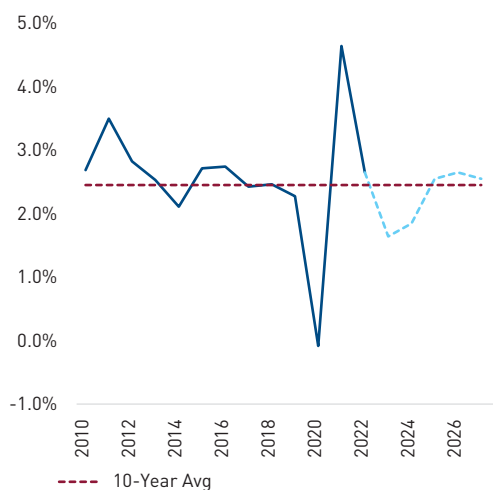
5 The rental data refer to contracted gross rent per month as declared by tenants to IRAS through its e-Stamping system. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives

# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

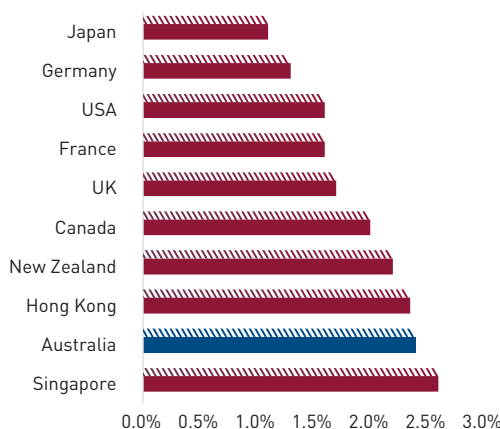
## ECONOMIC OVERVIEW & OUTLOOK

The Australian economy performed well in 2022, despite broader headwinds and rising cost of living pressures in the second half of the year. However, the prospects of a significant slowing in the global economy have intensified over the past six months, fuelled by persistently high inflation and rising policy rates, the energy crisis in Europe, and the various headwinds affecting China’s recovery. For Australia, economic conditions are expected to be mixed in 2023, and the growth outlook is dependent on the path for inflation and interest rates.

Australian Annual Economic Growth



Annual Economic Growth by Country, 2021–2027



Source: ABS, IMF, Colliers Research

Key trends within the Australian economy are noted as follows:

<b>Gross Domestic Product (GDP)</b>	The Australian economy grew strongly in 2022, however, current forecasts suggest that growth will slow in 2023 as higher consumer prices, rising interest rates and declining housing prices weigh on growth. GDP growth is expected to average 1.7% over 2023 and 2024.
<b>Interest Rates &amp; Bond Yields</b>	The cash rate has increased substantially over the past year in response to higher inflation levels. The cash rate currently stands at 3.35% and is expected to rise to ~3.85% by mid-2023. 10-year Government bond yields have almost doubled over the past 12 months and currently average ~3.5%. Bond yields are expected to gradually fall throughout 2023 and average around 3.0% by the end of the year.
<b>Inflation (CPI)</b>	Australian Consumer Price Index (CPI) has increased sharply throughout 2022 and currently stands at 7.8% (year to December 2022) which represents the highest level since the early 1990s. Inflation is widely forecast to be at its peak and is expected to gradually fall throughout 2023 with the Reserve Bank of Australia forecasting it to sit at 4.8% at the end of 2023 and 3.2% at the end of 2024.
<b>Jobs Growth</b>	The unemployment rate in December 2022 measured 3.5% which is well below the 10-year average of 5.5% and below the 4.2% levels recorded at the end of 2021. Jobs growth in the 12 months to December 2022 totalled just over 450,000. The labour market is forecast to remain robust in 2023, albeit modest upward pressure is expected given slowing economic growth.

<b>Population Growth</b>	Australia's population growth has increased following the opening of international borders. In the 12 months to June 2022 (latest available data), population growth totalled 1.1% nationally and follows a sharp pick up in net overseas migration. Population growth is expected to pick up substantially in 2023; however, it is not likely to reach pre-COVID-19 levels until 2024.
<b>Wages Growth</b>	Wages growth has increased by 3.1% in 2022, up from the 2.2% recorded at the same point in 2021. Growth is expected to increase in 2023 given the tight labour market with an increase of 4.2% forecast for the year.
<b>Consumer Confidence</b>	Consumer sentiment has fallen sharply throughout 2022 as rising cost of living pressures have impacted disposable incomes. The index currently stands at 83.7%, which is well below the 104.6% recorded at the same point in 2021.

### Australian Economic Forecasts

	Current (2022)	2023	2024	2025	2026
GDP	5.9%	1.6%	1.8%	2.5%	2.6%
CPI	7.8%	3.9%	3.1%	2.5%	2.5%
Population Growth	1.1%	1.3%	1.3%	1.3%	1.2%
Interest Rates	3.35%	3.85%	2.85%	2.85%	3.10%
Unemployment Rate	3.5%	4.1%	4.5%	4.6%	4.6%

Source: Deloitte Access Economics, Westpac, Colliers Research

# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

## INDUSTRIAL & LOGISTICS MARKET OVERVIEW

The Australian industrial and logistics sector has continued to show its strength throughout 2022, particularly regarding occupier demand and rental growth, despite growing economic uncertainty. The sector has consistently outperformed the other mainstream commercial property sectors over the past five years as underlying tailwinds including e-commerce and a focus on supply chain resiliency have supported growth. In 2022, the sector provided a total return of almost 20.0% which was over double the returns for office and retail sectors over the same period.

Notwithstanding this, economic dynamics have been altered over the past six months as high inflation, rising interest rates, and growing geopolitical uncertainty triggers a fall in consumer sentiment.

### Market Drivers

Favourable fundamentals within the sector have underpinned the sector’s recent performance. The following highlights the key drivers.

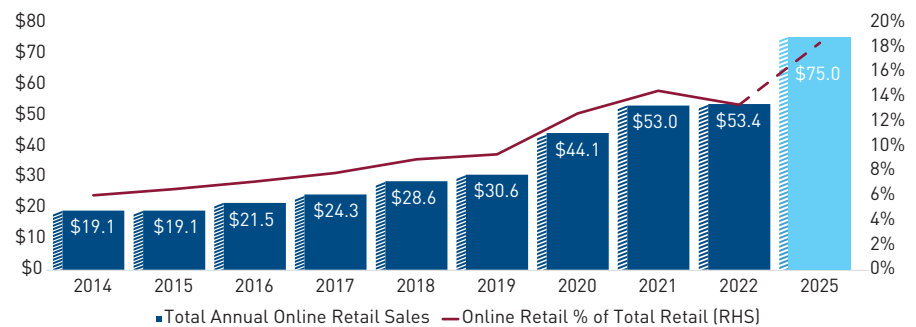
The rate of online retail adoption in recent years has been significant, with approximately five years of growth being recorded in a two-year period. At its peak, online retail sales represented 15.0% of total retail transactions, up from 9.0% just prior to COVID-19.

More recently, the online retail penetration rate has fallen to 13.0% and reflects consumers gravitating to brick-and-mortar stores and spending money on services and overseas holidays given these activities were not allowed for large parts of the past two years. However, long term, the fundamentals of online retail sales are sound, and once there is greater certainty around the cash rate and inflation, the upward trend is expected to continue.

Our forecasts indicate that online sales in Australia will grow by almost A\$22 billion between 2022 and 2025. From a warehouse demand perspective, this level of online retail sales growth will generate warehouse space requirements of approximately 1.7 million sqm to support this growth.

### E-commerce

**Australian Online Retail Sales**  
Total Online Retail Sales (A\$ billions)



Source: NAB, Colliers Research RHS: Right Hand Side

### Infrastructure

Nationally, the investment in transport infrastructure is currently at record levels with approximately A\$250 billion in projects in the pipeline. For the industrial sector, ultimately these projects will shape the location of industrial demand while areas that were once considered secondary may perhaps become prime demand areas.



**Population Growth**

Historically, Australia has enjoyed one of the strongest rates of population growth in the world and it has been this growth that has underpinned the country’s economic expansion over the past two decades. Population growth is a key driver for warehouse demand as it leads to higher levels of consumption and hence higher demand for goods.

While population growth in 2021 fell to its lowest level in over 100 years given international border closures, growth has improved and is expected to increase further over the next five years and will support warehouse demand.

**Supply Chain Volatility**

Port delays and supply chain volatility have been key drivers of warehouse demand as occupiers are having to hold more stock in their warehouses in order to satisfy demand. Previously, just-in-time inventory management was the preferred model, however, occupiers were forced to hold ‘buffer’ stock throughout the supply chain in the event of future supply chain disruptions.

Our analysis suggests that occupiers are now taking anywhere from 5–20% more warehouse space to house this buffer stock. While port congestion and supply chain volatility has eased, occupiers remain conscious that disruptions can occur quickly and are continuing to hold additional stock as a precaution.

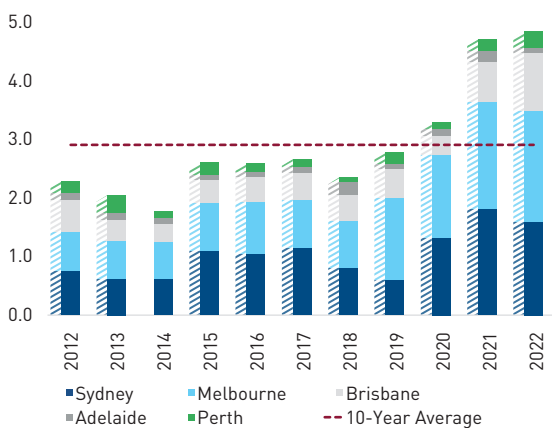
**Occupier Market**

Despite a lack of availability in the existing market, warehouse demand is currently at record high levels, led more recently by pre-commitments and speculative lease deals. The demand for industrial space is being driven largely by a surge in consumption and e-commerce, as well as a broadening of the manufacturing base. Supply chain management has also been central in this as occupiers look to shield themselves from future fluctuations in demand given port and shipping delays.

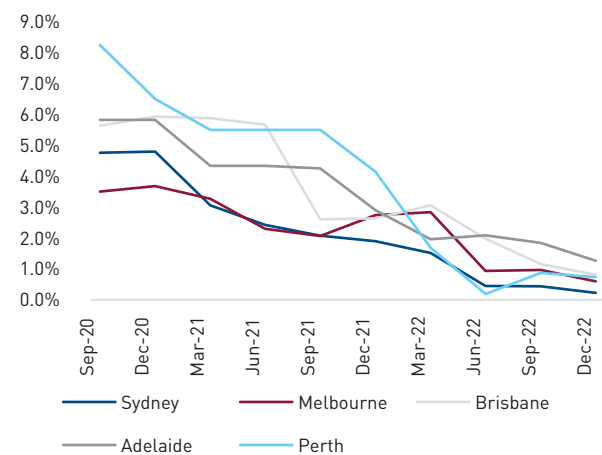
In 2022, almost 4.9 million sqm was leased nationally which is almost double the long-term average of 2.5 million sqm per annum. This level of demand represents a new record high and is up from 4.7 million sqm in 2021.

Warehouse demand in recent years has been heavily linked to the transport and logistics and retail trade sectors as both look to build resiliency within their supply chain by holding more stock locally. In 2022, 71% of transactions by GLA stemmed from these sectors and includes major deals to the likes of Australia Post, Mainfreight, Winning Appliances and Woolworths.

**Australian Industrial and Logistics Gross Take-up**  
(million sqm)



**Industrial Vacancy Rates by City**



Source: Colliers Research

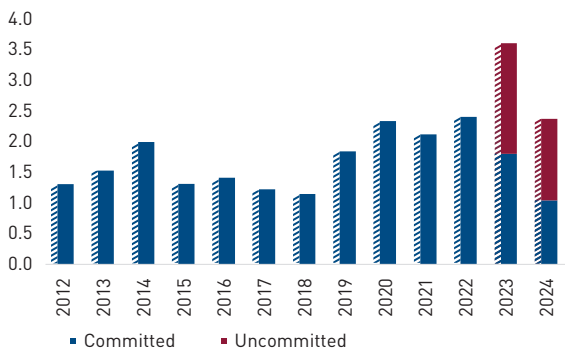
# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

As a result of this demand, vacancy rates have fallen sharply in all markets and currently average 0.6% at a national level, down from 2.7% at the same point in 2021. Selected markets such as Sydney are even tighter with the vacancy rate averaging 0.2% for the same period.

The national weighted average prime rent index increased by 5.2% in Q4 2022, resulting in annual growth of 21.7% across 2022. This level of growth is six times the long-term average with Sydney and Perth being the standout performers over the year. Selected submarkets recorded annual rental growth in excess of 30.0% in 2022, underpinned by the lack of leasing options.

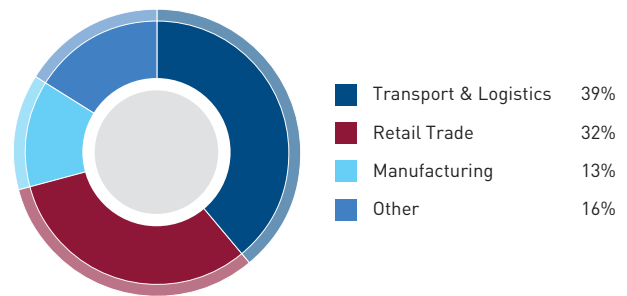
From a supply perspective, just over 2.4 million sqm was delivered to the market in 2022, led by Melbourne which contributed 44% to the national total. Looking ahead, a ~50% increase in supply is forecast for 2023 (~3.6 million sqm), partly the result of weather and material delays which pushed selected projects into 2023 and a pick-up in developer appetite for speculative development given historically low vacancy rates. Supply for 2023 is expected to be strongest in Sydney (1.2 million sqm), followed by Melbourne (1.0 million sqm).

**Australian Industrial and Logistics Supply**  
(million sqm)



Source: Colliers Research

**2022 Take-up by Sector**



**Investment Market**

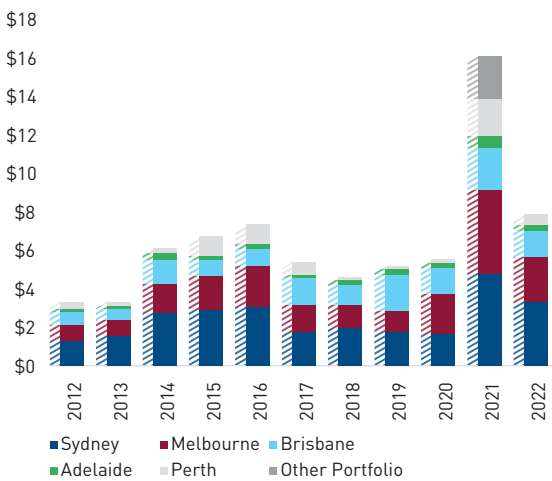
Despite broader economic headwinds and softening yields, transaction activity remains buoyant with A\$7.9 billion trading in 2022. While this is well below the A\$16.0 billion in 2021, volumes for 2022 are the second highest on record, highlighting the continued demand for assets in the sector.

Domestic institutions (listed and unlisted) have acquired 62% of assets by value in 2022 and are often backed by offshore capital. Offshore investors acquiring assets directly accounted for 17% of volumes in 2022. The dominant buyers in 2022 were Charter Hall, Fife Capital, Wentworth Capital and ESR who collectively acquired almost a third of transactions by value.

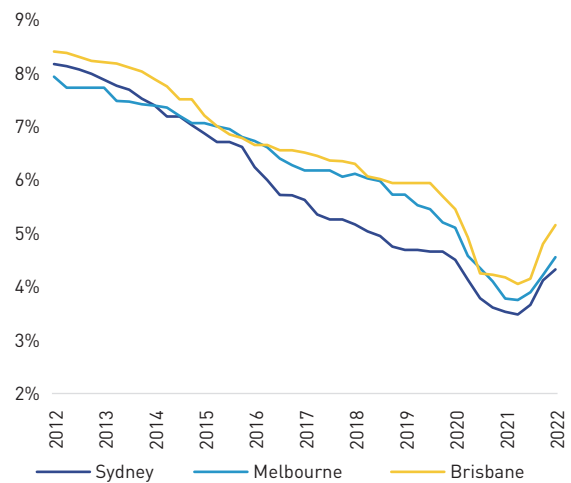
On the flip side, private investors were the dominant vendors in 2022 with 47% of assets by value stemming from this segment of the market, followed by corporates at 19%. Institutional groups became more active vendors in the final quarter of 2022 and included Dexus, Centuria and GPT among others trading.

From a pricing perspective, higher funding costs and an increase in the risk-free rate (10-year Government bonds) have meant the yield compression cycle has ended and expansion in the order of 86 basis points has been recorded (to Q4 2022) since the low point in Q1 2022. Notwithstanding this, income growth within the sector is at its highest level on record (+21.7% for 2022), which has supported asset values to a large extent and will become the primary driver behind asset values over the next five years.

**National Investment Volumes (>A\$10 million - AUD)**  
Billions



**Prime Industrial Yield by City**



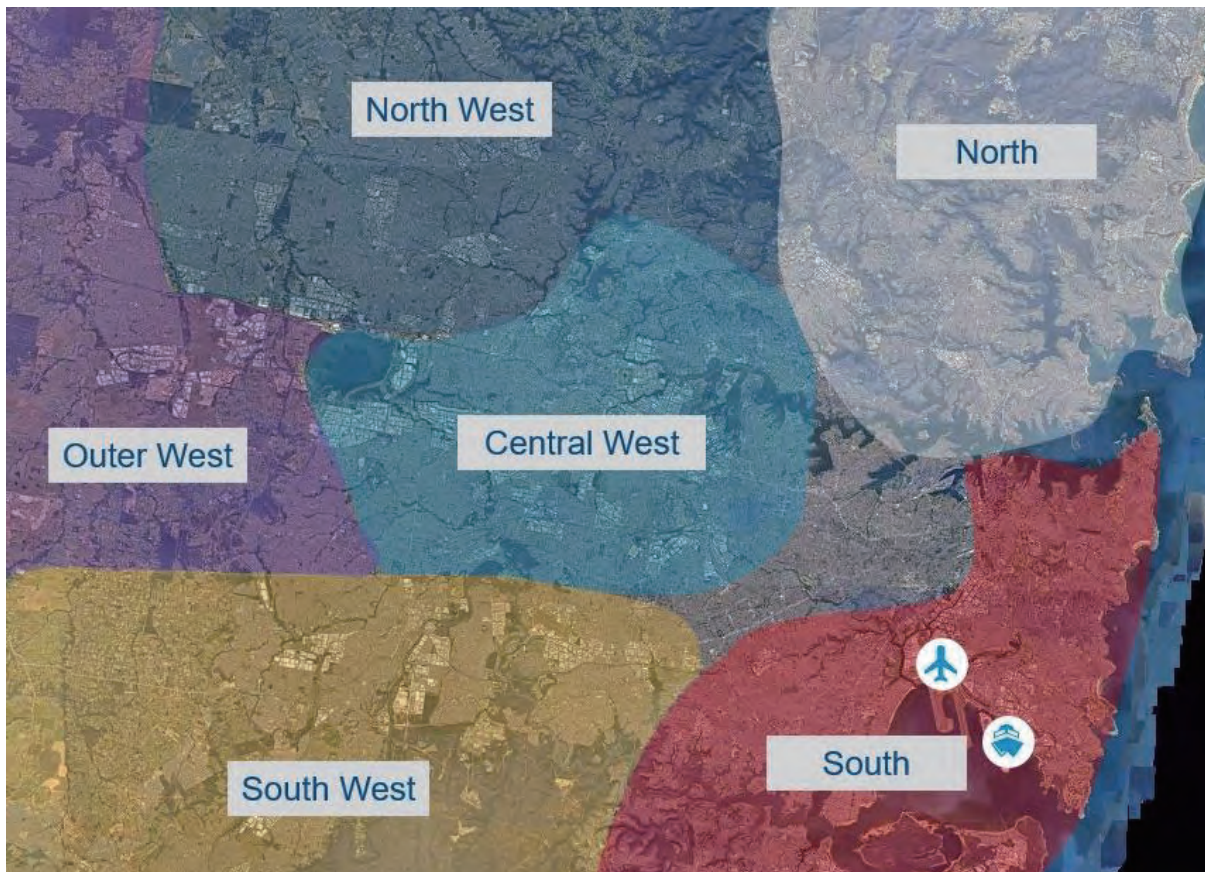
Source: Colliers Research

## AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

### SYDNEY INDUSTRIAL & LOGISTICS

The Sydney industrial and logistics market comprises 23.4 million sqm of industrial stock (for warehouses above 5,000 sqm) with the market broken into several major precincts — Central West, Outer West, North West, South West, South, and North. The South market has traditionally been Sydney's most important industrial hub due to its proximity to Port Botany, the Sydney Airport, and the CBD. Logistics, retail and port-related tenants predominantly occupy the South precinct. Over the past decade, however, the South Sydney industrial market has experienced strong levels of stock withdrawal for alternative uses due to zoning changes, largely for residential use given proximity to the Sydney CBD in a bid to boost housing supply. A similar situation has been experienced in the North industrial precinct where residential activity has continued to encroach on the industrial space market. Today, the North industrial precinct is dominated by smaller and high-value users such as IT, Pharmaceutical, and Hi-tech industries.

In recent years, the lack of larger space availability in the inner-city markets has resulted in larger industrial users moving towards the South West, Outer West, and North West precincts where much of the new supply is concentrated. In addition, the Western markets are benefiting from a significant level of road upgrades and infrastructure investment. Tenancy profiles include a diverse range of industries, including Third Party Logistics (3PL), retail, supermarkets, and construction.



The following table provides a summary of the key industrial locations in each submarket.

South	North	Central West	Outer West	North West	South West
Alexandria	St Leonards	Greystanes	Eastern Creek	Marsden Park	Moorebank
Botany	Artarmon/Chatswood	Smithfield	Erskine Park	Huntingwood	Prestons
Banksmeadow	Lane Cove	Wetherill Park	St Marys	Arndell Park	Bankstown
Rosebery	Frenchs Forest/ Belrose	Chullora	Penrith	Seven Hills	Milperra
Matraville/Hillsdale	Mona Vale/ Warriewood	Rydalmere	Kemps Creek	Glendenning	Ingleburn
Waterloo	Brookvale	Strathfield		Kings Park	Minto

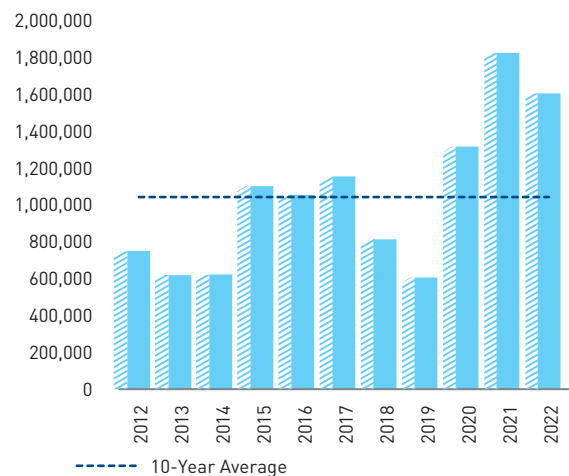
**Occupier Market**

**Leasing Activity**

Leasing activity across Sydney remained elevated in 2022 with 1.6 million sqm being leased in the year, not far from the record 1.8 million sqm in 2021. This level of demand remains well above the 10-year annual average of 1.04 million sqm.

Given falling vacancy rates, 65% of lease deals by NLA stemmed from pre-commitment or speculative built facilities. Demand was spread across the city, albeit dominated by the Outer West (815,000 sqm) and West (210,000 sqm) submarkets. By sector, take-up in 2022 was led by transport and logistics (43%), followed by retail trade (31%) and health/pharmaceutical (11%).

**Sydney Industrial Gross Take-up (sqm)**



Source: Colliers Research

**Vacancy Rates**

As of Q4 2022, the Sydney vacancy rate measured 0.2%, down from 1.9% in Q4 2021. For many submarkets across the city, there are no leasing options currently available and include the Outer West, West and North West submarkets. Across the city, there is just ~50,000 sqm currently available for lease.

**Sydney Industrial Vacancy Rates by Submarket — Q4 2022**

	South	North	Outer West	North West	South West	Central West	Sydney Average
Q4 2021	0.9%	1.8%	1.2%	1.9%	0.3%	3.3%	1.9%
Q4 2022	0.3%	1.2%	0.0%	0.0%	0.2%	0.5%	0.2%

Source: Colliers Research



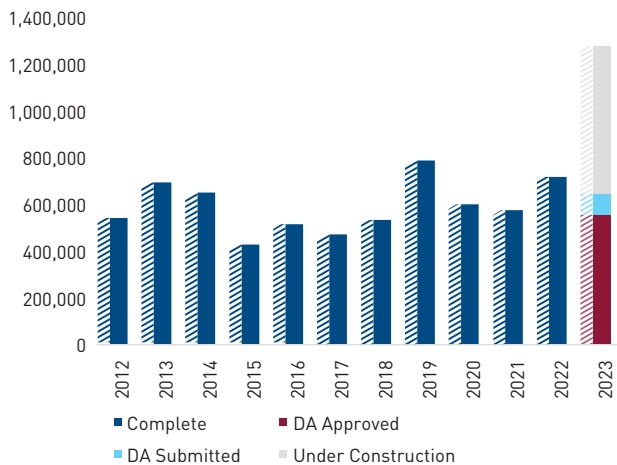
# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

## Supply

Industrial completions reached approximately 720,000 sqm in 2022, up from ~575,000 sqm in 2021. Of the stock to complete in 2022, all facilities were leased prior to completion which highlights the current strength of the occupier market.

For 2023, the supply pipeline is expected to increase to approximately 1.25 million sqm and is dominated by facilities within the Outer West submarket (58% pre-committed). Beyond 2023, there is potential for a further 1.3 million sqm to be delivered to the market in 2024 (32% pre-committed) as this is when the bulk of facilities within the Mamre Road Precinct can be delivered.

### Sydney Industrial Supply (sqm)



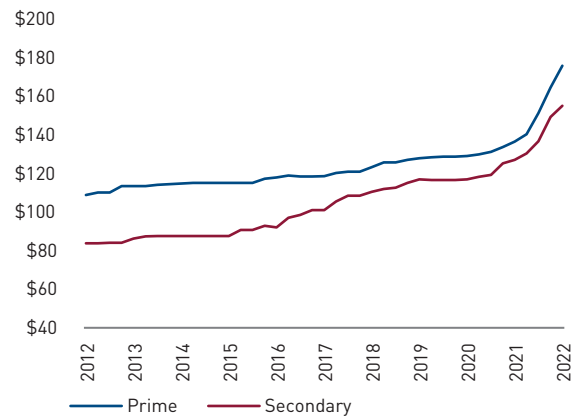
Source: Colliers Research

## Rents & Incentives

As a result of a lack of available leasing options and continued high demand levels, record levels of rental growth have occurred across all submarkets in 2022. As at Q4 2022, average net face rents measured A\$208/sqm for prime (A\$176/sqm in Western Sydney) and A\$180/sqm for secondary (A\$155/sqm in the Western markets). On an annual basis, prime rents grew by 24.9%, the largest YoY increase on record. Secondary grade rents have grown by 22.1% over the past year.

Average prime incentives have fallen further throughout the year and currently average 5.9% (range of 0.0% to 10.0%), down from 10.4% at the end of 2021. Secondary incentives are on par at 5.8%, down from 10.3% a year ago.

### Western Sydney Industrial Net Face Rents (A\$/sqm)



Source: Colliers Research

### Sydney Prime Rents by Submarket, Q4 2022

	South	North	Outer West	North West	South West	Central West	Sydney Average
A\$/sqm p.a.	\$301	\$246	\$175	\$171	\$171	\$187	\$208
12-month change	30.0%	10.1%	29.6%	29.7%	28.2%	27.5%	24.9%
Average Incentive	7.5%	7.5%	5.2%	4.0%	6.3%	5.3%	5.9%

Source: Colliers Research

**Investment Market**

**Volumes**

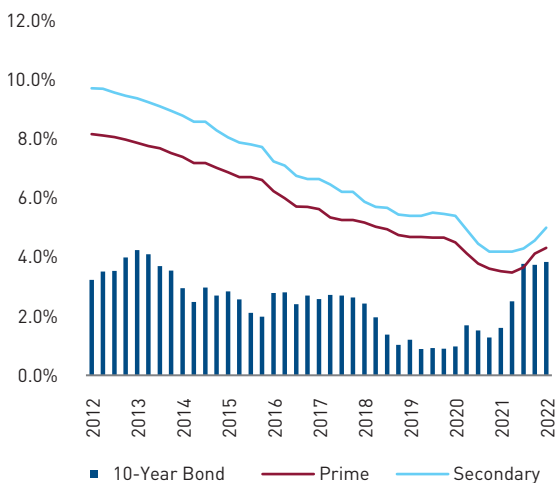
After a strong start to 2022, transaction volumes fell sharply in the second half of the year, with higher debt costs, a deteriorating economic outlook and pricing uncertainty weighing on investment activity. In 2022, approximately A\$3.3 billion traded which was well below the A\$4.8 billion recorded in 2021. Notable transactions for 2022 include the Rosehill Business Park, which Wentworth Capital (formerly NashCap) acquired from GPT for A\$141.6 million and the Leda Holdings Portfolio (three assets) which Pittwater Industrial bought for A\$95 million. Beyond this, there were multiple other confidential sales above A\$100 million.

**Yields**

In response to higher interest rates and funding costs, industrial yields have softened across the Sydney market as meeting price expectations of both the vendor and buyer remains the challenge. Since the low point in yields in Q1 2022, prime yields have softened by 84 basis points while softening in the secondary market has totalled 81 basis points.

Average prime yields in Sydney currently average 4.32% (range of 4.00%–4.75%) while secondary average 5.00% (range of 4.75%–5.50%).

**Sydney Industrial Yields**



Source: Colliers Research

**Outlook**

Occupier demand is forecast to remain robust over the next 12 months, led by the transport and logistics sector as businesses continue to outsource their transport functions. At the same time, demand from the retail trade sector is expected to somewhat moderate as cost-of-living pressures limit consumer consumption, particularly to discretionary retail items.

From a rental perspective, prime rental growth of ~8.0% is forecast over the next 12 months with inner and middle ring markets expected to be closer to 10.0% over the period while Western Sydney prime rents are forecast to grow by ~8.0% in the year ahead.

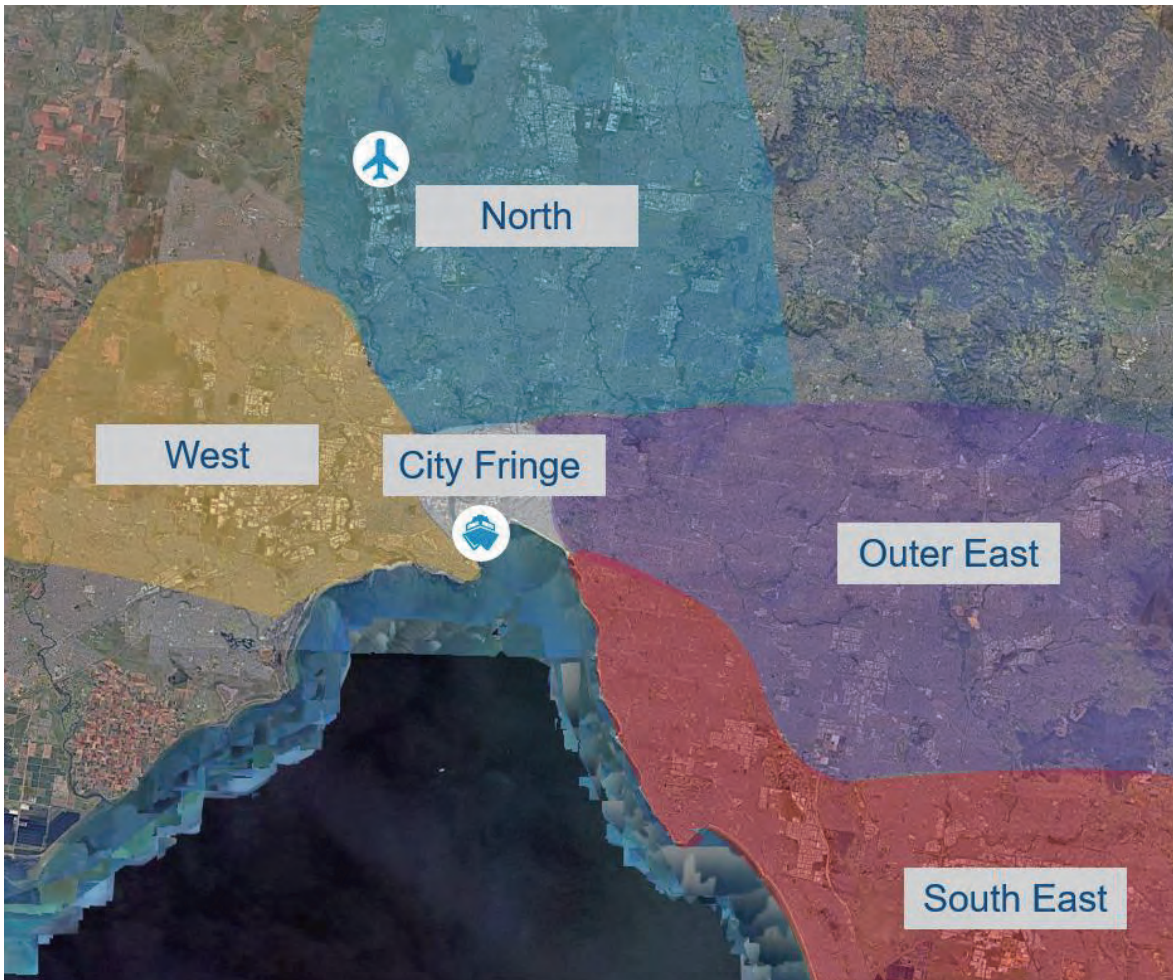
Pricing uncertainty is expected to persist in the first half of 2023 and yields are expected to soften further over the next six months given the higher interest rate environment. At this stage, we are expecting prime industrial yields to average closer to 4.75% by mid-2023.

# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

## MELBOURNE INDUSTRIAL & LOGISTICS

Melbourne is Australia's largest industrial and logistics market, supported in recent years by high levels of new warehouse completions. At present, the total market provides approximately 27.1 million sqm of warehouse space, dominated by the West submarket.

The Melbourne industrial market comprises five major precincts: the North, South East, West, Outer East, and City Fringe. The City Fringe precinct primarily consists of smaller sites with higher rents, specifically appealing to tenants that need to be located close to the city. Many of these industrial sites are being slowly converted to residential sites due to high underlying land values and diminishing availability of land suitable for residential development. The South East and Outer East precincts comprise larger land holdings with Industrial hubs including Moorabbin, Cheltenham, Clayton, and Dandenong. The largest industrial precinct in Australia is the West precinct which has the largest industrial and logistics sites. This precinct continues to have new pockets of land unlocked in areas including Truganina, Tarneit, and Ravenhall.



The following table provides a summary of the key industrial locations in each submarket.

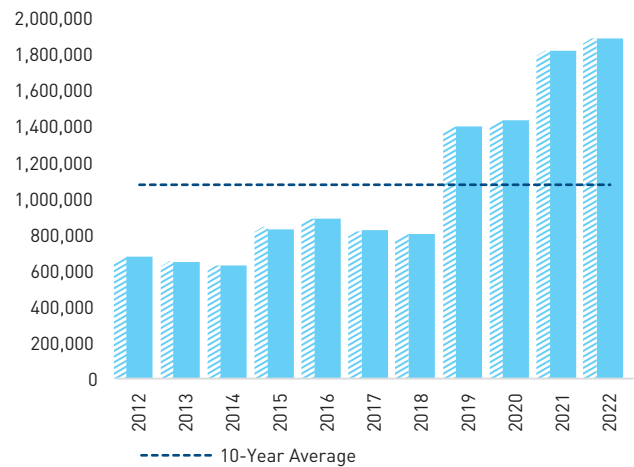
City Fringe	West	North	Outer East	South East
Port Melbourne	Truganina	Epping	Clayton	Dandenong South
	Altona North	Tullamarine	Clayton South	Braeside
	Laverton North	Somerton	Mulgrave	Keysborough
	Derrimut	Campbellfield	Scoresby	Noble Park
	Brooklyn		Bayswater	Hallam

**Occupier Market Leasing Activity**

Demand for warehouse space reached a record 1.88 million sqm in 2022, surpassing the previous high of 1.81 million sqm in 2021. Melbourne’s West submarket continues to be the most active market in Australia, with almost 850,000 sqm leased in 2022. The South East submarkets remain active with 540,000 sqm leased in 2022 (both South East and Outer East submarkets), with a lack of stock capping the rate of take-up.

Retail trade (38%) and transport and logistics (33%) were the two most active sectors for the year, while manufacturing saw a large uptick in demand, accounting for 18% of lease deals. 58% of take-up by Gross Lettable Area (“GLA”) stemmed from pre-commitment/speculative deals.

Melbourne Industrial Gross Take-up (sqm)



Source: Colliers Research

**Vacancy Rates**

In response to demand levels, vacancy rates remain below historical levels in all submarkets. As of Q4 2022, the vacancy rate for the Melbourne industrial market measures 0.6%, down sharply from 2.7% in Q4 2021. Vacancy rates have fallen across each submarket with the South East being the tightest at 0.2%. Across the market, there is just ~160,000 sqm currently available for lease and compares to over 670,000 sqm in Q4 2021.

Melbourne Industrial Vacancy Rates by Submarket — Q4 2022

	South East	Outer East	West	North	Melbourne Average
Q4 2021	0.3%	1.9%	3.2%	5.8%	2.7%
Q4 2022	0.2%	0.5%	0.9%	0.6%	0.6%

Source: Colliers Research

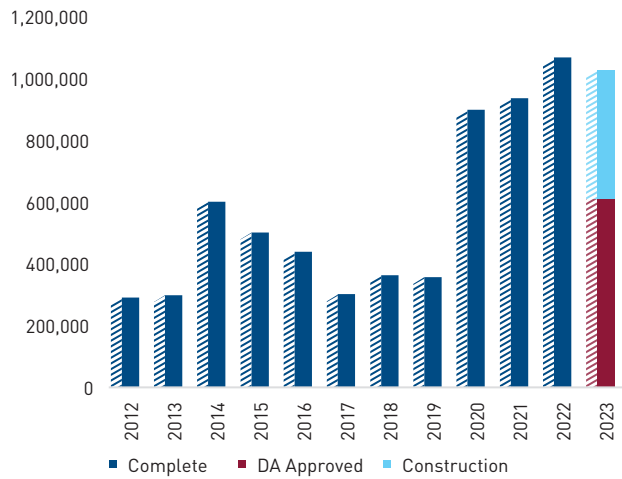
# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

## Supply

Industrial completions across Melbourne totalled almost 1.1 million sqm in 2022, up from the 920,000 sqm which was delivered to the market in 2021. This level of supply is well above the 10-year average of 550,000 sqm per annum.

Looking ahead, supply levels are forecast to remain strong in 2023, with approximately 1.1 million sqm expected to enter the market (50% pre-committed). Of this total, almost 560,000 sqm stems from speculative developments

### Melbourne Industrial Supply (sqm)



Source: Colliers Research

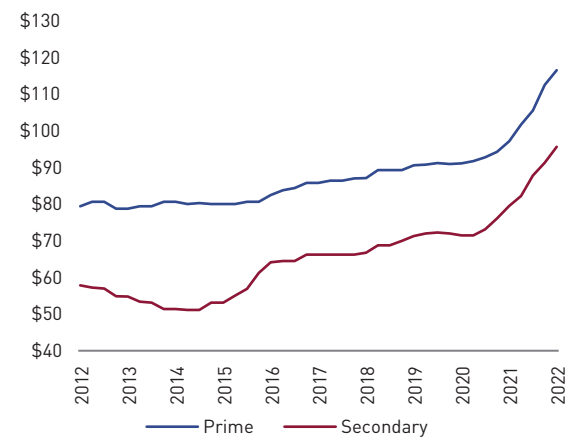
## Rents & Incentives

Strong rental growth continues to be recorded across the Melbourne market as occupiers compete for space given the low vacancy rate. In 2022, prime rents jumped by 20.0% while growth in secondary rents averaged 20.3% across the market. This level of growth is the strongest on record for the Melbourne market.

As at Q4 2022, net face rents in Melbourne average A\$117/sqm for prime and A\$96/sqm for secondary (excl. City Fringe). Pre-commitment rents typically range between A\$95-A\$105/sqm in the West and A\$130-A\$140/sqm in the South East submarket.

Average incentives have declined over the year for both prime and secondary space. Incentives currently average 11.9% for prime (ranging from 7.5% to 17.5%) and 11.1% for secondary (ranging from 7.5% to 17.5%).

### Melbourne Industrial Net Face Rents (A\$/sqm)



Source: Colliers Research Excludes City Fringe precinct

### Melbourne Prime Rents by Submarket, Q4 2022

	South East	Outer East	West	North	Melbourne Average*
A\$/sqm p.a.	\$121	\$129	\$108	\$109	\$117
12-month change	17.8%	18.8%	21.0%	23.0%	20.0%
Average Incentive	10.0%	11.0%	15.0%	11.5%	11.9%

Source: Colliers Research \* Excludes City Fringe



**Investment Market**

**Volumes**

After a strong start to 2022, investment activity has slowed more recently across the Melbourne market as headwinds such as higher interest rates and debt costs limit the number of assets being brought to market. In 2022, just over A\$2.3 billion traded within Melbourne, down from A\$4.4 billion in 2021.

Notable transactions include five assets acquired by ESR for A\$106.5 million, reflecting a blended yield of 4.46%. Assets as part of this transaction include 147-153 Canterbury Road, Kilsyth (A\$22.2 million) and 321-327 Greens Road, Keysborough (A\$25.0 million). Outside of this, 45-49 Vella Drive, Sunshine West was acquired by Centennial for A\$11 million.

Institutional investors remained the dominant buyer type in 2022. Alternatively, private investors and corporate groups remain active in bringing assets to market given the outlook for further increases in yields.

**Yields**

Inflationary pressures are continuing to drive an upward interest rate cycle and has led to a softening of yields in 2022. Midpoint prime yields recorded 80 basis points of softening in 2022 with prime yields now averaging 4.55% across the Melbourne market (range of 4.25% to 5.00%). The rate of yield expansion in the secondary market was more pronounced at 95 basis points since the pricing peak in Q1 2022, with midpoint yields now averaging 5.35% (range of 5.00% to 5.75%).

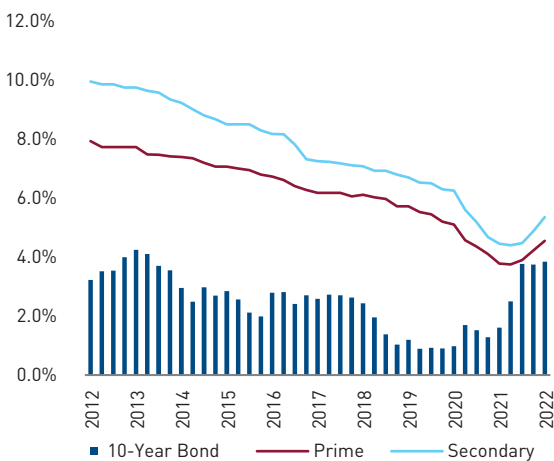
**Outlook**

Going forward, leasing demand is expected to remain elevated in 2023, albeit below the levels recorded over the past two years. Supply chains are expected to normalise in 2023 and it is likely that high inventory models will begin to unwind, however, will continue to remain above the levels seen prior to the pandemic. This in turn is expected to see more modest levels of demand from the retail trade sector.

Rental growth of ~7.5% is forecast for the prime market over the next 12 months with the West and South East markets expected to outperform given the lack of leasing options. Rental growth is expected to remain strong for secondary space with similar levels of growth expected across the Melbourne market.

From a pricing perspective, we expect yields to soften further over the next 12 months, given the higher interest rate environment. At this stage, we are forecasting further yield expansion in the order of 50 basis points by the end of 2023, most of which will occur in the first half of 2023.

**Melbourne Industrial Yields**



# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

## BRISBANE INDUSTRIAL & LOGISTICS

At present, the Brisbane market provides 10.6 million sqm of warehouse space (facilities above 5,000 sqm) with the South being the largest market. The Brisbane industrial market has five key precincts: Australia Trade Coast ("ATC"), Brisbane North, Brisbane South, Brisbane South West, and Yatala. The ATC has direct links to air, sea, road, and rail networks which supports its desirability from transport and logistics providers.

The Brisbane North benefits from overflow demand on the Trade Coast due to its proximity to the Brisbane Airport and the Port of Brisbane. The southern precincts (South, South West, and Yatala) have benefited from major transport infrastructure upgrades and high levels of population growth in recent years. As a result, the bulk of new supply and tenant demand has stemmed from the southern precincts in recent years.



The following table provides a summary of the key industrial locations in each submarket.

Trade Coast	North	South	South West	Yatala
Hendra	Zillmere	Salisbury	Darra	Yatala
Eagle Farm	Strathpine	Acacia Ridge	Springfield	
Pinkenba	Northgate	Berrinba	Ipswich	
Morningside	Virginia	Eagleby	Redbank	
Lytton		Underwood	Wacol	

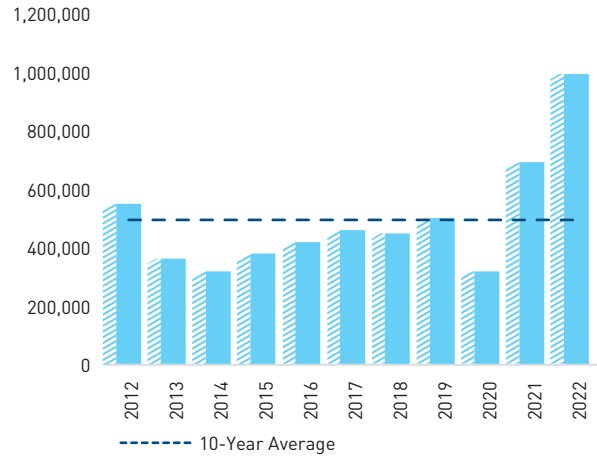
**Occupier Market**

**Leasing Activity**

Transport and logistics occupiers have underpinned a new record year for the Brisbane market, with almost 1.0 million sqm being leased in 2022. This strong result follows 690,000 sqm being leased in 2021. The Southern submarkets continue to be the most active, with 71% of lease deals by area occurring in the South, South West or Yatala submarkets.

Demand continues to be skewed to new builds given the limited leasing options of existing space, with 71% of take-up by GLA stemming from precommitment or speculative deals.

**Brisbane Industrial Gross Take-up (sqm)**



Source: Colliers Research

**Vacancy Rates**

Recent lease deals have reduced the Brisbane vacancy rate to 0.8% in Q4 2022, down from 2.6% in Q4 2021, with the ATC and North submarkets being the tightest markets. Across the market, there is just over 85,000 sqm currently available for lease.

While there remains a pipeline of speculative projects across each submarket, current tenant enquiry will ensure the vacancy rate remains low for the foreseeable future.

**Brisbane Industrial Vacancy Rates by Submarket – Q4 2022**

	ATC	North	South	South West	Brisbane Average
Q4 2021	2.5%	3.3%	2.2%	3.2%	2.6%
Q4 2022	0.9%	0.0%	0.4%	1.6%	0.8%

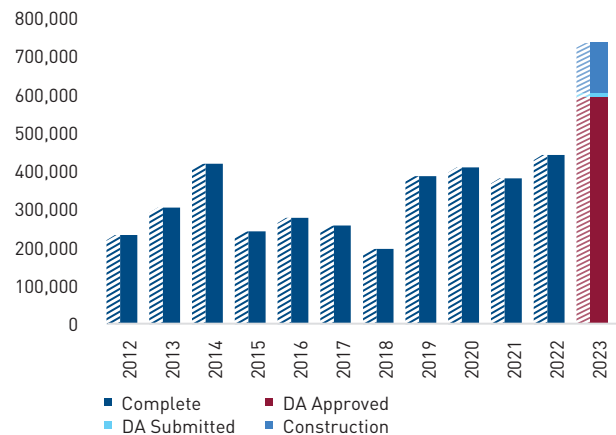
Source: Colliers Research

**Supply**

In 2022, approximately 440,000 sqm of new stock was added to the Brisbane market, which is up from the ~375,000 sqm added in 2021. For 2022, the southern submarkets captured the bulk of new supply at ~390,000 sqm while modest levels of completions occurred in the ATC and North submarkets.

Beyond 2022, there is the potential for over 900,000 sqm to be delivered to the market in 2023 which would represent a record level of supply for the Brisbane market. However, at this stage, only around 40% of this pipeline is pre-committed with several projects only going ahead once a pre-commitment is secured which may delay the timing of some of this supply.

**Brisbane Industrial Supply (sqm)**



Source: Colliers Research

# AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

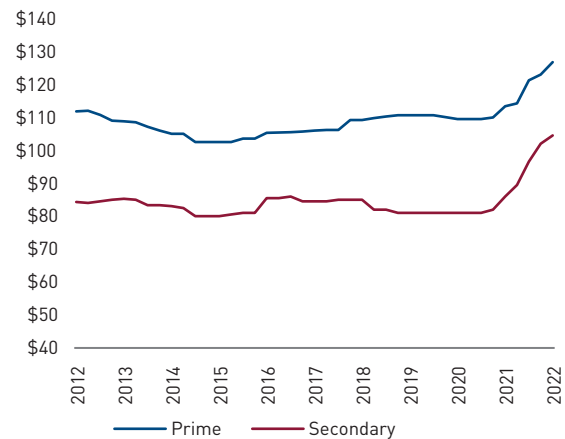
## Rents & Incentives

Industrial rents experienced strong levels of growth in 2022, however, rents for prime space lagged the Sydney and Melbourne markets throughout the year. Prime net face rents increased by 12.4% in 2022 to A\$130/sqm with the largest increase recorded in the ATC (+12.8%) and North (+15.2%) submarkets.

Secondary grade rents recorded growth of 21.5% in 2022 to A\$105/sqm. The North and South West submarkets recorded the largest increase over the year at 34.4% and 24.2% respectively.

Incentives have also fallen sharply, currently averaging 11.5% for prime and 10.5% for secondary.

## Brisbane Industrial Net Face Rents (A\$/sqm)



Source: Colliers Research

## Brisbane Prime Rents by Submarket, Q4 2022

	ATC	North	South	South West	Brisbane Average
A\$/sqm p.a.	\$133	\$133	\$128	\$128	\$130
12-month change	12.8%	15.2%	10.9%	10.9%	12.4%
Average incentive	7.5%	7.5%	12.5%	12.5%	11.5%

Source: Colliers Research

## Investment Market

### Volumes

As a result of several large transactions, investment volumes remained elevated in 2022, albeit under the heights recorded in 2021. In 2022, approximately A\$1.4 billion traded, however, by number, assets remain tightly held while there remains a divergence between vendor and purchaser expectations given rising yields. The largest transaction to occur over the year was Fife Capital's acquisition of a 50% stake in 99 Sandstone Place, Parkinson for A\$177.4 million. The sale reflected an initial yield of 4.74% and reflects a 16% increase in value from when it last sold in 2020. Other major acquisitions include ESR buying five assets from Direct Commercial Property for A\$61.6 million, reflecting a yield of 5.75%.

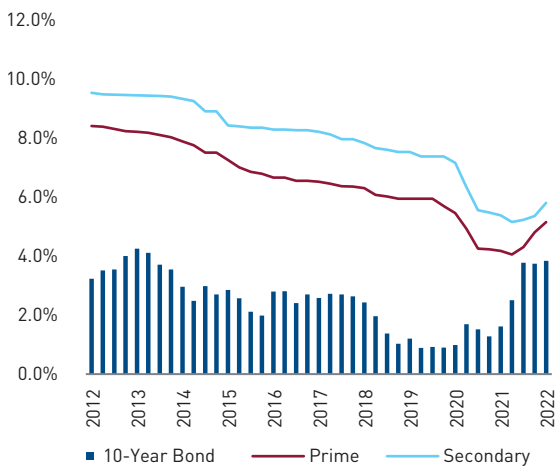
Similar to broader national trends, private investors remain the most active vendors in 2022 while institutions have been the most active purchasers over the period.

**Yields**

Prime and secondary yields have softened 110 and 70 basis points respectively since the peak in pricing in Q1 2022 as rising funding costs are being priced in. At present, prime yields currently average 5.15% (range of 5.00% to 5.50%) and secondary are higher at 5.80% (range of 5.50% to 6.00%).

The rate of yield softening has been consistent across all submarkets, while the yield range remains tighter within the ATC and North submarkets at 5.00% respectively for prime.

**Brisbane Industrial Yields**



Source: Colliers Research

**Outlook**

Industrial take-up activity is expected to remain strong in 2023 as the level of tenant enquiry remains significant. However, with vacancy rates trending lower, a large share of deal activity is expected to stem from pre-commitment and speculative deals.

Rental growth has consistently lagged Sydney and Melbourne over the past 12 months, however, given the lack of leasing options in all markets, rents are expected to accelerate over the next six months. We are forecasting prime rental growth of ~6.5% for the next 12 months with the ATC and North submarkets expected to outperform with growth rates of ~7.5% expected.

Developers' risk appetite has increased in light of improved market conditions and the flight to quality trend, particularly in the +5,000 sqm size range in southern Brisbane. As a result, developers are expected to remain active in their speculative development plans.

From a pricing perspective, we expect yields to soften further over the next 12 months given the higher interest rate environment. At this stage, we are expecting prime industrial yields to average closer to 5.30% by early to mid-2023.



# JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

## MACRO ECONOMY IN JAPAN

### Overview

The Japan's economy has been on a recovery phase, although the global economy is under downward pressure due to Russia-Ukraine war, China's COVID-19 policy, global inflation, and rising interest rates.

Russia-Ukraine war has caused energy and food prices to soar, and China's lockdowns disrupted production and logistics supply chains, affecting global production and consumption. However, supply constraints waning with the lifting of the urban blockade. The Federal Reserve Board ("FRB") raised its policy rates to combat inflation, while the Bank of Japan ("BOJ") aims to keep its accommodative monetary policy, and the differences in monetary policy between the United States and Japan caused the yen to weaken significantly. As there will be a new governor of BOJ in April of 2023, a review of the monetary policy by the new governor is anticipated.

### Individual Economic Activities

For Japan's individual economic activities, consumer spending recovered, while the lifting of restrictions on activity due to the spread of COVID-19 in March 2022 helped to restore daily life, and service-related activities such as dining out and lodging boosted overall consumer spending. In addition, the annual retail sales value was increased by 2.6% y-o-y in 2022. Retail sales growth has been significant in the E-commerce sector. Many retailers have outsourced their logistics to third parties to focus on their main businesses, resulting in third-party logistics ("3PL") providers benefitting. In particular, the E-commerce retailers are strong contributors for 3PL providers.

## Manufacturing Industry

The corporate production activities were stagnant due to the shortage of material supply because of China's lockdowns, but they have picked up as supply constraints have eased with the lifting of the urban blockade. Japan's manufacturing industry, led by the automotive sector, accounts for roughly 20% of total GDP and is one of the most important industries in the economy. The Industrial Production Index, which represents the production activity of the manufacturing sector, declined in 2020 due to the impact of COVID-19, however, it began to grow in 2021 supported by the strengthening western economies. Expansion of the manufacturing sector is expected to boost the growth of the logistics market, by the increase in the transport volume of raw materials and semi-products, as well as the demand increase in storage. However, according to Oxford Economics, Industrial production is expected to fall 4.9% in 2022 while exports and imports are likely to rise 4.8% and 7.4%, respectively. Downside risks include a decline in exports due to the global economic slowdown and supply-side constraints.

## GDP and CPI

In 2020, COVID-19 caused a significant negative growth, pulling down the nation's economy by 4.3% from a year ago, while the real GDP rose by 2.2% in 2021. The real GDP growth in the second quarter of 2022 was 4.5% on an annualized basis due to the recovery in private consumption and fixed investment, while a slight decline in third quarter of 2022 because of a significant increase of imports. According to Oxford Economics, it is expected to rise continuously by 1.3% in 2022.

CPI is relatively high, above 2%, in the short run due to the effects of a pass-through to consumer prices of cost increases led by a rise in import prices. According to the BOJ, the rate of increase is expected to decelerate toward the middle of fiscal 2023 due to a waning of these effects, as well as to the effects of pushing down energy prices from the government's economic measures.

## INDUSTRIAL MARKET ENVIRONMENT

### Modern Logistics Facilities

Prior to the introduction of modern logistics facilities in the early 2000s, traditional warehouses were the only choice of venue for storage and distribution in Japan. These warehouses were mostly owner-occupied and leasing opportunities were scarce.

Sophisticated tenants are increasingly attracted to modern logistic facilities over conventional facilities, as modern logistics facilities offer a variety of advantages, including: (i) leasing opportunities, (ii) multi-purpose uses of facilities with high-specifications, (iii) adequate seismic standards in construction for business continuity plans, and (iv) inclusion of amenities and good working environments.

COVID-19 has accelerated the changes of these trends in the logistics industry, leading to the continuous expansion of the demand for modern logistics facilities.

Modern logistics facilities accounts for only 12% of the total logistics supply in Japan, implying a potential of expansion in the future. Modern logistics facilities are mainly located in major urban regions, such as Greater Tokyo and Greater Osaka, while the regional areas have a limited quantity of modern facilities. The share in the Greater Nagoya and Greater Fukuoka is much smaller, as the number of new developments in these cities has been limited.

### Fundamentals of Logistics Real Estate Market

Demand for logistics facilities has been expanding continuously, supported by the buoyant E-Commerce ("EC") market. In addition, the suspension of production activities in China in 2020 due to COVID-19, shortage of semiconductor and other supplied parts in 2021, as well as supply chain disruptions due to China's lockdowns in 2022, have made corporations more wary of the risk of supply chain disruptions. This has thus created a stockpiling effect, where companies now invest in additional inventories in case of unexpected situations, causing a short-term spike in demand. This may also result in a review of their supply chain, including the relocation of their logistics facilities to a more efficient warehouse. There is a high possibility that modern logistics facilities, which can be secured quickly with little initial investment, is selected. It is considered that this leads to an increased demand for modern logistics facility as well.

Although uncertainty continues to persist due to China's COVID-19 policy, Business-to-Business ("B2B") logistics is expected to continue to recover as well. As for the private sector, consumption of groceries and daily necessities has been steady, and the expansion of online shopping has continued, leading to a rise in deliveries and number of courier services. In particular, demand for modern logistics facilities remains strong, and vacancies remain low, although there are some properties which need more lease-up periods. The trend to install automated and labour-saving equipment continues, and demand for modern logistics facilities is expected to continue to grow.

### Stock and Supply Analysis

In Japan, the total space of logistics facilities is approximately 547 million sqm, mostly concentrated in the Greater Tokyo, Greater Osaka, and Greater Nagoya regions. Approximately 52% of the total space is concentrated in these three regions, with 29% in Greater Tokyo, 16% in Greater Osaka and 7% in Greater Nagoya.

In Greater Tokyo, divestment of owner-occupied facilities for off-balance-sheet purpose and the shift in demand for modern logistics facilities have resulted in an increase in for-lease facilities. On the other hand, in Greater Osaka and Nagoya, as many facilities are owned by manufacturers and logistics companies, the increase of the share of for-lease facilities remained smaller than the ones in Greater Tokyo. In the long run, business expansion of EC firms and increases in outsourcing to 3PL service providers are expected to increase the demand for rental modern logistics facilities, lifting up its share in Greater Osaka and Greater Nagoya.

# JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

## Key Drivers of Demand

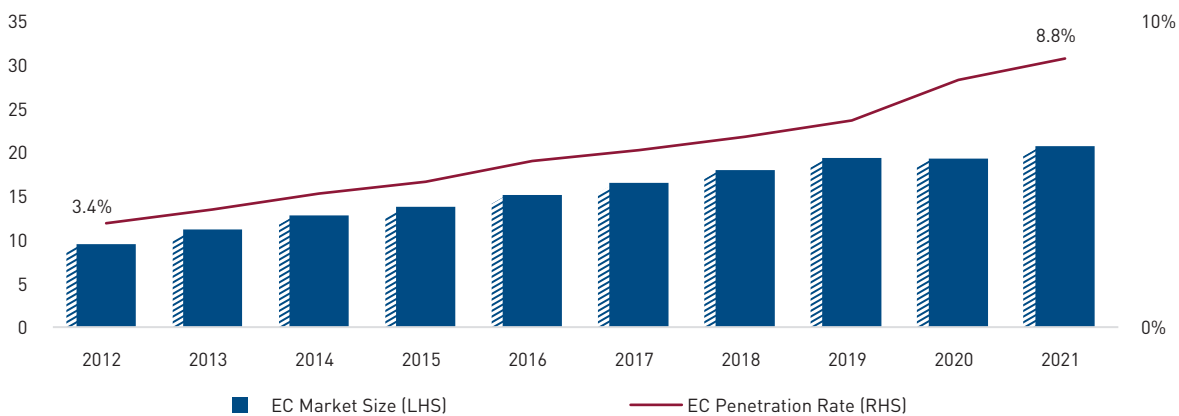
### E-commerce ("EC")

In general, EC firms require large-scale logistics facilities to store and manage the large amounts of inventory in order to respond to online orders from across Japan. The Business to Consumers ("B2C") EC industry has grown at rate of 9.02% from 2013 to 2021 (worth approximately 21 trillion yen). The sales of B2C EC slightly declined in 2020, because of the contraction of consumption on services such as travels etc., due to COVID-19. However, EC has been continuously boosting the demand for modern logistics facilities, mainly driven by the expansion of product sales services. As a result, the sales of B2C EC in 2021 have increased by 7.4% y-o-y.

Although EC continues to grow at a fast pace on a global basis, traditional convenience store and drug store formats remain popular in Japan, slowing the dissemination of EC. However, this is changing, as some customers have shifted to on-line shopping from face-to-face shopping due to the COVID-19 restrictions. The number of people has increased to utilize EC. The EC penetration rate or EC rate has been increased to 8.8% in 2021 from 8.1% in 2020. The EC rate in Japan is still lower than that of other countries such as the US, UK, and China, 15%-30%, which indicates high growth potential.

### B2C E-Commerce Market

JPY trillion



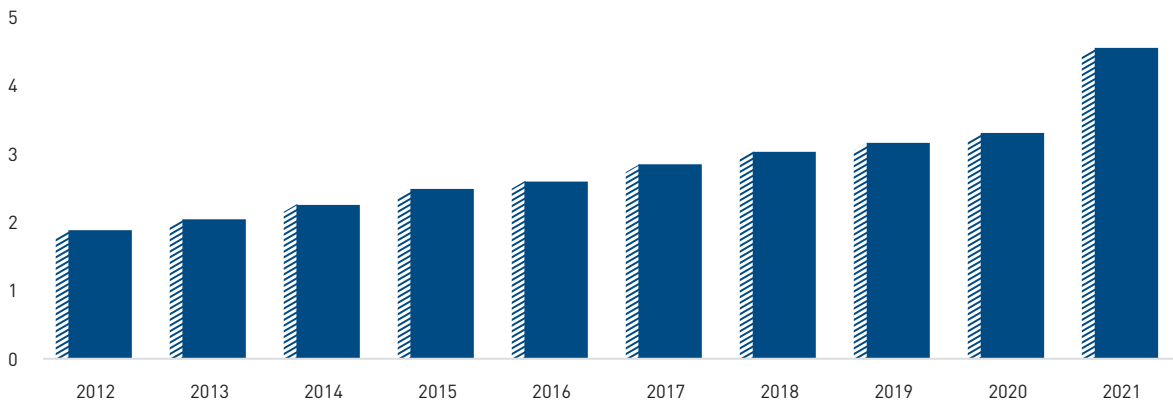
Source: Ministry of Economy, Trade and Industry

### 3PL

As retailers and manufacturing firms are under pressure to reduce costs and invest more capital into their core businesses, the outsourcing of logistical operations to 3PL companies has been growing in popularity. They also tend to have higher building specification requirements, such as heavier floor loads and taller ceiling heights, that are compatible with various inventory types. The recovery of B2B from the impact of COVID-19 and the continuous growth of the EC market are supporting logistics demand from this segment of customers. In addition, as rising logistics costs such as truck freight, labour costs, and fuel costs are included in transaction volume, 3PL companies' sales have grown significantly with an increase of 37.7% y-o-y in 2021.

**3PL Sales**

JPY trillion



Source: Ministry of Economy, Trade and Industry

**Rising Operational Costs in the Logistics Sector**

Structural shifts in the retail industry driven by the popularity of convenience and drugstores, as well as the expansion of EC, has resulted in a corresponding pickup in the number of deliveries. The increasing costs, particularly labor costs, are attributable to: (i) aging workforce; (ii) increased work strain from higher-frequency deliveries and re-deliveries; and (iii) reduced competitiveness to attract truck drivers from other sectors.

The increase in logistics operational costs has become an issue for many firms, encouraging them to review their existing logistics facility locations and develop more efficient operational strategies. As a result, the cases of consolidation of multiple facilities to a single large facility and/or relocation to facilities suitable for high-frequency deliveries and warehouse works have been increasing. Furthermore, in order to deal with high volume deliveries and structural shortages of labor force, logistics firms increasingly install automated machines and systems. The increase in the usage of automated machines in logistics facilities is prompting the need for more electric capacity and large-floor plate facilities. Older logistics facilities often provide limited electric capacity with small floor plates, as a result, demands are shifting towards modern logistics facilities.

# JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

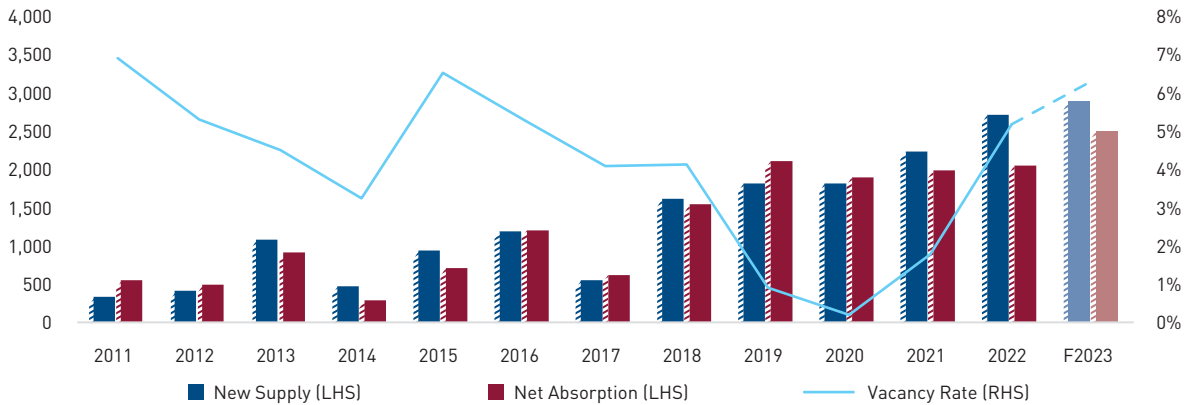
## Greater Tokyo

In Greater Tokyo, the large amount of new supply with over 2 million sq m continues since 2021. The new supply is scheduled mostly in inland areas, which accounts for about 70% of the total supply in Greater Tokyo, as there are limited available land for acquisition in bay areas. Although there are strong demands, new supply far exceeding new demand in 2021 and 2022. As a result, the vacancy increased moderately to 5.2% in 2022. The increases of vacancy in Tokyo Bay area, Kanagawa Bay area, and Kanagawa Inland area were pushing up the overall vacancy rate. Some new logistics facilities located far from the centre of Tokyo may remain vacant upon the completion, and it often takes about one year after completion for full occupancy. The length of leasing-up period tends to be longer.

Although the demand is expected to increase significantly, more new supply is expected in 2023. The vacancy rate may continue to rise over 6% in 2023. Thereafter, the supply-demand balance is projected to remain tight, and vacancy rates will hover around the 5–6% range. However, the rent is expected to continue to increase moderately supported by the strong demand.

### Greater Tokyo — New Supply, Net Absorption and Vacancy Rate

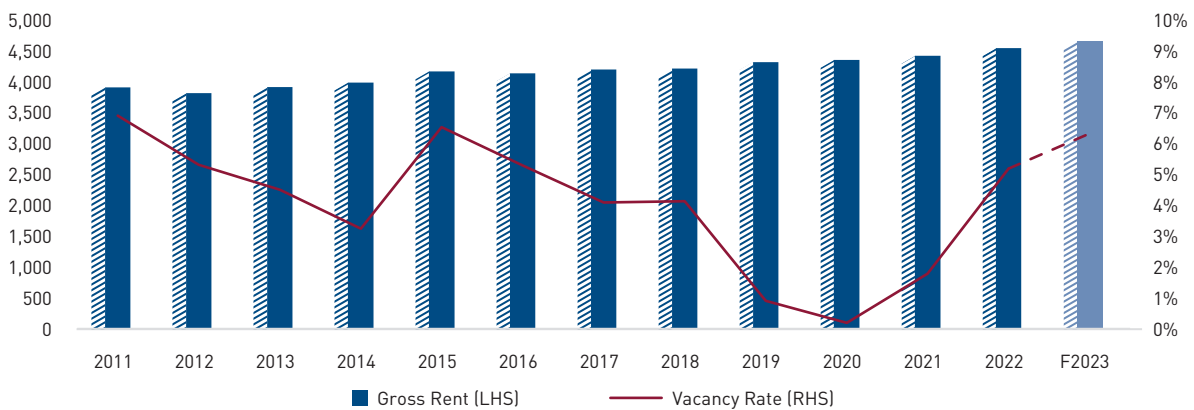
1,000 sq m



Source: JLL

### Greater Tokyo — Rent and Vacancy Rate

JPY/tsubo/month



Source: JLL

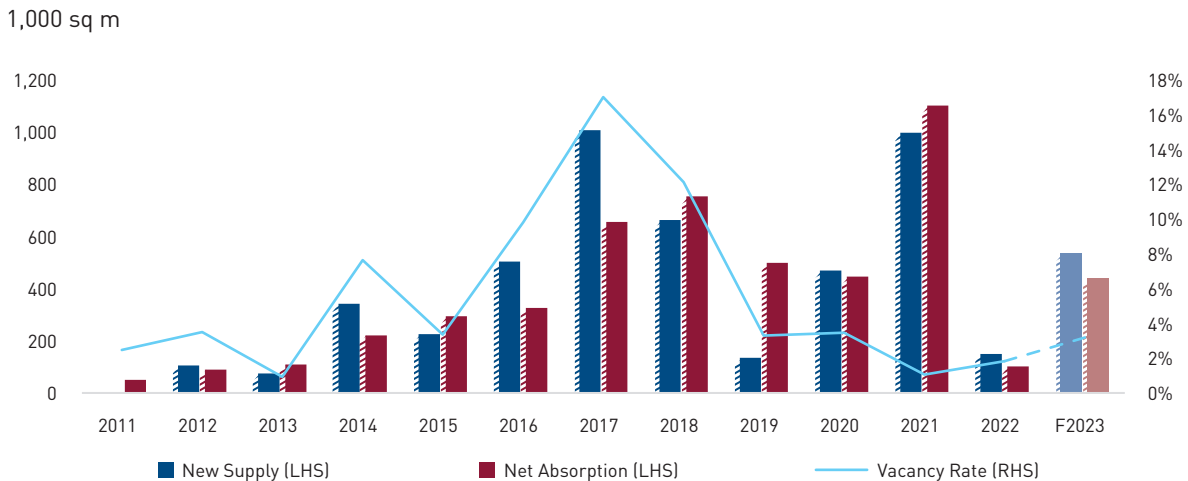


**Greater Osaka**

Until 2017, the stock of logistics facilities in Greater Osaka area was mostly located in the bay area. However, as infrastructure improvements create favourable access to East Japan and can more easily attract workers. In the past several years, more new supply has been shifting towards the inland areas. Same as the other regions, areas for development of logistics facilities have been expanding. In Greater Osaka, logistics companies and 3PL are more likely to locate in the bay area, while EC and retail companies tend to be more prevalent inland area. The large EC company, JP Rakuten Logistics, Inc., will be the single tent of the modern logistics facilities in Yao city, with the completion in 2023.

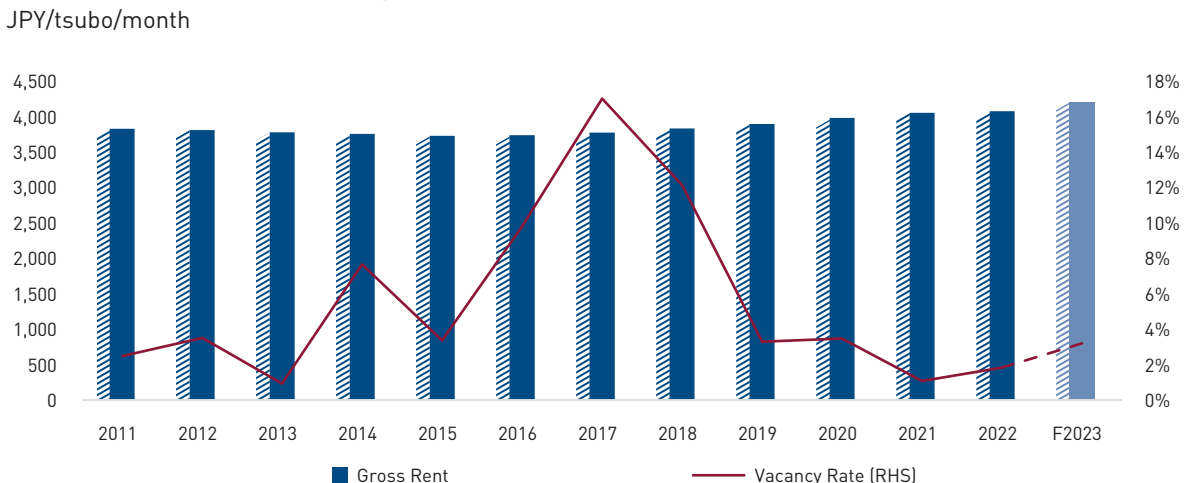
Although there was second largest supply with approximately 1 million sq m in 2021, demand exceeded the supply and the vacancy declined to 1.1%. As the amount of new supply in 2022 was limited, tight supply-demand balance kept the vacancy rate low at 1.8%. However, the vacancy rate might go up with the new supply in 2023, with 500,000 sq m. Since the rents in the inland area tend to be higher than those in the bay area, overall rent in Greater Osaka has been going up. Going forward, vacancy rate is expected to remain lows and rent continues to increase moderately.

**Greater Osaka — New Supply, Net Absorption and Vacancy Rate**



Source: JLL

**Greater Osaka — Rent and Vacancy Rate**



Source: JLL

# JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

## Greater Nagoya

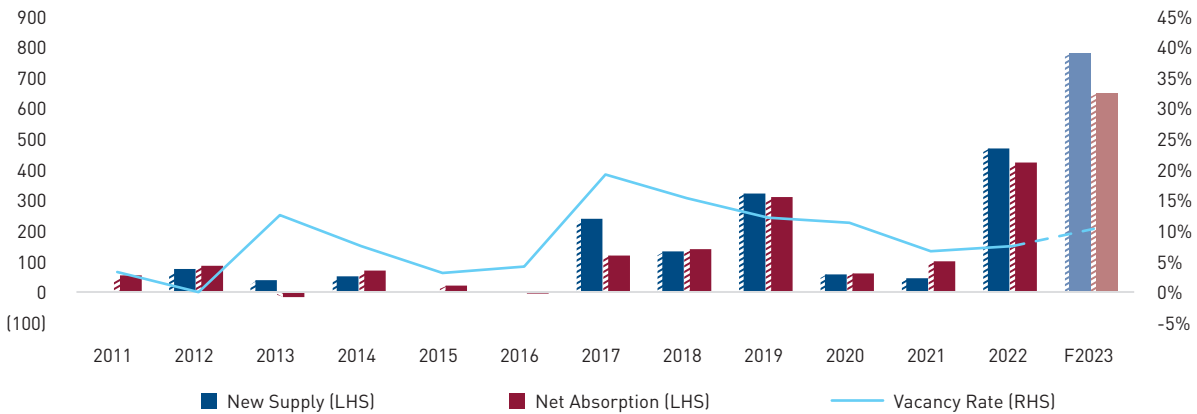
In Greater Nagoya, the manufacturing industry is highly developed, mainly with the automotive industry led by Toyota Motor Corporation. The Nagoya Area is important hub in the expressway network to connect Greater Tokyo and Greater Osaka. Along with the increase of available routes to the Port of Nagoya and Isewangan Expressway, the accessibility to wider areas has improved. With the opening of the Ise Bay Highway and the New Meishin Expressway, access to central Nagoya and wider areas has improved. The demand for logistic facilities is expanding to the Bay Area, while it used to be mostly in inland areas.

In Greater Nagoya, many manufacturing and logistics companies own their logistics facilities, while the number of modern logistics facilities is limited, compared to Greater Tokyo and Greater Osaka. The size of stock of modern logistics facilities in Greater Nagoya is relatively small and overall rent is easily impacted by new supply. As the rent for new properties is higher than that of existing properties, overall market rent in Nagoya has been rising.

Similar to Greater Tokyo and Greater Osaka, supply-demand balance is not expected to deteriorate significantly due to strong demand. It is expected that a large amount of new supply in 2023, 780,000 sq m, may raise vacancy to around 10%, however, vacancy rate may go down to around 6.7% in 2024 supported by a strong demand. The rent is expected to continue to increase.

### Greater Nagoya — New Supply, Net Absorption and Vacancy Rate

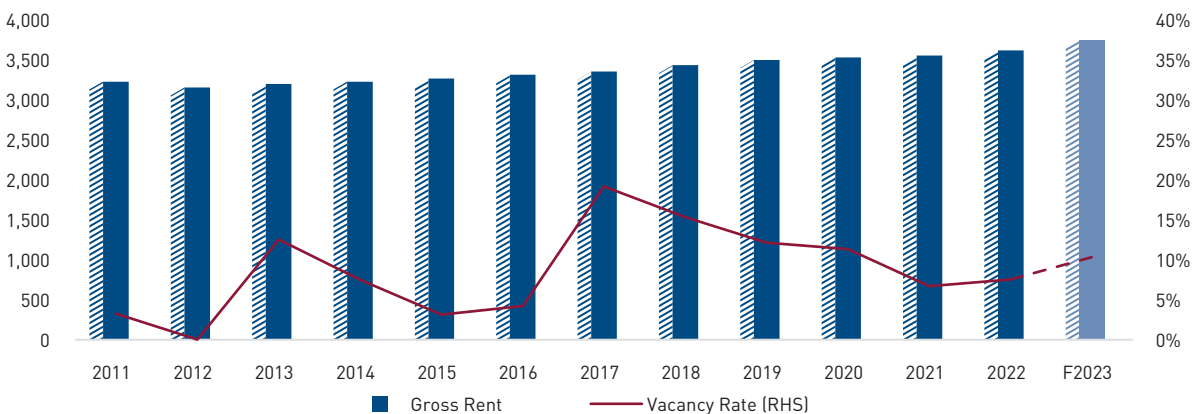
1,000 sq m



Source: JLL

### Greater Nagoya – Rent and Vacancy Rate

JPY/tsubo/month



Source: JLL

**Greater Fukuoka**

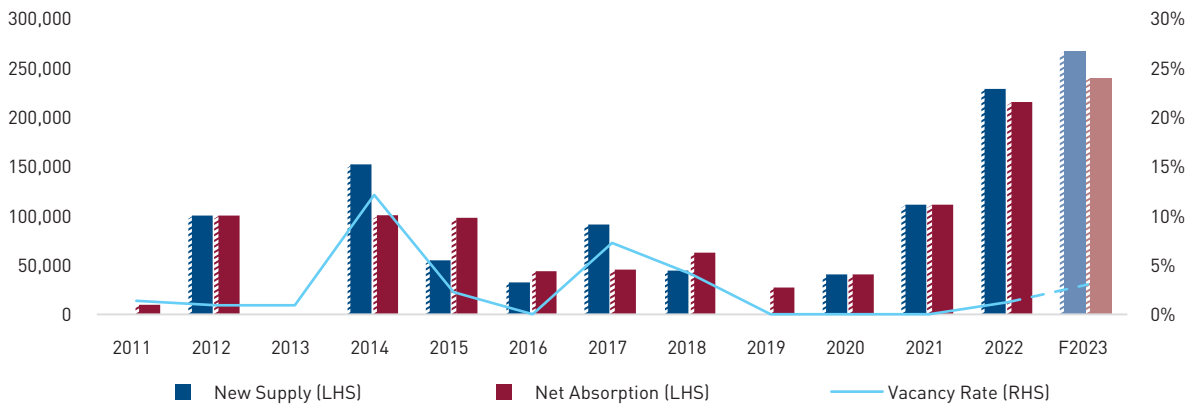
The logistics facilities are concentrated in northern Kyushu. Fukuoka prefecture has important rolls for all logistics routes, including the Port of Hakata and Fukuoka Airport, in addition to the Kyushu Expressway connecting to the Chugoku region. Fukuoka Prefecture accounts for 40% of the population in the Kyushu region, and Fukuoka City and Kitakyushu City are also important consumer destinations.

For the development of the large-scale logistics facilities, they used to be mainly by foreign funds, however, increased number of domestic real estate companies are also active nowadays. As available land for the development of logistics facilities is very limited, it also causes rental to increase in Greater Fukuoka. Similar to other regions, the moderate rental increase is expected to continue.

In Greater Fukuoka, the logistics facilities are used as logistics bases for manufacturing companies to serve entire Kyushu region and as distribution centres of convenience stores and supermarkets to cover Fukuoka City and northern Kyushu. Tenants include large companies with nationwide operations and local logistics companies, whose home-base is Kyushu etc. Although there are many multi-tenant logistics facilities, some of them are furnished rampways, and most of them are box-shaped and/or with slope. There is large new supply in Greater Fukuoka in 2022 and 2023 with 230,000 sq m and 270,000 sq m respectively, however, the vacancy rate remained low at 1.3% in 2022 and will slightly rise to 3.0% in 2023, however, it is still below 5%.

**Greater Fukuoka — New Supply, Net Absorption and Vacancy Rate**

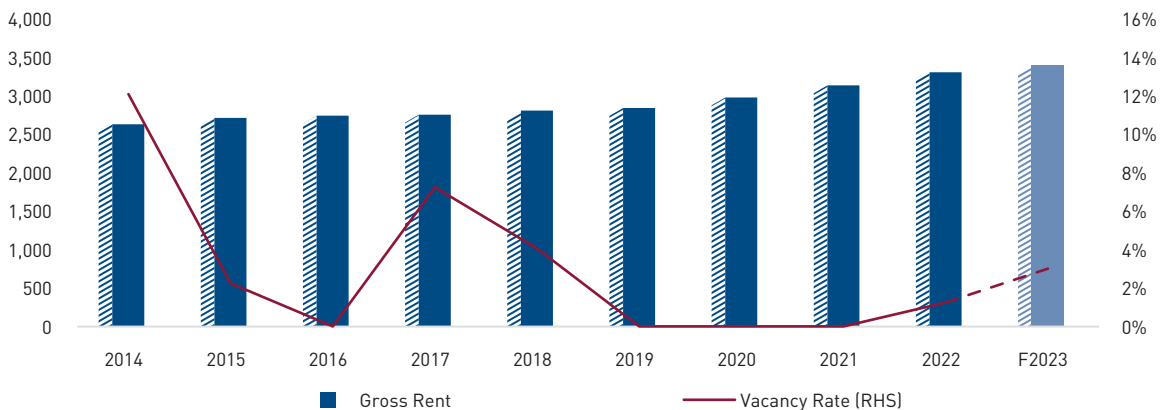
sq m



Source: JLL

**Greater Fukuoka – Rent and Vacancy Rate**

JPY/tsubo/month



Source: JLL

# JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

## The restriction on number of overtime-working hours in 2024

Starting April 1st, 2024, truck drivers in Japan will be subject to a limit on the maximum number of overtime-working hours within a year, maximum to 960 hours. In addition, truck drivers can drive continuously 4-hour, however, they must take certain amount of time to rest during its driving hour. This restriction might have some impact on the transportation and logistics industry, such as decline in profit for transportation and logistics companies due to an increase in transportation fee paid by consignee, decrease in driver's income due to the shortage of working hours etc. In order to address these issues, companies may need to find solutions such as improving their working conditions, and investing in technology to increase efficiency etc. In addition, the development of logistics facilities in regional areas, where to reach the end consumers, might be widely selected across Japan.

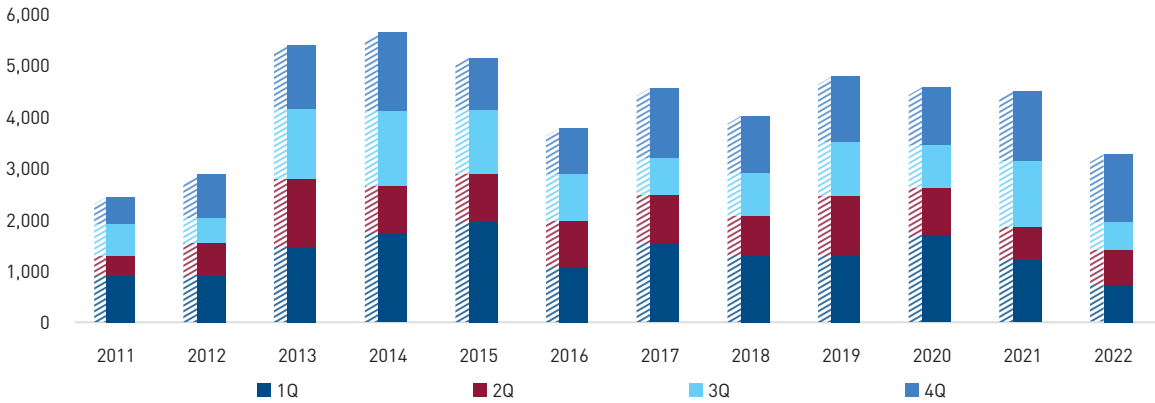
## LOGISTICS INVESTMENT MARKET Sales Transaction

In terms of real estate investment and real estate development, logistics demand has been growing. Many investors have expanded their investment in logistics real estate and more developers have started development, as logistics assets are considered to offer a longer-term stable income attributing to the EC market growth. Many domestic and foreign players have been increasing their investment in logistics facilities. Investors' interests for large-scale modern logistics facilities with high specification in superior locations remain continuously strong. This has resulted in the continued rising prices of logistics real estate.

The decline in the number of transactions by J-REITs in 2022 resulted in the lower annual investment volumes compared to 2020 and 2021. Due to the limited number of investment opportunities and the strong investors' demands for high-quality logistics facilities, the logistics acquisition market has become competitive. As a result, transaction volume declined by 35% y-o-y in 2022.

### All Sector Transaction in Japan

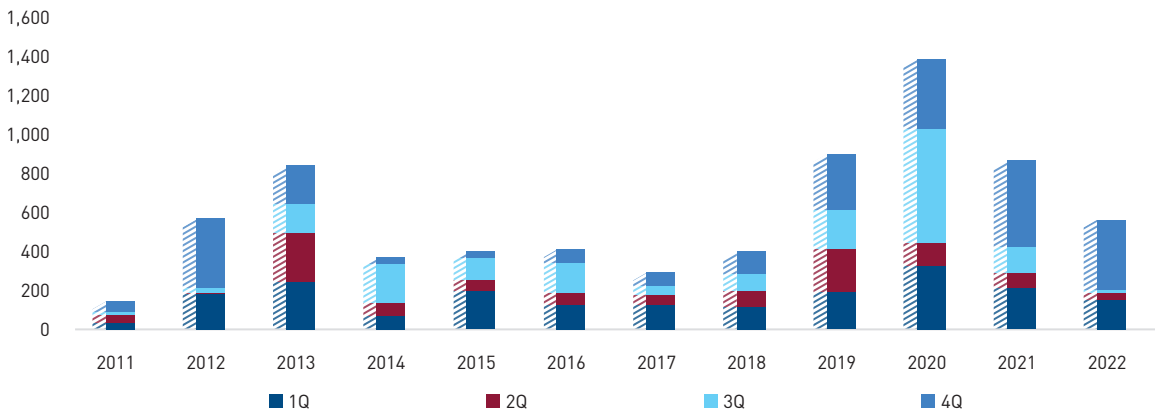
JPY billion



Source: JLL

### Industrial Transaction in Japan

JPY billion

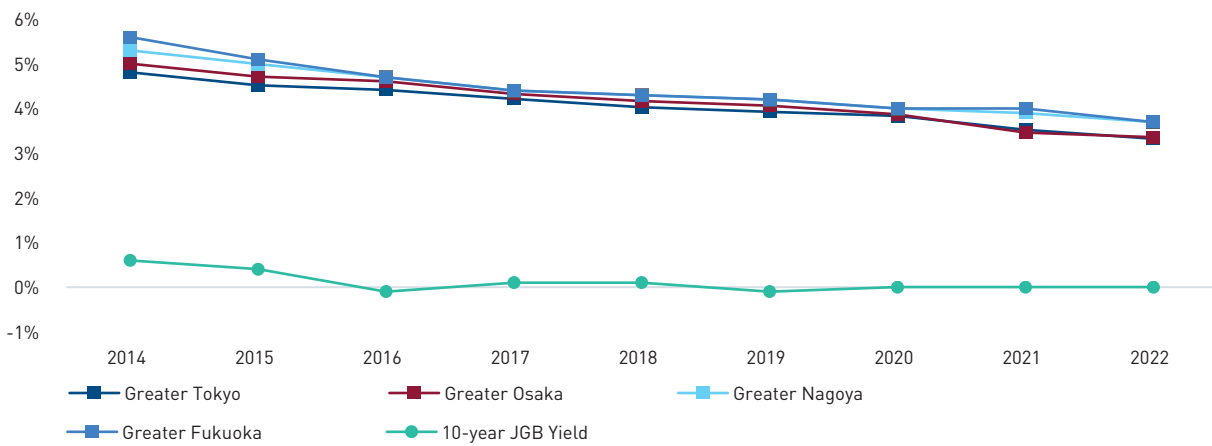


Source: JLL

**Capitalisation Rate**

The chart shows the capitalisation rate (“cap rate”) trend of logistics sector across Japan. The cap rates have continuously compressed over the years in all areas. The attention to logistics facilities from domestic and foreign investors has further increased, as the logistics sector is considered as a stable investment target due to its stable income under the COVID-19 situation supported by the buoyant EC market, in contrast to the office sector which was severely affected by the pandemic. Reflecting such strong investor demand, cap rates of logistics facilities in Greater Tokyo and Greater Osaka have been largely compressing, at lower 3%, and its trend is continuing. As a result, the cap rates of logistics facilities across Japan are compressing.

**Cap Rates**



Source: JLL, Oxford Economics

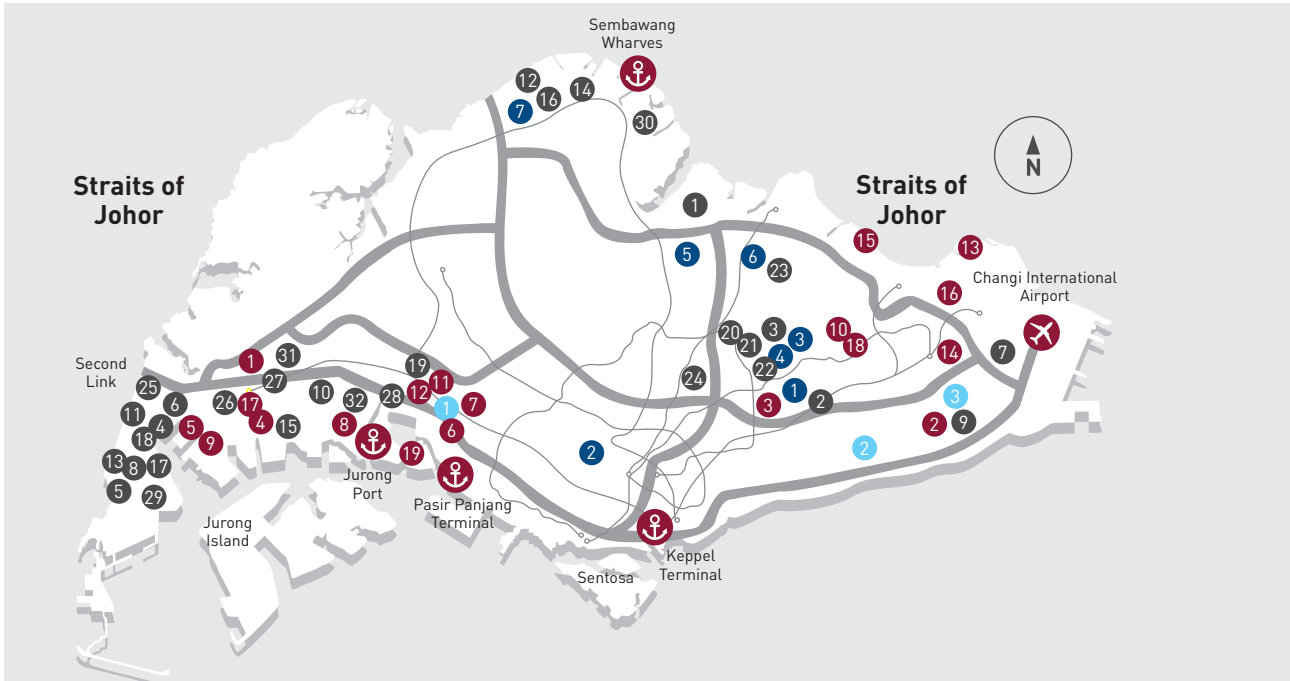
**OUTLOOK**

Japan’s economy is on the moderate recovery phase, however, there is a downside risk due to the downward pressure of global economy. It has been the favorable financial environment with low financing costs in Japan, as the BOJ keeps its accommodative monetary policy. However, a review of the monetary policy by the new governor of the BOJ is anticipated.

As for the logistics market, the demand of modern logistics facilities will remain strong supported by the buoyant EC market. The leasing-up period tends to be longer because of the large new supply, especially in Greater Tokyo. The areas for the development of logistics facilities expand in the most of regions across Japan. The strong investment appetite for modern logistics facilities continues and leads to rise its price and to compress cap rate. These trends on logistics sector in Japan likely continue.



# SINGAPORE PROPERTY PORTFOLIO MAP



### Business Park:

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

### High-Specs Industrial:

- 1 21 & 23 Ubi Road 1
- 2 11 Chang Charn Road
- 3 16 Tai Seng Street
- 4 19 Tai Seng Avenue
- 5 12 Ang Mo Kio Street 65
- 6 7000 Ang Mo Kio Avenue 5
- 7 30 Marsiling Industrial Estate Road 8

### Logistics:

- 1 1 Third Lok Yang Road and 4 Fourth Lok Yang Road
- 2 25 Changi South Avenue 2
- 3 160 Kallang Way
- 4 6 Chin Bee Avenue
- 5 30 Pioneer Road
- 6 24 Penjuru Road (Commodity Hub)
- 7 4 & 6 Clementi Loop
- 8 24 Jurong Port Road

- 9 3 Pioneer Sector 3
- 10 15 Greenwich Drive
- 11 46A Tanjong Penjuru
- 12 2 Fishery Port Road (Cold Centre)
- 13 51 Alps Avenue (Schenker Megahub)
- 14 5 Changi South Lane (Changi DistriCentre 1)
- 15 22 Loyang Lane (Air Market Logistics Centre)
- 16 21 Changi North Way (Pan Asia Logistics Centre)
- 17 15 Gul Way (Gul LogisCentre)
- 18 1 Greenwich Drive (DHL Supply Chain Advanced Regional Centre)
- 19 49 Pandan Road (Pandan Logistics Hub)

### General Industrial:

- 1 70 Seletar Aerospace View
- 2 11 Ubi Road 1
- 3 29 Tai Seng Street
- 4 81 Tuas Bay Drive
- 5 79 Tuas South Street 5
- 6 31 Tuas Avenue 11
- 7 1 & 2 Changi North Street 2
- 8 9 Tuas View Crescent

- 9 31 Changi South Avenue 2
- 10 22 Chin Bee Drive
- 11 2 Tuas South Avenue 2
- 12 21B Senoko Loop
- 13 60 Tuas South Street 1
- 14 28 Woodlands Loop
- 15 25 Pioneer Crescent
- 16 11 Woodlands Walk
- 17 43 Tuas View Circuit
- 18 3 Tuas South Avenue 4
- 19 30 Toh Guan Road
- 20 128 Joo Seng Road
- 21 130 Joo Seng Road
- 22 136 Joo Seng Road
- 23 54 Serangoon North Avenue 4
- 24 11 Lorong 3 Toa Payoh (Jackson Square)
- 25 120 Pioneer Road
- 26 5 & 7 Gul Street 1
- 27 160A Gul Circle
- 28 30 Teban Gardens Crescent
- 29 8 Tuas South Lane
- 30 511 & 513 Yishun Industrial Park A
- 31 86 & 88 International Road
- 32 13 Jalan Terusan

# SINGAPORE PROPERTY DETAILS

## Business Park



1 16 International Business Park



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



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

## High-Specs Industrial



1 21 & 23 Ubi Road 1



2 11 Chang Charn Road



3 16 Tai Seng Street



4 19 Tai Seng Avenue



5 12 Ang Mo Kio Street 65



6 7000 Ang Mo Kio Avenue 5



7 30 Marsiling Industrial Estate Road 8

## Logistics



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



2 25 Changi South Avenue 2



3 160 Kallang Way



# SINGAPORE PROPERTY DETAILS

## Logistics



4 6 Chin Bee Avenue



5 30 Pioneer Road



6 24 Penjuru Road (Commodity Hub)



7 4 & 6 Clementi Loop



8 24 Jurong Port Road



9 3 Pioneer Sector 3



10 15 Greenwich Drive



11 46A Tanjong Penjuru



12 2 Fishery Port Road (Cold Centre)



13 51 Alps Avenue (Schenker Megahub)



14 5 Changi South Lane (Changi DistriCentre 1)



15 22 Loyang Lane (Air Market Logistics Centre)



16 21 Changi North Way (Pan Asia Logistics Centre)



17 15 Gul Way (Gul LogisCentre)



18 1 Greenwich Drive (DHL Supply Chain Advanced Regional Centre)

**Logistics**



19 49 Pandan Road  
(Pandan Logistics Hub)

**General Industrial**



1 70 Seletar Aerospace View



2 11 Ubi Road 1



3 29 Tai Seng Street



4 81 Tuas Bay Drive



5 79 Tuas South Street 5



6 31 Tuas Avenue 11



7 1 & 2 Changi North Street 2



8 9 Tuas View Crescent



9 31 Changi South Avenue 2



10 22 Chin Bee Drive



11 2 Tuas South Avenue 2



12 21B Senoko Loop



# SINGAPORE PROPERTY DETAILS

## General Industrial



13 60 Tuas South Street 1



14 28 Woodlands Loop



15 25 Pioneer Crescent



16 11 Woodlands Walk



17 43 Tuas View Circuit



18 3 Tuas South Avenue 4



19 30 Toh Guan Road



20 128 Joo Seng Road



21 130 Joo Seng Road



22 136 Joo Seng Road



23 54 Serangoon North Avenue 4



24 11 Lorong 3 Toa Payoh (Jackson Square)



25 120 Pioneer Road



26 5 & 7 Gul Street 1



27 160A Gul Circle



General Industrial



28 30 Teban Gardens Crescent



29 8 Tuas South Lane



30 511 & 513 Yishun Industrial Park A

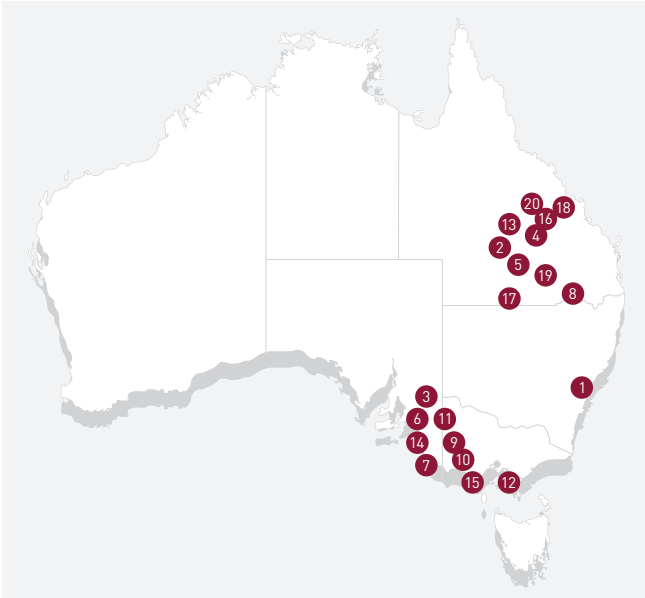


31 86 & 88 International Road



32 13 Jalan Terusan

# AUSTRALIA AND JAPAN PROPERTY PORTFOLIO MAP



## Logistics:

- ① 127 Orchard Road, Chester Hill, NSW
- ② 203 Viking Drive, Wacol, QLD
- ③ 16-28 Transport Drive, Somerton, VIC
- ④ 51 Musgrave Road, Coopers Plains, QLD
- ⑤ 223 Viking Drive, Wacol, QLD
- ⑥ 217-225 Boundary Road, Laverton North, VIC
- ⑦ 182-198 Maidstone Street, Altona, VIC
- ⑧ 11-19 Kellar Street, Berrinba, QLD
- ⑨ 67-93 National Boulevard, Campbellfield, VIC
- ⑩ 41-51 Mills Road, Braeside, VIC
- ⑪ 76-90 Link Drive, Campbellfield, VIC
- ⑫ 41-45 Hydrive Close, Dandenong South, VIC
- ⑬ 196 Viking Drive, Wacol, QLD
- ⑭ 16-24 William Angliss Drive, Laverton North, VIC
- ⑮ 151-155 Woodlands Drive, Braeside, VIC
- ⑯ 1-5 & 2-6 Bishop Drive, POB, QLD
- ⑰ 8 Curlew Street, POB, QLD
- ⑱ 53 Peregrine Drive, POB, QLD
- ⑲ 47 Logistics Place, Larapinta, QLD
- ⑳ 21 Curlew Street, POB, QLD
- ① 2464-11, Ota, Sakura-city, Chiba (ESR Sakura DC)

# AUSTRALIA AND JAPAN PROPERTY PORTFOLIO DETAILS

## Australia Logistics



1 127 Orchard Road, Chester Hill, NSW



2 203 Viking Drive, Wacol, QLD



3 16-28 Transport Drive, Somerton, VIC



4 51 Musgrave Road, Coopers Plains, QLD



5 223 Viking Drive, Wacol, QLD



6 217-225 Boundary Road, Laverton North, VIC



7 182-198 Maidstone Street, Altona, VIC



8 11-19 Kellar Street, Berrinba, QLD



9 67-93 National Boulevard, Campbellfield, VIC



10 41-51 Mills Road, Braeside, VIC



11 76-90 Link Drive, Campbellfield, VIC



12 41-45 Hydrive Close, Dandenong South, VIC



13 196 Viking Drive, Wacol, QLD



14 16-24 William Angliss Drive, Laverton North, VIC



15 151-155 Woodlands Drive, Braeside, VIC



# AUSTRALIA AND JAPAN PROPERTY PORTFOLIO DETAILS

## Australia Logistics



16 1-5 & 2-6 Bishop Drive, POB, QLD



17 8 Curlew Street, POB, QLD



18 53 Peregrine Drive, POB, QLD



19 47 Logistics Place, Larapinta, QLD



20 21 Curlew Street, POB, QLD

## Japan Logistics



1 2464-11, Ota, Sakura-city, Chiba (ESR Sakura DC)

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# PORTFOLIO DETAILS

## SINGAPORE

### BUSINESS PARKS

Business Parks are properties that cater to industries/businesses 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.



ESR BizPark @ Chai Chee

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	16 International Business Park	Master lease	6,434	6,434	30+30	31 July 2056
2	750 to 750E Chai Chee Road	Multi-tenanted	141,841	105,247	60	31 March 2031
					43	28 February 2031
3	6 & 8 Changi Business Park Avenue 1 (Business Park)	Multi-tenanted	56,911	60,582	30+30	31 January 2068
	2 & 4 Changi Business Park Avenue 1 (Hotel)		15,923			



Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (S\$ million)	Valuation As at 31 December 2022 (S\$ million)
33.6	19 December 2014	30.4	100.0	2.2	32.5
8.2	15 October 2018	322.2	80.0	36.6	232.0
8.2				17.4	
45.1	15 October 2018	531.0	68.2	9.7	573.0

## PORTFOLIO DETAILS

### SINGAPORE

#### HIGH-SPECS INDUSTRIAL

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



30 Marsiling Industrial Estate Road 8

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	21 & 23 Ubi Road 1	Multi-tenanted	18,838	13,778	30+30	31 January 2057
2	11 Chang Charn Road	Multi-tenanted	9,062	6,851	99	31 December 2056
3	16 Tai Seng Street	Multi-tenanted	20,036	16,941	30+30	03 July 2067
4	19 Tai Seng Avenue	Multi-tenanted	11,200	9,394	30+30	10 September 2067
5	12 Ang Mo Kio Street 65	Multi-tenanted	16,762	15,354	30+30	15 October 2050
6	7000 Ang Mo Kio Avenue 5	Multi-tenanted	99,706	76,117	32+30	29 January 2057
7	30 Marsiling Industrial Estate Road 8	Multi-tenanted	20,238	17,378	30+30	30 November 2049



Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (S\$ million)	Valuation As at 31 December 2022 (S\$ million)
34.1	25 July 2006	25.0	94.1%	3.4	37.1
34.0	31 March 2014	32.0	61.5%	1.0	28.2
44.5	29 May 2012	72.9	80.8%	1.7	87.1
44.7	15 October 2018	47.5	76.0%	2.4	51.5
27.8	13 September 2014	39.8	91.7%	2.8	37.2
34.1	13 December 2017	300.0*	87.9%	25.0	328.3*
26.9	24 October 2012	39.0	100.0%	4.3	46.5

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

## PORTFOLIO DETAILS

### SINGAPORE

#### LOGISTICS

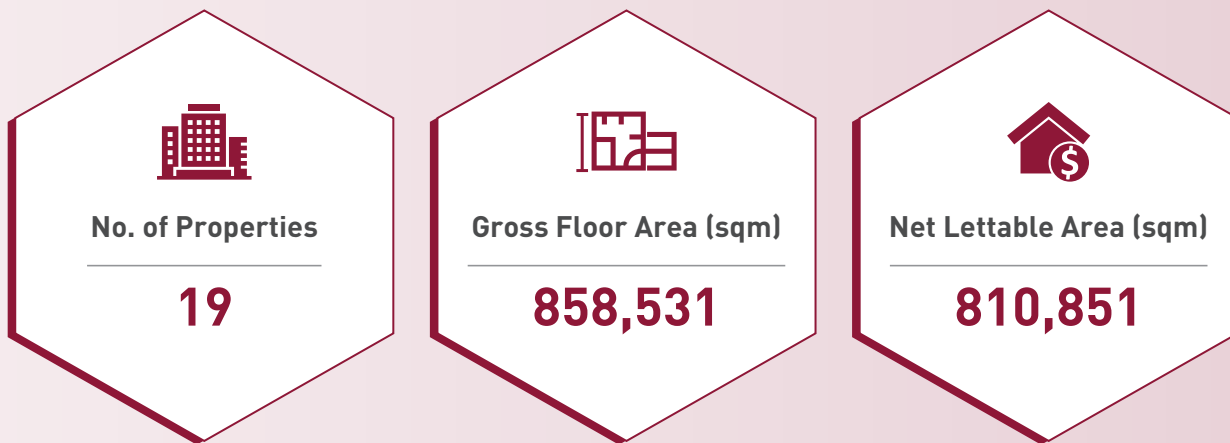
Buildings classified as Logistics properties are typically equipped with high floor loading and high floor-to-ceiling height suitable for tiered storage of cargo. Such buildings are typically multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.



Schenker Megahub

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	Master lease	10,601	10,601	30	15 December 2031
2	25 Changi South Avenue 2	Master lease	6,782	6,782	30+30	15 October 2054
3	160 Kallang Way	Multi-tenanted	29,971	26,422	30+30	15 February 2033
4	6 Chin Bee Avenue	Master lease	30,116	30,116	30	15 October 2043
5	30 Pioneer Road	Master lease	26,115	26,115	30	15 February 2037
6	4 & 6 Clementi Loop	Multi-tenanted	27,956	23,021	30+30	30 September 2053
7	24 Jurong Port Road	Multi-tenanted	75,904	67,647	30+12	28 February 2037
8	3 Pioneer Sector 3	Multi-tenanted	66,566	59,972	30+30	15 December 2050
9	15 Greenwich Drive	Multi-tenanted	42,308	42,085	30	15 December 2041
10	46A Tanjong Penjuru	Multi-tenanted	48,692	49,191	30+14	30 April 2050
11	24 Penjuru Road	Multi-tenanted	213,297	204,343	29	18 August 2035
12	2 Fishery Port Road	Multi-tenanted	32,022	26,802	30+30	19 December 2065
13	51 Alps Avenue	Master lease	40,873	40,873	30+30	31 May 2065
14	5 Changi South Lane	Multi-tenanted	33,850	32,255	30+30	15 August 2065
15	15 Gul Way	Multi-tenanted	26,420	25,420	30	30 September 2033
16	22 Loyang Lane	Master lease	6,277	6,277	30+16	31 January 2053
17	21 Changi North Way	Master lease	18,301	18,301	30	31 May 2040
18	1 Greenwich Drive	Multi-tenanted	91,905	86,223	30	15 June 2044
19	49 Pandan Road	Multi-tenanted	30,575	28,405	30	30 September 2039





Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (S\$ million)	Valuation As at 31 December 2022 (S\$ million)
9.0	25 July 2006	12.4	100.0%	1.1	8.0
31.8	25 July 2006	7.3	100.0%	0.9	13.0
10.1	25 July 2006	23.2	8.4%	2.0	22.2
20.8	15 October 2018	93.3	100.0%	7.9	97.9
14.1	15 October 2018	54.0	100.0%	3.1	39.8
30.7	13 June 2011	63.4	85.9%	3.8	39.6
14.2	25 July 2006	96.0	97.6%	6.9	84.0
28.0	25 July 2006	93.4	100.0%	7.3	100.0
19.0	25 October 2018	95.8	100.0%	7.7	90.0
27.3	29 June 2021	112.0	80.0%	8.0	118.0
12.6	22 April 2022	260.4	99.6%	32.8	251.5
43.0	22 April 2022	126.7	63.1%	6.8	110.0
42.4	22 April 2022	83.8	100.0%	6.2	94.5
42.6	22 April 2022	93.3	92.5%	6.8	96.2
10.7	22 April 2022	27.4	100.0%	3.5	28.3
30.1	22 April 2022	11.1	100.0%	1.0	13.4
17.4	22 April 2022	34.6	100.0%	3.7	31.7
21.5	22 April 2022	152.0	100.0%	16.1	165.0
16.7	22 April 2022	37.8	92.5%	4.0	37.8

# PORTFOLIO DETAILS

## SINGAPORE

### GENERAL INDUSTRIAL

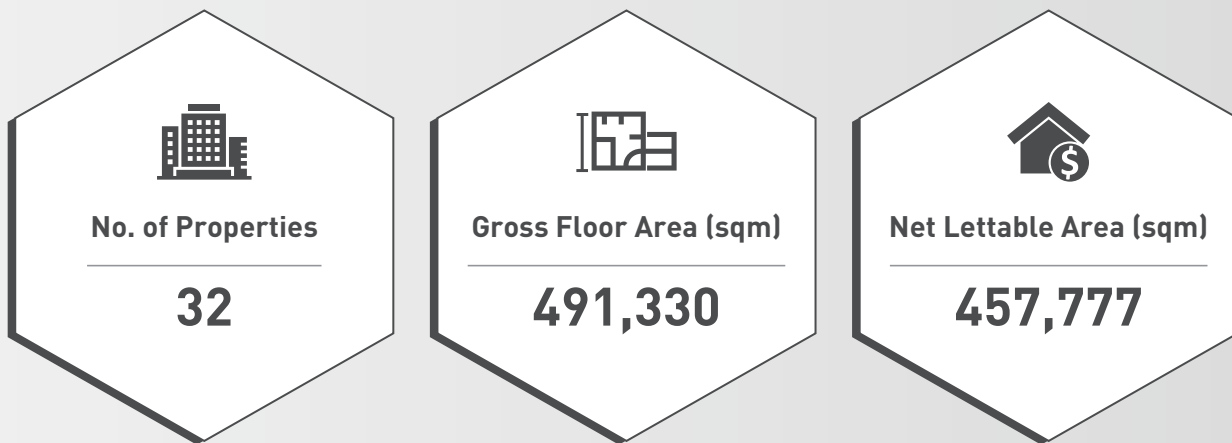
General industrial buildings can be single or multi-storey facilities dedicated to general and heavy manufacturing or factory and storage activities.



25 Pioneer Crescent

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	70 Seletar Aerospace View	N.A.	4,992	4,992	30	15 October 2041
2	11 Ubi Road 1	Master lease	23,510	23,510	30+30/21+30	31 August 2055
3	29 Tai Seng Street	Master lease	7,903	7,903	30+30	30 April 2067
4	81 Tuas Bay Drive	Master lease	9,993	9,993	60	18 July 2066
5	79 Tuas South Street 5	Master lease	6,312	6,312	30+30	31 January 2060
6	31 Tuas Avenue 11	Master lease	7,021	7,021	30+30	31 March 2054
7	1 Changi North Street 2	Master lease	11,694	11,694	30+30	28 February 2061
	2 Changi North Street 2	Master lease			30+30	22 November 2065
8	9 Tuas View Crescent	Master lease	6,650	6,650	30+30	15 July 2058
9	31 Changi South Avenue 2	Master lease	5,546	5,546	30+30	28 February 2055
10	22 Chin Bee Drive	N.A.	11,209	11,209	30	15 September 2035
11	2 Tuas South Avenue 2	Master lease	20,192	20,192	60	03 January 2059
12	21B Senoko Loop	N.A.	N.A.*	N.A.*	30+30	31 January 2053
13	60 Tuas South Street 1	Master lease	4,150	4,150	30	15 March 2035
14	28 Woodlands Loop	Master lease	12,250	12,250	30+30	15 October 2055
15	25 Pioneer Crescent	Master lease	7,061	7,061	30+28	31 January 2067
16	11 Woodlands Walk	Master lease	8,977	8,977	30+30	15 October 2055
17	43 Tuas View Circuit	Master lease	11,412	11,412	30	31 January 2038

\* Property under redevelopment. The proposed GFA upon completion is 18,192 sqm.



Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (S\$ million)	Valuation As at 31 December 2022 (S\$ million)
18.8	22 November 2012	8.5	N.A.	N.A.	6.8
32.7	15 October 2018	83.9	100.0%	7.4	87.9
44.3	15 October 2018	32.9	100.0%	2.3	37.0
43.6	15 October 2018	28.0	100.0%	2.0	28.5
37.1	30 April 2008	10.4	100.0%	0.3	9.6
31.2	25 July 2006	8.7	100.0%	0.7	12.2
38.2	19 October 2010	22.1	100.0%	1.4	23.0
42.9					
35.5	25 July 2006	5.6	100.0%	0.5	10.3
32.2	27 July 2007	5.8	100.0%	1.0	13.5
12.7	28 September 2010	15.0	N.A.	N.A.	13.0
36.0	25 July 2006	23.0	100.0%	2.6	39.2
30.1	28 January 2008	27.8	N.A.	N.A.	23.8
12.2	29 June 2011	6.4	100.0%	0.5	4.0
32.8	25 July 2006	13.0	100.0%	1.7	18.0
44.1	29 March 2012	15.3	100.0%	1.3	16.8
32.8	29 October 2012	17.3	100.0%	1.3	18.0
15.1	21 September 2012	13.5	100.0%	1.7	16.7

## PORTFOLIO DETAILS

### SINGAPORE

#### GENERAL INDUSTRIAL (CONT'D)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
18	3 Tuas South Avenue 4	Master lease	29,313	29,313	30+30	30 April 2059
19	30 Toh Guan Road	Multi-tenanted	30,844	26,618	30+30	15 August 2055
20	128 Joo Seng Road	Multi-tenanted	8,626	6,887	30+30	30 April 2052
21	130 Joo Seng Road	Multi-tenanted	10,992	8,542	30+30	30 November 2051
22	136 Joo Seng Road	Multi-tenanted	9,413	7,264	30+30	30 September 2050
23	54 Serangoon North Avenue 4	Multi-tenanted	12,937	10,880	30+30	15 June 2056
24	11 Lorong 3 Toa Payoh	Multi-tenanted	38,888	32,340	60	15 May 2029
25	120 Pioneer Road	Multi-tenanted	23,043	20,064	30+28	15 February 2055
26	5 & 7 Gul Street 1	Multi-tenanted	9,185	8,101	29.5	30 September 2037
27	160A Gul Circle	Multi-tenanted	7,997	7,451	27	29 September 2040
28	30 Teban Gardens Crescent	Multi-tenanted	12,962	11,109	10+22	31 May 2039
29	8 Tuas South Lane	Multi-tenanted	72,568	68,330	30+16	31 March 2054
30	513 Yishun Industrial Park A	Multi-tenanted	20,874	18,601	30+30	30 November 2053
	511 Yishun Industrial Park A	Multi-tenanted			29+30	31 May 2054
31	86 & 88 International Road	Multi-tenanted	22,039	22,039	30+30	15 December 2054
32	13 Jalan Terusan	Multi-tenanted	22,777	21,366	28	24 March 2035

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (S\$ million)	Valuation As at 31 December 2022 (S\$ million)
36.3	19 March 2013	15.0	100.0%	2.6	45.0
32.6	25 July 2006	35.0	97.3%	5.5	60.8
29.3	25 June 2007	10.0	96.6%	1.3	12.3
28.9	25 July 2006	12.0	100.0%	1.7	16.0
27.8	25 July 2006	10.3	100.0%	1.4	12.9
33.5	1 March 2013	21.0	91.2%	2.3	23.4
6.4	15 October 2018	60.0	73.9%	7.8	42.8
32.1	24 October 2007	31.1	81.8%	2.3	33.9
14.8	15 July 2011	14.5	62.7%	0.8	11.4
17.8	13 May 2015	19.1	34.6%	0.7	13.9
16.4	17 March 2014	41.0	63.1%	1.4	29.3
31.3	13 December 2017	106.1	100.0%	7.4	101.1
30.9	30 November 2010	32.6	100.0%	1.7	25.9
31.4					
32.0	25 July 2006	30.8	100.0%	3.3	41.5
12.2	30 January 2013	43.0	100.0%	2.8	23.5



## PORTFOLIO DETAILS

### AUSTRALIA

#### LOGISTICS

The Australia portfolio consists of single storey logistics warehouses equipped with high floor loading and high floor-to-ceiling heights suitable for tiered storage of cargo.



41-51 Mills Road, Braeside, VIC

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	16-28 Transport Drive, Somerton, VIC	Master lease	21,279	21,279	Freehold	—
2	76-90 Link Drive, Campbellfield, VIC	Master lease	10,441	10,441	Freehold	—
3	67-93 National Boulevard, Campbellfield, VIC	Multi-tenanted	22,608	22,608	Freehold	—
4	41-51 Mills Road, Braeside, VIC	Multi-tenanted	32,312	32,312	Freehold	—
5	151-155 Woodlands Drive, Braeside, VIC	Master lease	11,074	11,074	Freehold	—
6	41-45 Hydrive Close, Dandenong South, VIC	Master lease	8,781	8,781	Freehold	—
7	16-24 William Angliss Drive, Laverton North, VIC	Multi-tenanted	16,324	16,324	Freehold	—
8	217-225 Boundary Road, Laverton North, VIC	Master lease	20,124	20,124	Freehold	—
9	182-198 Maidstone, Altona, VIC	Master lease	37,862	37,862	Freehold	—
10	127 Orchard Road, Chester Hill, NSW	Master lease	24,270	24,270	Freehold	—
11	196 Viking Drive, Wacol, QLD	Master lease	5,709	5,709	Freehold	—
12	203 Viking Drive, Wacol, QLD	Master lease	13,363	13,363	Freehold	—



Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (A\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (A\$ million)	Valuation As at 31 December 2022 (A\$ million)
—	22 April 2022	39.5	100.0	2.4	41.0
—	22 April 2022	17.3	100.0	0.8	17.3
—	22 April 2022	35.5	100.0	2.4	44.5
—	22 April 2022	45.5	96.8	2.5	52.8
—	22 April 2022	21.3	100.0	1.4	22.8
—	22 April 2022	14.5	100.0	1.2	17.0
—	22 April 2022	25.5	100.0	1.5	28.5
—	22 April 2022	31.5	100.0	2.1	39.0
—	22 April 2022	54.5	100.0	2.8	61.0
—	22 April 2022	66.5	100.0	3.8	79.0
—	22 April 2022	20.0	100.0	1.2	20.9
—	22 April 2022	35.1	100.0	2.6	35.9

# PORTFOLIO DETAILS

## AUSTRALIA

### LOGISTICS (CONT'D)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
13	223 Viking Drive, Wacol, QLD	Master lease	6,246	6,246	Freehold	—
14	11-19 Kellar Street, Berrinba, QLD	Master lease	7,412	7,412	Freehold	—
15	51 Musgrave Road, Coopers Plains, QLD	Multi-tenanted	9,485	9,485	Freehold	—
16	47 Logistics Place, Larapinta, QLD	Master lease	7,704	7,704	Freehold	—
17	8 Curlew Street, Port of Brisbane, QLD	Master lease	27,157	27,157	46.0	30 June 2059
18	1-5, 2-6 Bishop Drive, Port of Brisbane, QLD	Multi-tenanted	127,354	127,354	54.7	30 June 2059
19	53 Peregrine Drive, Port of Brisbane, QLD	Master lease	51,086	51,086	40.0	30 June 2059
20	21 Curlew Street, Port of Brisbane, QLD	Master lease	12,307	12,307	43.0	19 November 2062

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (A\$ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (A\$ million)	Valuation As at 31 December 2022 (A\$ million)
—	22 April 2022	11.8	100.0	1.0	12.7
—	22 April 2022	16.8	100.0	0.8	18.1
—	22 April 2022	9.2	86.3	0.6	10.5
—	22 April 2022	19.6	100.0	0.8	19.7
36.5	22 April 2022	58.7	100.0	7.1	62.8
36.5	22 April 2022	103.0	100.0	11.2	40.7
36.5	22 April 2022	15.8	100.0	2.0	26.6
39.9	22 April 2022	68.9	100.0	4.7	79.5

## PORTFOLIO DETAILS

### JAPAN

#### LOGISTICS

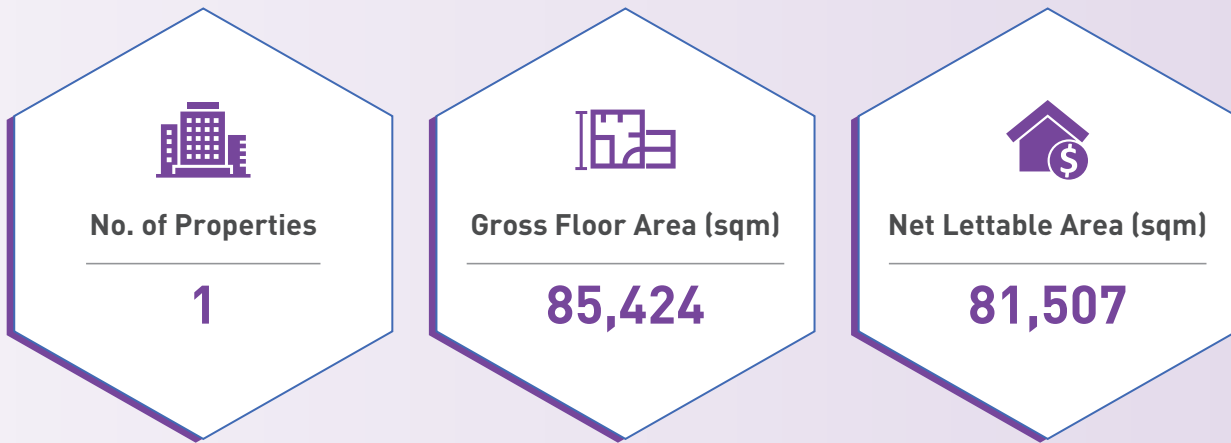
The Japan portfolio consists of a single multi-storey ramp-up warehouse equipped with high floor loading and high floor-to-ceiling heights suitable for tiered storage of cargo. It is equipped with vehicular ramp access and heavy duty cargo lift access.



ESR Sakura Distribution Centre, Japan

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	2464-11, Ota, Sakura-city, Chiba	Multi-tenanted	85,424	81,507	Freehold	—



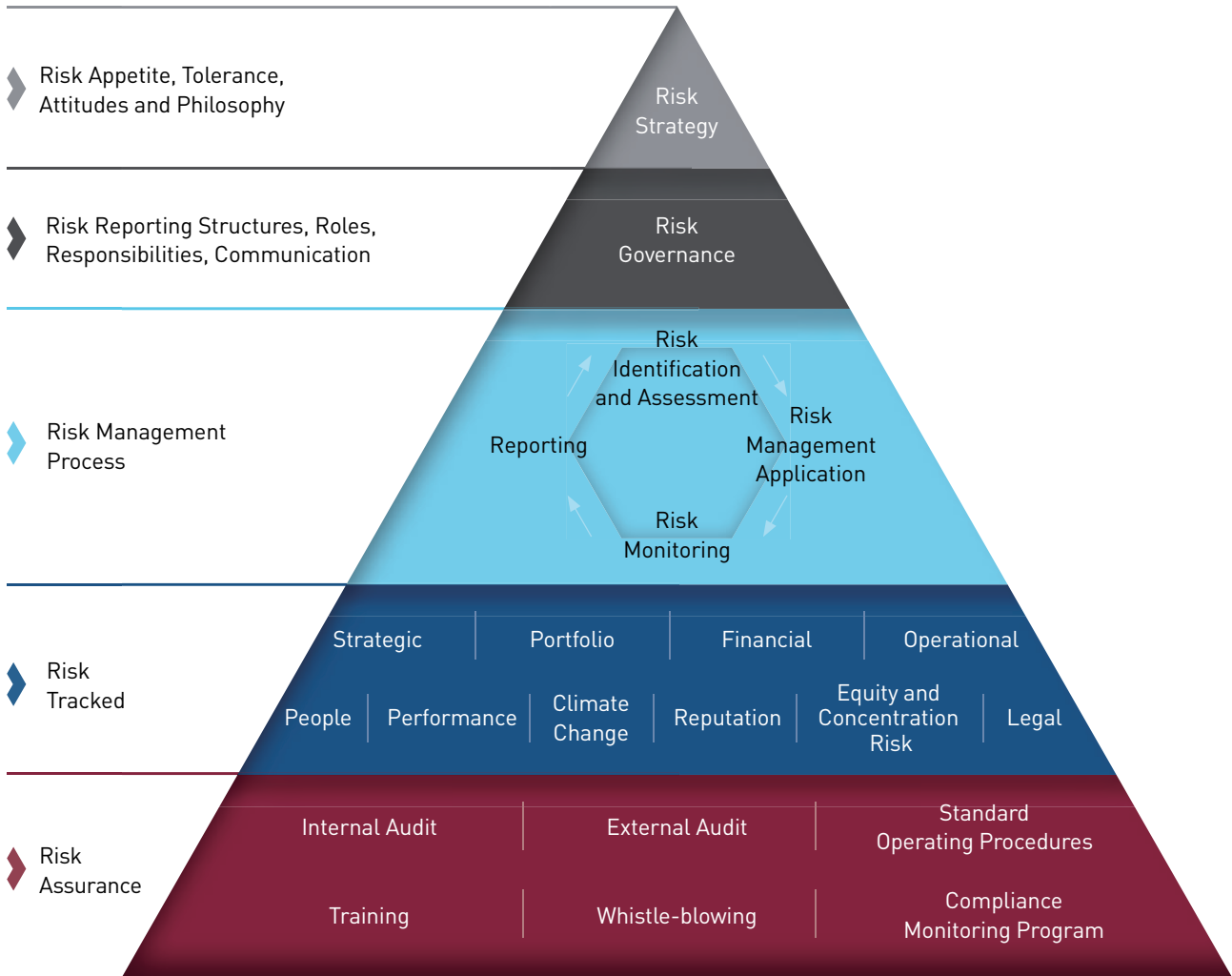


Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (¥ million)	Occupancy As at 31 December 2022 (%)	Rental Income As at 31 December 2022 (¥ million)	Valuation As at 31 December 2022 (¥ million)
—	31 October 2022	17,800.0	75.0*	116.0	17,830.0

\*Based on physical occupancy. The financial occupancy of the property, after taking into account the rental support, is 100%.

# RISK MANAGEMENT

Effective risk management is an integral part of our business — both strategically and operationally, which enables ESR-LOGOS Funds Management (S) Limited (“ELFM” or the “Manager”) to optimise risk-reward relationship in the pursuit of opportunities to create sustainable and growing returns for ESR-LOGOS REIT’s unitholders (“Unitholders”).



## RISK GOVERNANCE

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

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

## RISK MANAGEMENT PROCESS

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

**(A) Risk Identification and Assessment**

The Board approves the ERM Risk Appetite Statements ("RAS") which identify the nature and extent of material risks that the Group should be taking to achieve its strategic and business objectives. The RAS serve as a "traffic light alert system". The risk appetite threshold of each risk is based on the colours of a traffic light — Red, Amber and Green. Green is within the acceptable risk appetite, Amber signals increasing risk which needs to be monitored and reduced as necessary and Red means it is outside the risk appetite that ESR-LOGOS REIT and the Managers are willing to undertake and thus, measures and steps need to be put in place to reduce the risk level to within the acceptable range.

The RAS are monitored on a quarterly basis to ensure that all risks are appropriately managed within the threshold as approved by the Board.

The RAS are reviewed and tabled to both the Board and ARCC every quarter for their notation, and the metrics adopted for each measure in the RAS are reviewed at least annually (or more frequently if the business environment warrants).

A Key Risk and Control Matrix has been put in place by the Manager to proactively identify ESR-LOGOS REIT's and the Managers' material operational risks together with the likelihood and impact of such risks and establish corresponding mitigating controls to manage these risks. Risk assessments were conducted once every 2 to 3 years with the involvement of ARCC members and the Manager's Management team via a top-down approach as well as bottom-up engagement with the employees of the Managers where key risks were identified, mapped and updated into the existing Key Risk and Control Matrix to ensure the ongoing relevance of the risks for the Group. An environmental risk assessment was conducted to assess the environmental risks which are applicable to ESR-LOGOS REIT. The identified environmental risks are incorporated into the Key Risk and Control Matrix. In addition, the identified risks and controls are reviewed by the respective head of departments quarterly (or more frequently if the business environment warrants) to ensure the matrix stays relevant and effective.

**MANAGING KEY RISKS**

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

**(i) Strategic Risk**

Strategic risk relates to the risk on impact on earnings or capital on the sustainable long-term growth of ESR-LOGOS REIT arising from inadequate business decisions, improper implementation of strategy or lack of responsiveness to changes in the industry.

**(ii) Portfolio Risk**

The Manager critically analyses each potential transaction to achieve the strategic objectives of providing Unitholders with a stable income stream and long-term growth in Net Asset Value ("NAV") per unit before deciding to proceed with the transaction. The strategies adopted by the Manager include:

1. proactively managing ESR-LOGOS REIT's property portfolio to maximise returns;
2. selectively acquiring properties that meet our investment criteria and enhance Unitholders' value;
3. divesting of non-core properties; and
4. adopting prudent capital and risk management strategies.

**Investment Risk**

Our investment portfolio comprises primarily real estate used mainly for industrial purposes (including investments in real estate related assets and/or other related value enhancing assets or instruments). Investments are on a long-term basis in Singapore and/or overseas markets, depending on investment opportunities and market conditions.

To manage the impact of economic uncertainties, the Manager monitors economic development as well as any policies that have an impact on the daily operations within the portfolio. Each new investment opportunity is subject to a disciplined and rigorous due diligence process, taking into consideration its potential for yield enhancement, long-term sustainability and asset valuation.

# RISK MANAGEMENT

The Board also reviews management reports and feasibility studies on proposed acquisitions prepared by the Manager, and goes through detailed and rigorous deliberation with the Management team before approving each proposal to ensure that the transaction is in the best interests of ESR-LOGOS REIT and the Unitholders.

## Project Development Risk

Asset enhancement and development initiatives are initiated to ensure that ESR-LOGOS REIT's properties remain competitive. Consultants and contractors are subject to stringent pre-qualification procedure prior to engagement and projects under development are tracked for progress update and monitored for investment performance.

## (iii) Operational Risk

The Manager has established policies and procedures to manage the risks associated with the day-to-day operations as well as to ensure business continuity. This includes the monitoring and reporting of operational incidents and ensuring safety-related standards and procedures are put in place. These policies and procedures are reviewed and updated periodically to ensure relevance and effectiveness as well as compliance with the latest legislations and regulations.

In addition, the Manager has put in place Business Continuity Plan ("BCP") and Crisis Management Policy for any unforeseen events to allow for resumption of operations with minimal disruption and loss. Annual testing of the BCP is conducted to assess the readiness of relevant outsourced service providers and to ensure smooth continuation of the essential business operation as well as for all employees to familiarise with their roles and responsibilities in the event of BCP activation.

## Information Technology Risk

Cyber security threats have been increasing recently and are getting more sophisticated. The Manager has in place an Information Technology Risk Management Policy for managing risks associated with information technology ("IT") security. Penetration testing is conducted at least once a year to check for any potential security breaches. Training on IT security awareness is conducted periodically for employees to institute awareness on evolving IT-related threats. Annual disaster recovery plan exercise is also conducted to ensure timely recoverability of IT systems.

## Regulatory and Compliance Risk

As a Capital Markets Services Licence Holder, the Manager is required to comply with the relevant rules and regulations issued by the various authorities. Any such non-compliance may result in litigation, penalties, fines, negative publicity or revocation of Capital Markets Services Licence. The Manager maintains a framework that proactively identifies new and changes to applicable laws and regulatory obligations and ensures compliance in the day-to-day business processes through the establishment and update of relevant regulatory-related policies and procedures. Regulatory requirements on base capital and financial resources of the Manager are being monitored to ensure that the requirements are met on an ongoing basis. Results of Compliance Monitoring Programs, ongoing monitoring of overdue non-compliance instances uncovered by internal/external/regulatory inspections as well as any regulatory breaches are tabled to the ARCC on a regular basis to ensure continuous adherence to regulatory requirements.

## Fraud and Corruption Risk

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

## (iv) Financial Risk

The Manager monitors the financial market risk and capital structure actively as prudent capital management is the key for a sustainable business. The Manager also ensures that there is diversity in terms of source of funds, a well-staggered debt maturity profile, and a gearing ratio within its target range to mitigate any financial risk.

## Market Price Risk

The inability to meet the expectation of stakeholders may lead to adverse movements in the level or volatility of ESR-LOGOS REIT's market price. This could be due to rumours or adverse news of ESR-LOGOS REIT being presented to the stakeholders, or a lack of information. The Manager has put in place Policy on Market Disclosure and Investor Relations Corporate Communication Policy to ensure relevant stakeholders are actively engaged.

**Credit Risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to ESR-LOGOS REIT, as and when they fall due. The Manager has established credit limits for tenants and monitors their balances on an on-going basis. Credit evaluations are also performed by the Manager before lease agreements are entered into with the prospective tenants. In addition, tenants are required to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to ESR-LOGOS REIT prior to the commencement of the leases.

**Interest Rate Risk**

ESR-LOGOS REIT's exposure to interest rate risk relates primarily to its interest-bearing financial liabilities. Such risk is monitored on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of ensuring that the majority of its exposure to changes in interest rates on borrowings is on a fixed rate basis by entering into interest rate swaps and/or fixed rate borrowings.

**Currency Risk**

ESR-LOGOS REIT is exposed to currency risk arising from overseas investments. The Manager's strategy is to hedge the majority of financial market-related exposures, taking into consideration the availability and corresponding cost of the hedge instruments.

**Liquidity and Refinancing Risk**

The Manager monitors the liquidity risk of ESR-LOGOS REIT regularly and maintains adequate level of cash and cash equivalents and ensures there are available committed revolving credit facilities to finance ESR-LOGOS REIT's operations (including the servicing of financial obligations) for a reasonable period barring any unforeseen extreme circumstances that cannot be reasonably predicted, such as natural disasters. The Manager also ensures the REIT's gearing ratio is maintained at a prudent level and adhered to the ongoing requirements under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS"). The maturities of debt facilities are also spread out to mitigate re-financing risks in a single financial year. In addition, the Manager places cash balances and establishes debt facilities with more than one reputable bank to reduce bank concentration risks.

**(v) Performance and Reputation Risk**

The Manager continuously monitors and measures against peer benchmarks metrics such as NPI yield, management expense ratio and DPU to ensure that ESR-LOGOS REIT performs better than or at least on par with the market.

Reputational risk is the current or prospective risk to earnings and capital arising from adverse perception of ESR-LOGOS REIT's image by tenants, counterparties, Unitholders, investors and regulators. The Manager consistently monitors the media to identify any adverse news on ESR-LOGOS REIT that warrants any immediate actions by the Manager.

**(vi) People Risk**

People are the key to the business as loss of key management personnel and identified talents can cause disruptions to the Managers' business operations. Talent management including succession planning is in place for key management personnel and staff remuneration is reviewed periodically to ensure it remains competitive to retain and attract talents. The Manager also carries out periodic employee engagement survey to gather feedback on the general sentiments among the employees.

**(vii) Climate Change Risk**

Risk arising from failure to understand and manage climate change effects may potentially impact the value of the REIT's assets and result in sub-optimal investment decisions. Environmental risk due diligence is conducted as part of the investment considerations and ongoing climate change risk is monitored on a periodic basis. Appropriate policies and procedures are put in place by the Manager to manage the actual and potential impact of climate change risk on the asset valuation and reputation of the REIT.

**(viii) Equity and Concentration Risk**

The Manager regularly monitors the top 10 unitholders and percentage of units held by substantial unitholders of ESR-LOGOS REIT to ensure compliance with the ownership requirements under the SGX Listing Rules and that minority unitholders' interest are not being prejudiced due to the ownership concentration.



# RISK MANAGEMENT

## (ix) Legal Risk

ESR-LOGOS REIT and/or the Manager may suffer financial losses, reputation damage and regulatory sanctions as a result of legal suits against the REIT and/or the Manager (including staff and directors). Such legal risk could arise from a breach of contract with tenants or a breach of regulations. To manage legal risk, legal counsels are engaged to review material contracts prior to entry. Various policies and procedures are also established by the Managers to provide guidance in carrying day-to-day business activities while adhering to relevant rules and regulations.

## (B) Risk Management Application Compliance Matrix

Other risk management tools are used to manage risks besides the RAS and Key Risks & Control Matrix. The Manager maintains a register known as the Compliance Matrix to record major rules and regulations relevant to both ESR-LOGOS REIT and ELFM. The register is reviewed yearly or whenever the business environment changes substantially or whenever there are new or changes to relevant rules and regulations.

## Policies and Procedures

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

## Education and Training

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

## Whistleblowing

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

## (C) Risk Monitoring

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

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

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

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

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

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

**(D) Reporting**

Reports are provided to ARCC/Board/regulators on a regular basis to update on the Managers' risks and compliance management activities.

# CORPORATE GOVERNANCE

ESR-LOGOS REIT is a real estate investment trust, externally managed by the Manager with Perpetual (Asia) Limited, as the trustee of ESR-LOGOS REIT. The Manager also acts as the manager of ESR-LOGOS REIT's sub-trusts, Viva Trust (with Perpetual (Asia) Limited as the trustee of Viva Trust) as well as ALOG (with HSBC Institutional Trust Services (Singapore) Limited as the trustee of ALOG).

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

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

The Manager has general powers of management to manage ESR-LOGOS REIT's assets and liabilities for the benefit of ESR-LOGOS REIT Unitholders. The Manager's key roles and responsibilities include:

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

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

This report outlines the Manager's corporate governance practices and structures that were in place during the financial year ended 31 December 2022 ("FY2022"), with specific reference made to the Code of Corporate Governance 2018 which was last amended on 11 January 2023 (the "CG Code") and its related practice guidance. Where there are deviations from any of the principles and/or provisions of the CG Code, appropriate explanations have been provided in this report.

## Principles of the CG Code

### Board Matters

Principle 1	The Board's Conduct of Affairs
Principle 2	Board Composition and Guidance
Principle 3	Chairperson and Chief Executive Officer
Principle 4	Board Membership
Principle 5	Board Performance

### Remuneration Matters

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

### Accountability and Audit

Principle 9	Risk Management and Internal Controls
Principle 10	Audit Committee

### Unitholder Rights and Engagement

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

### Managing Stakeholders Relationships

Principle 13	Engagement with Stakeholders
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## BOARD MATTERS

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

#### Board and Board Committees Composition

As at the date of this report, the Board has 9 members and an alternate director. The composition of the Board and Board Committees are as follows:

Composition of Board		Composition of Board Committees C-Chairman; M-Member		
Name	Designation	ARCC <sup>(1)</sup>	NRC <sup>(2)</sup>	EXCO <sup>(3)</sup>
Ms. Stefanie Yuen Thio	Independent Non-Executive Chairperson	M	M	—
Mr. Nagaraj Sivaram	Independent Non-Executive Director	C	—	—
Dr. Leong Horn Kee	Independent Non-Executive Director	M	—	—
Mr. Ronald Lim	Independent Non-Executive Director	M	C	—
Dr. Julie Lo	Independent Non-Executive Director	M	—	—
Mr. Jeffrey Perlman (alternate: Mr. Philip Pearce)	Non-Executive Director	—	M	C
Mr. Wilson Ang	Non-Executive Director	—	—	—
Mr. Trent Iliffe	Non-Executive Director	—	—	M
Mr. Adrian Chui	Chief Executive Officer and Executive Director	—	—	M

(1) The Audit, Risk Management and Compliance Committee ("ARCC") comprises 5 members, all of whom are independent non-executive Directors.

(2) The Nominating and Remuneration Committee ("NRC") comprises 3 members and all members of the NRC are non-executive Directors.

(3) The Executive Committee ("EXCO") comprises 3 members.

#### Role of Board

The Board's primary responsibility is to lead and to supervise the management of the business and affairs of both the Manager and ESR-LOGOS REIT, to ensure that ESR-LOGOS REIT is managed in the best interests of all Unitholders. The Board seeks to align the interests of ESR-LOGOS REIT with that of Unitholders and to balance the interests of other stakeholders. The Board's principal functions include:

- ensuring the Manager discharges its duties to act in the best interests of all Unitholders and to give priority to the interests of the Unitholders over the interest of the Manager and its shareholders in the event of conflict between the interests of the Unitholders and those of the Manager or its shareholders;
- providing entrepreneurial leadership, reviewing and setting strategic directions and major corporate policies, ensuring that the necessary financial and human resources are in place for the Manager to meet its objectives and monitoring the organisational performance towards these objectives;
- establishing a framework of adequate and effective risk management systems, internal controls and financial reporting systems to safeguard Unitholders' interests and ESR-LOGOS REIT's assets;
- reviewing Manager's performance to enhance Unitholders' value;
- setting the Manager's values and standards of conduct and appropriate tone from the top in respect of the desired organisational culture and ensuring proper accountability within the Manager; and
- considering and evaluating sustainability issues (including environmental and social factors) and its impact on strategic direction, business plans and major corporate policies to ensure sustainability of the REIT business for the benefit of the Unitholders.

The Board has approved a set of delegations of authority which sets out financial approval limits for investments and divestments, bank borrowings, capital expenditure and cheque signatories. Certain transactions which are reserved for Board's approval include material acquisition, divestment and development proposals, fundraising activities, income distributions and other returns to Unitholders and operational matters exceeding the prescribed limits. Lower level of approval limits are also provided at various management level to facilitate operational efficiency.

## CORPORATE GOVERNANCE

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

To facilitate effective management, certain functions have been delegated to various board committees, each of which has its own written terms of reference and whose actions are reported to, and monitored by, the Board. These board committees are the ARCC, NRC and the EXCO (collectively, the “Board Committees”). Membership of the various Board Committee is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees.

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

The Board meets on a quarterly basis, and on such other occasions that necessitate its involvement to review ESR-LOGOS REIT’s business performance and deliberate on business strategy, including any acquisitions, disposals, fundraisings etc. Members of the Board also meet periodically without the presence of management team of the Manager (“Management”) to discuss and review Management’s performance. The Manager’s Constitution permits Board meetings to be held by way of telephone conference or by means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants. Where exigencies prevent a director attending a meeting in person, the director may provide his/her comments to the Board or relevant Board Committee prior to the meeting and the comments will be taken into consideration in the deliberation. The Board and Board Committees may also make decisions by way of resolutions in writing.

The Directors’ attendance for the meetings of the Board, the ARCC, the NRC and the general meetings of ESR-LOGOS REIT held in FY2022 is as follows.

	Board <sup>(1)</sup>	ARCC	NRC <sup>(2)</sup>	AGM <sup>(3)</sup>	Mar 2022 EGM <sup>(4)</sup>	Oct 2022 EGM <sup>(5)</sup>
Number of meetings held	7	5	1	1	1	1
<b>Name of Director</b>						
Ms. Stefanie Yuen Thio <sup>(6)</sup>	7	5	N.A. <sup>(6)</sup>	1	1	1
Mr. Nagaraj Sivaram <sup>(7)</sup>	3	2	N.A.	N.A.	N.A.	1
Dr. Leong Horn Kee	7	5	N.A.	1	1	1
Mr. Ronald Lim	7	5	1	1	1	1
Dr. Julie Lo <sup>(8)</sup>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Jeffrey Perlman <sup>(9)</sup>	3	4*	0	0	0	0 <sup>(15)</sup>
Mr. Philip Pearce <sup>(10)</sup> (as Alternate Director to Mr Jeffrey Perlman)	4	2	N.A.	N.A.	N.A.	0 <sup>(15)</sup>
Mr. Philip Pearce <sup>(10)</sup> (in his own capacity as former Non-Executive Director up till 3 June 2022)	4	3*	N.A.	1	1	N.A.
Mr. Wilson Ang	7	5*	N.A.	1	1	1
Mr. Trent Iliffe <sup>(11)</sup>	2	2*	N.A.	N.A.	N.A.	0 <sup>(15)</sup>
Mr. Adrian Chui	7	5*	1	1	1	1
Mr. Khor Un-Hun <sup>(12)</sup>	5	4	N.A.	1	1	N.A.
Mr. Ooi Eng Peng <sup>(13)</sup>	4	3	1	1	1	N.A.
Mr. Tong Jinquan <sup>(14)</sup>	0	N.A.	N.A.	0	0	N.A.

\* by invitation



## Notes:

- (1) Not including other meetings attended by directors with Management as well as Board papers circulated to the members for approval with no physical meetings held.
- (2) Not including occasions when NRC papers were circulated to the NRC members for approval with no physical meetings held. 4 papers were circulated to NRC without the conduct of physical meetings, throughout the year, to obtain NRC's approval.
- (3) Annual general meeting ("AGM") held on 29 April 2022.
- (4) Extraordinary general meeting ("EGM") held on 21 March 2022 in relation to the proposed merger with ARA LOGOS Logistics Trust.
- (5) EGM held on 12 October 2022 in relation to the proposed acquisition of 100% trust beneficiary interest in ESR Sakura Distribution Centre.
- (6) Ms. Stefanie Yuen Thio was appointed as a member of NRC on 1 July 2022.
- (7) Mr. Nagaraj Sivaram was appointed as Independent Non-Executive Director and member of ARCC on 3 June 2022. He was redesignated as Chairman of ARCC on 2 August 2022 following Mr. Khor's cessation as Independent Non-Executive Director.
- (8) Dr. Julie Lo was appointed as Independent Non-Executive Director and member of ARCC on 1 November 2022. Hence, she only started to attend Board and ARCC meetings held in 2023.
- (9) Mr. Jeffrey Perlman was appointed as the Chairman of EXCO on 1 July 2022.
- (10) Mr. Philip Pearce stepped down as Non-Executive Director and appointed as alternate director to Mr. Jeffrey Perlman on 3 June 2022.
- (11) Mr. Trent Iliffe was appointed as Non-Executive Director and member of EXCO on 1 July 2022.
- (12) Mr. Khor Un-Hun stepped down as Independent Non-Executive Director and Chairman of ARCC on 2 August 2022.
- (13) Mr. Ooi Eng Peng stepped down as Non-Executive Deputy Chairman, member of ARCC, member of NRC and Chairman of EXCO on 1 July 2022.
- (14) Though Mr. Tong Jinquan did not attend the meetings, he had provided his approvals (where relevant) to the relevant resolutions put up for these meetings. Mr. Tong Jinquan had stepped down as Non-Executive Director on 29 July 2022.
- (15) Mr. Jeffrey Perlman, Mr Philip Pearce and Mr. Trent Iliffe were not present in October 2022 EGM as they had abstained from voting on the resolution tabled at the meeting.

Both NRC and EXCO regularly reviewed and approved matters tabled via circulation, when necessary, in FY2022.

**Directors' Training and Orientation**

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

Where a director has no prior experience as a director of an issuer listed on the SGX-ST, the director has to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST and such training shall be completed within one year of the appointment.

All directors also completed the requisite training on sustainability matters as prescribed by the SGX-ST in 2022, apart from one director who has signed up to attend the Sustainability E-Training for Directors Programme in 2023.

To enable the Directors to properly discharge their duties and responsibilities as Board or Board Committee members, the Directors are provided with routine updates by the Management and/or professionals on developments and changes to relevant laws, regulations and accounting standards affecting ESR-LOGOS REIT and/or the Manager. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

## CORPORATE GOVERNANCE

### Access to Information, Management, and Professionals

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

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

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

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

The Board engages independent professional advice as and when necessary, with approval from the Chairperson of the Board, to enable it to discharge its responsibilities effectively. Individual Director can seek independent professional advice with the consent of the Chairperson of the Board or ARCC Chairman. For complex matters, the Board may from time to time appoint a subcommittee to assist the Board in its deliberations and to provide recommendations. In 2022, an ad-hoc Transaction Review Committee ("TRC"), a subcommittee of the Board, was set up to assist the Board in ensuring the process from pitching to closing of any open/close tender bids transaction relating to interested parties (i.e. Interested Party Transactions ("IPT")):

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

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

### Principle 2: Board Composition and Guidance

The Board presently consists of 9 members: 5 independent directors, 3 non-executive directors and 1 executive director. Non-executive directors make up a majority of the Board. The Chairperson of the Board is Ms. Stefanie Yuen Thio, who is an independent director. As such, no lead independent director is appointed.

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

The current Board is represented by members with a breadth of expertise in banking, finance, accounting, human resource, legal, real estate and fund management. The Board believes that the current board size, composition and balance between executive, non-executive and independent directors is appropriate and provides sufficient diversity without interfering with efficient and effective decision making. It allows for a balanced exchange of views, robust deliberations and debates among members and effective oversight over Management, ensuring no individual or small group dominates the Board’s decisions or its process. With the background of skills, experience and core competencies of its members, the Board is of the view that it has the appropriate diversity of talent, gender, expertise and experience, skills needed in the strategic direction and planning of the business of ESR-LOGOS REIT.

**Board Diversity**

The Board adopted a Board Diversity Policy as it believes that a diverse Board will enhance the decision-making of the Board by utilising a variety of skills, industry and

business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.

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

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

The following table outlines the Board diversity targets set by the NRC, with the endorsement by the Board, as well as the progress in FY2022 in achieving those targets:

Diversity Targets	Progress in FY2022	Target Met (Yes/No)
<p>Ensuring the Board comprises members who collectively possess core competencies and/or experience in the following areas:</p> <ul style="list-style-type: none"> <li>— Real estate</li> <li>— International expertise in the areas that the REIT operates</li> <li>— Fund Management</li> <li>— Legal, Regulatory and Governance</li> <li>— Accounting</li> <li>— Financial Management</li> <li>— Human Capital Management</li> <li>— Information Technology, Digital Transformation</li> <li>— Strategic Planning</li> <li>— Sustainability</li> </ul>	<p>The Board has achieved its short-term target of Board members collectively possessing at least 80% of the identified core competencies and/or experience.</p> <p>The NRC will continue to identify gaps in directors’ skills and strive to achieve the fulfilment of all the identified core competencies and/or experience in the next 3 to 5 years.</p>	<p>Yes</p>

## CORPORATE GOVERNANCE

Diversity Targets	Progress in FY2022	Target Met (Yes/No)
Ensuring at least 2 different ethnic groups are present within the Board	As at the date of this annual report, the Board currently consists of members from 3 different ethnic groups.	Yes
Ensuring a diverse age range within the Board members	As at the date of this annual report, the Board has directors with ages across 30s, 40s, 50s, 60s and 70s.	Yes
Ensuring a diverse board tenure within the Board members	As at the date of this annual report, the board tenure of the Board members is spread across the '0-3 years', '3-5 years' and '5-7 years' categories.	Yes
Ensuring gender diversity with at least 2 female representatives on the Board and the appointment of female director as chairperson of the Board or the NRC	Ms. Stefanie Yuen Thio is the Independent Non-Executive Chairperson of the Board.  With the appointment of Dr. Julie Lo in November 2022, the Board has met its gender diversity target where there are currently 2 female directors on the Board.	Yes
Ensuring at least 1 Board member has no listed company board and/or real estate funds management experience	Dr. Julie Lo and Mr. Trent Iliffe, who were both appointed in FY2022, do not have prior listed company board experience during their appointments.  In addition, Dr. Julie Lo whose area of expertise is in healthcare, has not worked in either a real estate or funds management industry.	Yes
Ensuring at least 50% of the Board is independent	As at the date of this annual report, more than 50% of the Board is independent.	Yes

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

### Board Independence

The NRC assesses annually (and as and when circumstances require) the independence of each director based on the definitions and guidelines of independence set out in the Listing Manual, CG Code and SF(LCB) Regulations. The results of the assessment are tabled to the Board for Board's consideration on the independence of the directors.

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

Name of Director	had been independent from the management of the Manager and ESR-LOGOS REIT during FY2022	had been independent from any business relationship with the Manager and ESR-LOGOS REIT during FY2022	had been independent from every substantial shareholder of the Manager and every substantial unitholder of ESR-LOGOS REIT during FY2022	had not been a substantial shareholder of the Manager or a substantial unitholder of ESR-LOGOS REIT during FY2022	had not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2022
Ms. Stefanie Yuen Thio	✓	✗ <sup>(1)</sup>	✗ <sup>(2)</sup>	✓	✓
Mr. Nagaraj Sivaram	✓	✓	✓	✓	✓
Dr. Leong Horn Kee	✓	✓	✓	✓	✓
Mr. Ronald Lim	✓	✓	✓	✓	✓
Dr. Julie Lo	✓	✓	✓	✓	✓
Mr. Jeffrey Perlman <sup>(3)</sup>	✗	✓	✗	✓	✓
Mr. Wilson Ang <sup>(4)</sup>	✓	✓	✗	✓	✓
Mr. Trent Iliffe <sup>(5)</sup>	✗	✓	✗	✓	✓
Mr. Adrian Chui <sup>(6)</sup>	✗	✓	✗	✓	✓

Notes:

- (1) Ms. Stefanie Yuen Thio is the joint managing partner and a minority shareholder of TSMP Law Corporation ("TSMP"). The Manager engaged TSMP to be the legal counsel to act for ESR-LOGOS REIT and the Manager for a transaction which spanned across 2021 to 2022. As TSMP was paid a total legal fees of S\$630,000 as legal counsel for both ESR-LOGOS REIT and the Manager for the transaction, Ms. Stefanie Yuen Thio is considered to have a business relationship with both ESR-LOGOS REIT and the Manager. In addition, Ms. Stefanie Yuen Thio is an independent non-executive director and the chairwoman of the audit and risk management committees of both ARA Business Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Management Trust ("ARA H-BT")) and ARA Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Property Trust ("ARA H-REIT")) (collectively, the "ARA H-Trust Managers"). Following the completion of ESR Group Limited's acquisition of ARA Asset Management Limited ("ARA") (the "Acquisition") on 20 January 2022, the ARA H-Trust Managers have become subsidiaries of ESR Group Limited and therefore are considered related corporations of the Manager. As such, the ARA H-Trust Managers are considered "relevant persons" under Regulation 13G of the SF(LCB) Regulations and Ms. Stefanie Yuen Thio would be considered to have a business relationship with the Manager if she receives payment from the ARA H-Trust Managers. Based on the latest publicly available information (per ARA US Hospitality Trust FY 2021 Annual Report), Ms. Stefanie Yuen Thio had received S\$90,000 in cash from the ARA H-Trust Managers as payment of her directors' fees for the financial year ended 31 December 2021. Ms. Stefanie Yuen Thio remains a director of ARA H-Trust Managers and continues to receive directors' fees from the ARA H-Trust Managers after the completion of the Acquisition, and she would thereby be considered to have a business relationship with the Manager.
- (2) ESR Group Limited is a substantial shareholder of the Manager and a substantial unitholder of ESR-LOGOS REIT, and hence it is considered a "relevant person" for the purpose of Regulation 13(H)(1) of the SF(LCB) Regulations. Following the Acquisition, the ARA H-Trust Managers have become subsidiaries of ESR Group Limited and therefore Ms. Stefanie Yuen Thio would be deemed to be connected to ESR Group Limited as she is a director of a related corporation of ESR Group Limited.
- (3) Mr. Jeffrey Perlman is the Chairman of ESR Group Limited and also serves on the Board of Directors for ESR Group Limited. ESR Group Limited is a controlling shareholder of the Manager and owns 100% of the issued share capital of e-Shang Jupiter Cayman Limited, which in turn owns the entire issued share capital of e-Shang Infinity Cayman Limited. e-Shang Infinity Cayman Limited is a substantial unitholder of ESR-LOGOS REIT. In addition, ESR Group Limited is a controlling shareholder of LOGOS Property Group Limited, which is also a controlling shareholder of the Manager. LOGOS Property Group Limited is a substantial unitholder of ESR-LOGOS REIT. As such, Mr. Jeffrey Perlman is deemed not to be independent.
- (4) Mr. Wilson Ang is a director and shareholder of Maxi Capital Pte Ltd, which is a subsidiary of Shanghai Summit Pte. Ltd., a company wholly-owned by a substantial unitholder of ESR-LOGOS REIT, Mr. Tong Jinqun. As such, Mr. Wilson Ang is deemed not to be independent.
- (5) Mr. Trent Iliffe is the managing director and co-chief executive officer of LOGOS Property Group Limited, a subsidiary of ESR Group Limited. He is also one of the members in the ESR Group Limited's Management Business Leadership Team. LOGOS Property Group Limited is a controlling shareholder of the Manager and is also a substantial unitholder of ESR-LOGOS REIT. As such, Mr. Trent Iliffe is deemed not to be independent.
- (6) As CEO and Executive Director of the Manager, Mr. Adrian Chui is considered employed by the Manager and deemed not to be independent.



## CORPORATE GOVERNANCE

All Independent Directors are subject to an annual independence assessment, conducted by the NRC. These Directors are required to fill up self-declaration forms whereby the NRC will review each Director's self-declaration and assess whether any disclosed or undisclosed relationship or factor may influence the Director's ability to act independently. Each member of the NRC and Board recused himself/herself when his/her independence is tabled for assessment. With respect to FY2022, the NRC has tabled the result of the assessment and made recommendation to the Board on the independence of each independent Director. Based on the results, save for Ms. Stefanie Yuen Thio who would not be considered independent under Regulations 13D(7)(b)(ii) and 13D(7)(b)(iii) of the SF(LCB) Regulations, the following independent directors have fulfilled the assessment of independence:

- Mr. Nagaraj Sivaram
- Dr. Leong Horn Kee
- Mr. Ronald Lim
- Dr. Julie Lo

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

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

- (b) Given that the investment mandates of ESR-LOGOS REIT and ARA H-BT and ARA H-REIT (collectively, the "ARA H-Trust") do not overlap, there is little risk of a conflict of interest that would compromise Ms. Stefanie Yuen Thio's ability to act in the best interests of the Unitholders of ESR-LOGOS REIT. In addition, Ms. Stefanie Yuen Thio does not sit on the Board of ESR Group Limited or ARA H-Trust's sponsor, ARA Real Estate Investors 23 Pte. Ltd, an indirect wholly-owned subsidiary of ARA Asset Management Limited.
- (c) TSMP's legal services to ESR-LOGOS REIT and the Manager were provided in the ordinary course of business, on arm's length basis and based on normal commercial terms. The legal fees which TSMP received from ESR-LOGOS REIT and the Manager were insubstantial in relation to TSMP's overall revenue, and Ms. Stefanie Yuen Thio did not personally represent ESR-LOGOS REIT and the Manager in the transaction and had abstained in ESR-LOGOS REIT's selection and appointment of TSMP as legal counsel for the transaction.

Based on the above and pursuant to Regulation 13D(8) of the SF(LCB) Regulations, the Board and the NRC are of the view that Ms. Stefanie Yuen Thio is independent.

For the purposes of Regulation 13E(b)(ii) of the SF(LCB) Regulations, the Board is satisfied that, as at the last day of FY2022, Ms. Stefanie Yuen Thio, Mr. Jeffrey Perlman, Mr. Wilson Ang, Mr. Trent Iliffe and Mr. Adrian Chui, were able to act in the best interests of all the Unitholders of ESR-LOGOS REIT that was managed by the Manager.

### Principle 3: Chairperson and Chief Executive Officer

The positions of the Chairperson and the CEO of the Manager are held by separate individuals to ensure a clear division of responsibilities. The Independent Non-Executive Chairperson is Ms. Stefanie Yuen Thio, whereas the CEO is Mr. Adrian Chui. The Chairperson and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. As such, no lead independent director is appointed.

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

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

#### **Principle 4: Board Membership Nominating and Remuneration Committee**

The NRC comprises 3 Non-Executive directors. They are:

1. Mr. Ronald Lim (Chairman)
2. Ms. Stefanie Yuen Thio (Member)
3. Mr. Jeffrey Perlman (Member)

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

- reviewing of structure, size and composition of the Board and Board Committees;
- reviewing and recommending candidates for the appointment or re-appointment of directors (including alternate directors) to the Board and Board Committees;
- overseeing the appointment of CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Manager (collectively, the key management personnel "KMP");
- overseeing the development and maintenance of succession plans for the directors and KMP;
- reviewing and recommending a general framework of remuneration for the directors and KMP, which covers all aspects of remuneration, including fees, salaries, allowances, bonuses, option plans and benefits-in-kind; and
- reviewing and recommending to the Board the specific remuneration packages for the directors and KMP.

#### **Selection and Appointment of Directors**

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

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

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

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

Mr. Philip Pearce stepped down as Non-Executive Director and was appointed as alternate director to Mr. Jeffrey Perlman on 3 June 2022. As an Alternate Director, Mr. Philip Pearce bears all the duties and responsibilities as a Director. All rules and procedures that apply to Directors would similarly apply to Mr. Philip Pearce as an Alternate Director. Mr. Philip Pearce is fully apprised of all Board matters, receives notices to attend Board meetings and Board papers, as well as Board resolutions by circulation. In the absence of the principal Director, Mr. Jeffrey Perlman, Mr. Philip Pearce is competent to contribute to the Board on behalf of the principal Director and to discharge the duties as a Director, including but not limited to attending board meetings on behalf of Mr. Jeffrey Perlman, where necessary.

#### **Review of Directors' Time Commitments**

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

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

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

### Key Information Regarding Directors

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

### Principle 5: Board Performance

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

The evaluation results are consolidated (with no specific Directors' contribution mentioned) and presented to the Board for review by both the Chairperson of the Board and Chairman of NRC. Action plans will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board and the ARCC.

For FY2022, the outcome of the evaluation was satisfactory. No external facilitator was engaged in the evaluation process.

### REMUNERATION MATTERS

#### Principle 6: Procedures for Developing Remuneration Policies

The NRC has instituted a formal and transparent procedure in developing remuneration policies and framework relating to Directors and KMP of the Manager. Guided by the remuneration framework, the NRC will review on a periodic basis (or as and when there is a significant change to the structure of the Manager):

- the directors' fees and allowances provided to the Independent Directors; and
- remuneration components of the KMP.

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

An independent remuneration consultant, Aon, was engaged by the NRC to develop a compensation framework ("Total Compensation Framework") for the Manager. The remuneration consultant has no relationship with ESR-LOGOS REIT or the Manager (including its controlling shareholder or related entities).

#### Principle 7: Level and Mix of Remuneration Remuneration for Non-Executive Directors

The Manager has adopted a policy that no directors' fees shall be paid to the CEO or any Non-Independent Non-Executive Directors who are representatives of the Manager's shareholders. All Directors are appointed for a period of 3 years and are subject to extension for a further 3 years at the discretion of the Board and the shareholders of the Manager. Accordingly, Directors' fees are established once every 3 years.

Independent Non-Executive Directors are paid a fixed basic fee based on the level of responsibilities at the Board level, and where applicable, additional responsibilities given in other committee set up by the Board. The Chairperson of the Board, ARCC and NRC are paid higher fees compared with members of the Board, ARCC and NRC in view of greater responsibilities carried by those appointments.

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

The NRC seeks to ensure that the level and mix of remuneration for the Manager remain competitive, aligned with Unitholders' interests and promote ESR-LOGOS REIT's long-term success. The NRC also ensures that the remuneration of the CEO shall not be linked to the gross revenue of ESR-LOGOS REIT or the Manager.

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

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

The framework aims to reward KMP to work towards achieving the strategic goals of ESR-LOGOS REIT as approved by the Board. It promotes a culture of meritocracy and right long-term behaviour in the way the Manager conducts its business by providing clear targets for KMP to motivate performance and efficiency. This allows the Manager to retain outstanding performers and attract good candidates to execute ESR-LOGOS REIT's strategic priorities and business plans.

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

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

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

The purpose of the LTI is to reward KMP for achieving the Manager's strategic objectives that maximise Unitholders' value. The LTI payout is conditional upon the achievement of pre-determined performance targets measured over a 3-year period. The award of the LTI will lapse if performance is not met at the end of the performance period.

For FY2022, the Manager carried out a formal annual performance review process to reinforce strengths as well as identify improvements and development plans for KMP. Based on the performance review, the NRC and the Board are of the opinion that most of the performance conditions used to determine the remuneration of KMP were met. The NRC and the Board are of the view that the remuneration is aligned to FY2022 performance and that the Total Compensation Framework is aligned with the long-term interests and risk management policies of ESR-LOGOS REIT and the Manager. There were no ESR-LOGOS REIT units issued to employees of the Manager in FY2022. To date, the Manager has not implemented any unit-linked incentive plan as part of its remuneration package.

### Principle 8: Disclosure on Remuneration

The remuneration of Directors and all employees of the Manager is paid by the Manager and not by ESR-LOGOS REIT. All directors' fees as well as fixed pay, variable incentives and allowances to KMP are paid wholly in cash.

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The table below sets out the fees paid to the Directors in FY2022:

Board Members	Membership	Directors' Fees Paid in FY2022	Other Fees Paid in FY2022
Ms. Stefanie Yuen Thio <sup>(1)</sup>	Independent Non-Executive Chairperson	S\$158,000	N.A.
Mr. Nagaraj Sivaram <sup>(2)</sup>	Independent Non-Executive Director	S\$56,167	N.A.
Dr. Leong Horn Kee	Independent Non-Executive Director	S\$90,000	N.A.
Mr. Ronald Lim	Independent Non-Executive Director	S\$105,000	N.A.
Dr. Julie Lo <sup>(3)</sup>	Independent Non-Executive Director	S\$15,000	N.A.
Mr. Jeffrey Perlman <sup>(4)</sup>	Non-Executive Director	N.A.	N.A.
Mr. Philip Pearce <sup>(5)</sup>	Alternate Director/Formal Non-Executive Director	N.A.	N.A.
Mr. Wilson Ang <sup>(6)</sup>	Non-Executive Director	S\$75,000	N.A.
Mr. Trent Iliffe <sup>(7)</sup>	Non-Executive Director	N.A.	N.A.
Mr. Adrian Chui	CEO and Executive Director	N.A.	N.A.
Mr. Khor Un-Hun <sup>(8)</sup>	Former Independent Non-Executive Director	S\$58,602	N.A.
Mr. Ooi Eng Peng <sup>(9)</sup>	Former Non-Executive Deputy Chairman	S\$63,960	N.A.
Mr. Tong Jinquan <sup>(10)</sup>	Former Non-Executive Director	N.A.	N.A.

Notes:

- (1) Appointed as a member of NRC on 1 July 2022.
- (2) Appointed as Independent Non-Executive Director and member of ARCC on 3 June 2022, and redesignated as Chairman of ARCC on 2 August 2022.
- (3) Appointed as Independent Non-Executive Director and member of ARCC on 1 November 2022.
- (4) Appointed as the Chairman of EXCO on 1 July 2022.
- (5) Stepped down as Non-Executive Director and appointed as alternate director to Mr. Jeffrey Perlman on 3 June 2022.
- (6) Resigned as Senior Adviser on 31 October 2019. Mr. Wilson Ang was paid a fixed consultant fee on a monthly basis when he was a Senior Adviser of the Manager. Under ELM's policy, no director's fee is payable to Non-Independent Non-Executive Directors. Due to the merger with Viva Trust, Mr. Wilson Ang could only be deemed as a Non-Executive Director of the Manager even though he is not a representative of any of the shareholders of the Manager. In appreciation of Mr. Wilson Ang continuing to serve as a Board member to contribute his expertise and experience in managing the REIT, the Board approved to pay Mr. Wilson Ang a remuneration that is equivalent to an Independent Non-Executive Director's fee with effect from November 2019.
- (7) Appointed as Non-Executive Director and member of EXCO on 1 July 2022.
- (8) Stepped down as Independent Non-Executive Director and Chairman of ARCC on 2 August 2022.
- (9) Stepped down as Non-Executive Deputy Chairman, member of ARCC, member of NRC and Chairman of EXCO on 1 July 2022.
- (10) Stepped down as Non-Executive Director on 29 July 2022.



The table below sets out the remuneration<sup>(1)</sup> paid to the KMP (including CEO and Deputy CEO) in FY2022. The total remuneration for the KMP in FY2022 was S\$3,167,647<sup>(2)</sup>.

Remuneration of CEO	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives + Statutory Contribution (%)	Long-term Incentives (%)	Total (%)
Between S\$750,000 and S\$1,000,000				
Mr. Adrian Chui	77.5	22.5	0.0	100.0

Remuneration of other KMP	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives + Statutory Contribution (%)	Long-term Incentives (%)	Total (%)
Ms. Karen Lee	69.0	31.0	0.0	100.0
Mr. Don Kok	74.4	25.6	0.0	100.0
Mr. Carlvin Chia	65.1	34.9	0.0	100.0
Mr. Leong Sai Keong	74.0	26.0	0.0	100.0
Ms. Nancy Tan	77.9	22.1	0.0	100.0
Ms. Charlene-Jayne Chang	67.7	32.3	0.0	100.0

Notes:

(1) The amount disclosed includes base salary, allowances, employer's CPF contribution and bonus declared for FY2022.

(2) The remuneration reported for Ms. Karen Lee and Mr. Carlvin Chia is for the period from 5 May 2022 to 31 December 2022.

The Board reviews, on an annual basis, the relationships between employees, shareholders and Directors of the Manager to ensure that there is no conflict of interest. There were no employees of the Manager who were (i) substantial shareholders of the Manager or substantial Unitholders of ESR-LOGOS REIT, or (ii) immediate family members of a director or the CEO or a substantial shareholder of the Manager, or a substantial Unitholder of ESR-LOGOS REIT, and whose remuneration exceeded S\$100,000 during FY2022.

During FY2022, there was no termination, retirement or post-employment benefits granted to the Directors, the CEO and KMP. In addition, none of the directors of the Manager has entered into any service contract directly with ESR-LOGOS REIT.

The Board is cognisant of the requirements stated within the CG Code, its related practice guidance and the "Notice to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" to disclose the exact remuneration amount of each individual Director and the CEO on a named basis and the remuneration of at

least the top five KMP (who are neither Directors nor the CEO) in bands of S\$250,000. In the event of non-disclosure of the aforementioned, the Manager is required to provide reasons for such non-disclosure.

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

- (i) the remuneration of all the Manager's personnel is paid by the Manager out of the fees that it receives (of which the quantum and basis have been disclosed within the Financial Statements), rather than by ESR-LOGOS REIT. Remuneration of the Directors and the KMP of the Manager (including the CEO) is paid wholly in cash;
- (ii) the remuneration of all the Manager's personnel is not linked to the Manager's profitability;

## CORPORATE GOVERNANCE

- (iii) in view of the sensitivity and confidential nature of remuneration matters and the intense competition for talents in the industry, it is not in the best interest of ESR-LOGOS REIT and the Unitholders to disclose the remuneration of the CEO in exact quantum or other KMP in bands of S\$250,000. It is important for the Manager to retain talent for the long-term interests of ESR-LOGOS REIT and the Unitholders, and ensure stability and continuity of business operations with a competent and experienced management team in place; and
- (iv) the non-disclosure of the exact quantum of CEO's remuneration as well as the remuneration of other KMP in bands of S\$250,000 does not compromise the ability of the Manager to meet with requirement of having good corporate governance as the NRC, being an independent committee, reviews the remuneration package of the KMP based on their roles and responsibilities to ensure that the KMP are fairly remunerated.

The Manager is of the view that despite this partial deviation from Provision 8.1 of the CG Code, the above disclosures are consistent with the intent of Principle 8 of the CG Code and would provide sufficient information and transparency to the Unitholders on the Manager's remuneration policies, the level and mix of remuneration accorded to the KMP, and enable the Unitholders to understand the relationship between the REIT's performance, value creation and the remuneration of the KMP.

The Board also noted that the Manager will be required under Rule 1207(10D) of the Listing Manual to disclose the names, exact amounts and breakdown of remuneration paid to each individual director and the CEO in the annual report for the financial years ending 31 December 2024 onwards. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. The Manager noted the aforementioned SGX's requirements and timeline for compliance and is in the process of reviewing the regulatory requirements.

### ACCOUNTABILITY AND AUDIT

#### Principle 9: Risk Management and Internal Controls

The Board is responsible for the overall risk governance and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls systems. The ARCC supports the Board by providing dedicated oversight of risk management at the Board level, including the setting up of a robust internal control system, and establishing enterprise-wide risk management policies, processes and Risk Appetite Limits to ensure proactive management of key risks (including risks relating to strategic, portfolio, financial, performance and reputation, people, climate change, equity and concentration) to safeguard Unitholders' interests and ESR-LOGOS REIT's assets.

#### Risk Management Framework and Internal Control System

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

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

More information on the ERM framework can be found in the "Risk Management" section on pages 132 to 137 of the Annual Report.

### Material Risk Assessment and Management

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

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

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

### Board's Comment on Risk Management and Internal Controls

The Board has received confirmation from the CEO and CFO of the Manager that, as at 31 December 2022, they were not aware of any events that have arisen which would have a material effect on the financial results of the Group, except as disclosed in the financial statements, and nothing has come to their attention which may render the financial results false or misleading. In addition, they have provided assurances to the Board that the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of ESR-LOGOS REIT's operations and finances.

The Board and ARCC have also received confirmation from the CEO, Deputy CEO, CFO, Head of Investment, Head of Capital Markets & Investor Relations, Co-Heads of Asset Management, Head of Human Resources and Corporate Services as well as the Head of Compliance & Risk Management, that to the best of their knowledge and belief, the internal controls (including financial, operational, compliance, environmental and IT controls) and risk management system were adequate and effective to address the risks that were relevant and material to ESR-LOGOS REIT's operations.

The bases of confirmation are as follows:

- both internal and external auditors have confirmed that based on their audits conducted, there were no issues to warrant any significant concerns in the risk management and internal control systems of ELFM;
- Compliance Department of the Manager has confirmed the following:
  - based on internal quarterly compliance monitoring reviews conducted, there were no issues to warrant any significant concerns in the areas covered in the compliance monitoring program;
  - there were no issues to warrant significant concerns on the continuous fit and properness of Directors and appointed representatives based on the annual due diligence conducted on them;
  - Key Risk and Control Matrix for each of ESR-LOGOS REIT, ELFM and ESR-LOGOS Property Management (S) Pte Ltd was reviewed and updated on a quarterly basis by the Heads of Departments and IT Manager, to ensure relevance and controls are continuously in place for each risk;
  - quarterly and annual attestations on the risk monitoring tools, quarterly attestations from employees, appointed representatives, Management and Directors in terms of compliance with relevant regulatory requirements;
  - sufficient training hours were attended by all employees;
  - policies and procedures are in place to reduce operational risks and serve as guidance in day-to-day work processes;

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- quarterly letter of representation in connection with the unaudited financial statements announcement were provided by CEO and CFO confirming that nothing has come to their attention which may render the result announcements to be false or misleading in any material respect;
- there have been no communications from the relevant regulatory bodies concerning material non-compliance with or deficiencies in the internal controls of ESR-LOGOS REIT and the Manager; and
- there has been no fraud or suspected fraud affecting the Group involving the Management and employees who have significant roles in internal controls.

Based on the above, pursuant to Rule 1207(10) of the Listing Manual, the Board with the concurrence of the ARCC, is of the opinion that the Manager's risk management systems and internal controls (including financial, operational, compliance, environmental and IT controls) were adequate and effective as at 31 December 2022 to address financial, operational, compliance, environmental and IT risks, which the Manager considers relevant and material to ESR-LOGOS REIT's operations. For FY2022, no material weaknesses in the risk management and internal control systems were identified by the ARCC and the Board.

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

### Principle 10: Audit Committee

The ARCC comprises 5 independent non-executive Directors. They are:

1. Mr. Nagaraj Sivaram (Chairman)
2. Ms. Stefanie Yuen Thio (Member)
3. Mr. Ronald Lim (Member)
4. Dr. Leong Horn Kee (Member)
5. Dr. Julie Lo (Member)

The ARCC members bring with them invaluable experience and professional expertise in the banking, accounting, legal, financial management and real estate areas. Mr. Nagaraj Sivaram is a qualified chartered accountant with many years of experience in audit and assurance. Ms. Stefanie Yuen Thio is an Advocate and Solicitor of The Supreme Court of Singapore and her areas of expertise include mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Mr. Ronald Lim has extensive experience in the banking and finance industry and Dr. Leong Horn Kee has vast experience in property development and management, including industrial properties. Dr. Julie Lo is a General Counsel of a public healthcare group in Singapore.

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

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

### Role of ARCC

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

- reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements of ESR-LOGOS REIT and any announcements relating to ESR-LOGOS REIT's financial performance;
- reviewing, monitoring and reporting to the Board, on an annual basis, the effectiveness and adequacy of the internal controls (including financial, operational, compliance, environmental and IT controls) and risk management system;

- reviewing the assurance provided by the CEO and CFO that the financial records have been properly maintained, and the financial statements give a true and fair view of ESR-LOGOS REIT’s operations and finances;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;
- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- recommending to the Board the appointment, reappointment and removal of the external auditors and its remuneration and terms of engagement;
- ensuring compliance with legal, regulatory and internal policies;
- overseeing the establishment and operation of the whistleblowing process;
- ensuring the framework and controls governing interested person transactions and related party transactions adequately protect the interests of ESR-LOGOS REIT and its minority Unitholders; and
- reviewing and approving all interested person transactions to ensure compliance with internal framework, provisions of the Listing Manual and the Property Funds Appendix.

**Reviews conducted by the ARCC**

During FY2022, the ARCC reviewed the interim and annual financial results for recommendation to the Board for approval. The ARCC’s oversight of financial reporting includes the review of changes in Financial Reporting Standards and discussions with Management and the external auditors on the impact of current and impending changes on financial reporting by the Group.

In the review of the financial statements for FY2022, the ARCC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARCC also reviewed, among other matters, the following key audit matters identified by the external auditors for FY2022:

Key Audit Matters	How this issue was addressed by ARCC
Valuation of investment properties held directly or through joint venture and investments at fair value through profit or loss	<p>The ARCC considered the approach and methodology applied by independent valuers in arriving at the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss.</p> <p>The ARCC reviewed the reasonableness of key assumptions used in deriving the valuations (including market rental growth, price per square metre, terminal yield, capitalisation and discount rates) by comparing them against current and historical rates and available industry data, taking into consideration comparability and market factors. Where the assumptions were outside the expected range, the ARCC also sought confirmation from both the Management and External Auditors to understand the effects of additional factors taken into account in the valuations and assessed whether the assumptions and market data used were reasonable in the context of the current environment.</p> <p>The ARCC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss.</p>
Accounting for the acquisition of ALOG	<p>The ARCC considered Management’s judgement that the merger with ALOG (the “Merger”) on 22 April 2022 was an acquisition of assets, as opposed to a business combination.</p> <p>The ARCC held discussions with Management to understand the transaction steps taken and the key terms in the transaction agreements to determine the appropriateness of Management’s assessment that there were no integrated set of activities being acquired as part of the Merger. Integrated set of activities includes significant processes such as strategic management and operational processes.</p> <p>The ARCC was satisfied with the accounting of the Merger as an acquisition of assets.</p>

Following the review and discussion, the ARCC recommended to the Board to approve the FY2022 financial statements.



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### External Audit

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

Throughout the year in review, the ARCC, together with the Management, reviewed the quality of work done, the performance as well as the independence of the external auditors. The aggregate amount of fees paid/payable to the external auditors for FY2022 was S\$868,000, of which audit and non-audit fees amounted to S\$597,000 and S\$271,000<sup>1</sup> respectively. The ARCC has undertaken a review of all non-audit services provided by the external auditors and is satisfied that the independence and objectivity of the external auditors have not been impaired by the provision of those services.

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

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

### Internal Audit

Given the Manager’s size and scale of operations, the internal audit function is outsourced to PricewaterhouseCoopers LLP (“PwC”) that reports directly to the ARCC Chairman and administratively to the Management. The ARCC approves the appointment, removal, evaluation as well as the compensation of the internal auditor. The ARCC also reviews and approves the annual internal audit plan, the results of internal audit visits and Management’s actions in resolving any audit issues reported.

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

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

### Whistleblowing Policy

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

The Manager has established a Policy on Whistleblowing which has been communicated to all employees and details of the policy are available on its website. Employees of the Manager and any external parties may raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters to the ARCC Chairman, without fear of reprisals by submitting a whistleblowing report using the prescribed form found on ESR-LOGOS REIT’s website at [www.esr-logosreit.com.sg/whistleblowing.html](http://www.esr-logosreit.com.sg/whistleblowing.html).

The ARCC has the responsibility of overseeing this policy to ensure it is properly administered. Valid reports made in good faith will be investigated independently and appropriate follow-up action will be taken upon direction by the ARCC Chairman. All information and reports are received confidentially to protect the identity and the interest of all whistleblowers.

<sup>1</sup> The non-audit fee reported is in relation to services rendered by EY to the enlarged REIT after the Merger. Contracted fee that was earned by EY for services rendered to ARA LOGOS Logistics Trust prior to the Merger amounted to S\$278,000.

## UNITHOLDER RIGHTS AND ENGAGEMENT & MANAGING STAKEHOLDER RELATIONSHIPS

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

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

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

#### General Meetings

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

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

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

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

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

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

## CORPORATE GOVERNANCE

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

The AGM for FY2021 was conducted via hybrid means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Temporary Measures Order") and the checklist jointly issued by ACRA, MAS and SGX RegCo, which gave guidance to listed and non-listed entities on the conduct of general meetings in the midst of the COVID-19 pandemic.

The Manager noted that the COVID-19 Temporary Measures Order will be revoked from 1 July 2023 and all issuers listed on the SGX-ST will have to conduct their general meeting via physical mode from the date of revocation. In addition, Singapore has stepped down the Disease Outbreak Response System Condition (DORSCON) level from Yellow to Green from 13 February 2023, and most of the related safe management measures implemented by the relevant regulatory authorities have been lifted. As such, the Manager will be holding the forthcoming AGM in a wholly physical format where Unitholders will be able to raise questions and vote in person at the AGM. There will be no option for Unitholders to participate virtually. However, the Unitholders will still be accorded the opportunity to ask questions prior to the AGM and during the AGM. Arrangements relating to the submission of questions to the Chairman of the meeting in advance of, or at the AGM, and voting at the AGM by Unitholders or their duly appointed proxy(ies), are set out in the notice of AGM dated 4 April 2023.

### Distribution Policy

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

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

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

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

### Investor Relations

The Manager has in place a dedicated investor relations team to facilitate effective communications with Unitholders, investors, the investment community, analysts and the media. The Manager actively engages with Unitholders and other stakeholders with a view to solicit and understand their views, and has established an Investor Relations and Corporate Communication Policy to promote regular, effective and fair communications with Unitholders and other stakeholders.

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

More information on how the Manager communicates with the Unitholders and other stakeholders are set out on pages 42 to 46 of the Annual Report, under "Investor Engagement".

## DEALINGS IN SECURITIES

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

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

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

The above restrictions in dealing in ESR-LOGOS REIT units also apply to the Property Manager.

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

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

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

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

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

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

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

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

## CORPORATE GOVERNANCE

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

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

### DEALINGS WITH POTENTIAL CONFLICTS OF INTEREST

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

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



- In 2022, an ad-hoc Transaction Review Committee (“TRC”), a subcommittee of the Board, was set up to assist the Board in ensuring the process from pitching to closing of any open/close tender bids transaction relating to IPT has been conducted fairly, properly and has demonstrated a higher standard of good corporate governance process and with due care exercised as compared to transactions with no bidding process.

For details on TRC, please refer to page 142 of the Annual Report.

The TRC is not expected to be a standing committee but rather on an “ad-hoc” basis depending on the type of IPT being contemplated and/or as directed by the Board. For “Business-As-Usual” (“BAU”) type of IPT (e.g., individual asset or portfolio acquisitions), TRC may not be activated as typical IPT governance processes would have been covered under the ARCC.

#### **DISCLOSURES ON FEES PAYABLE TO THE MANAGER**

Pursuant to the CIS Code, where fees are payable to the Manager out of the deposited property of ESR-LOGOS REIT, the methodology and rationale for each type of fee payable should be disclosed. Details on the methodology is disclosed in Note 1 of the audited financial statements for FY2022. The various fees earned by the Manager are elaborated below:

##### **Management Fees**

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

##### **(a) Base Fee**

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The fee is computed at 0.5% per annum of the deposited property value in accordance with Clause 15.1.1 of the Trust Deed, subject to there being no double counting of fees where a related party of the Manager has charged an asset management fee to a subsidiary of the Trust. The fee is calculated at a percentage of asset value as the asset value provides an appropriate metric to determine the resources for managing the assets.

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

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

##### **(b) Performance Fee**

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

The performance fee under the DPU Growth Model is computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year. The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by ESR-LOGOS REIT in the previous years for which a performance fee was payable (“Highest DPU Threshold”). Whenever a performance fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a performance fee in future, the Manager would have to outperform the adjusted Highest DPU Threshold.

## CORPORATE GOVERNANCE

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

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

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

### Acquisition Fee and Divestment Fee

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

The Manager is entitled to receive an acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:

- (i) the purchase price, excluding GST, of any real estate acquired, whether directly by ESR-LOGOS REIT or indirectly through a special purpose vehicle;

- (ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate) where ESR-LOGOS REIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate, provided that:

- ESR-LOGOS REIT shall hold or invest in at least 50% of the equity of such entity; or
- if ESR-LOGOS REIT holds or invests in 30% or more but less than 50% of the equity of such entity, ESR-LOGOS REIT shall have management control of the underlying real estate and/or such entity;

- (iii) the value of any shareholder's loan extended by ESR-LOGOS REIT to the entity referred to in paragraph (ii) above, provided that the provision in paragraph (ii) is complied with; and
- (iv) the value of any investment by ESR-LOGOS REIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, (where such investment does not fall within the ambit of paragraph (ii)) made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

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

A divestment fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:

- (i) the sale price, excluding GST, of any investment of the type referred to in paragraph (i) above for the acquisition fee;
- (ii) in relation to an investment of the type referred to in paragraph (ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate);

- (iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (iii) above for the acquisition fee; and
- (iv) the value of an investment referred to in paragraph (iv) above for the acquisition fee.

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

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

#### **Development Management Fee**

The Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT, subject to fulfilling a pre-determined list of conditions as prescribed in Clause 15.7 of the Trust Deed. The development management fee is payable to the Manager to incentivise the Manager to undertake development projects, including but not limited to asset enhancement initiatives, build-to-suit and redevelopment projects, on behalf of ESR-LOGOS REIT to enhance its property portfolio, and to compensate the Manager for its time, costs and effort expended in managing development projects. By undertaking development projects on behalf of ESR-LOGOS REIT, it can improve the yield of ESR-LOGOS REIT's property portfolio, increase its distributable income and enhance its long-term value.

Where real estate or real estate related assets are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the Manager. Instead, the Manager will receive the development management fee for the development project.

The development management fee shall be payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs have been finalised.

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

# 2022 SUSTAINABILITY REPORT

## WELCOME TO ESR-LOGOS REIT'S SUSTAINABILITY REPORT 2022

In this report, we provide an overview of our environmental, social and governance ("ESG") ambitions and performance, disclosed in alignment with the SGX-ST Listing Rules, Practice Note 7.6 Sustainability Reporting Guide and prepared in accordance with the Global Reporting Initiative 2021 Standards ("GRI Standards"). The GRI Standards have been selected because it is internationally recognised and is the most widely used sustainability reporting framework, applicable to ESR-LOGOS REIT's industry and stakeholder groups.

This report covers ESR-LOGOS REIT's investment and operation of our properties and development projects for the financial year of 1 January to 31 December 2022 (FY2022). For the Environmental section, the data relates to the common areas of occupied properties to which ESR-LOGOS REIT has direct operational control and excludes tenant data and properties that were divested or acquired in the year<sup>1</sup>. Please refer to pages 106 to 131 of the Annual Report for the full list of ESR-LOGOS REIT's properties.

The Manager has not sought external assurance for this reporting period and may consider having the report verified by an independent third party in future.

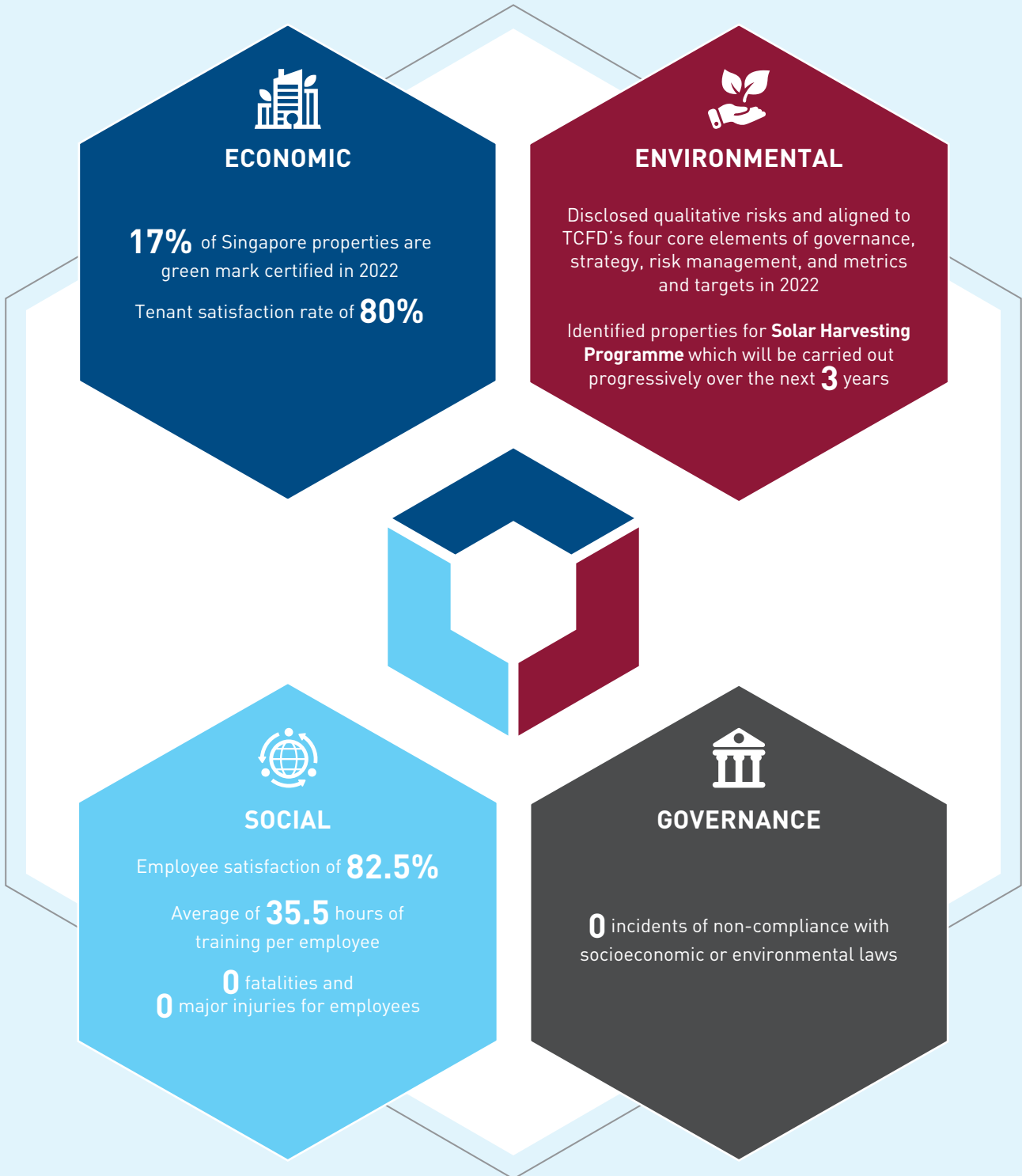
We publish our sustainability information annually. We value and welcome any feedback on our sustainability reporting, approach and performance. Please send your feedback and suggestions to [enquiry@esr-logosreit.com.sg](mailto:enquiry@esr-logosreit.com.sg).

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<sup>1</sup> The following properties were excluded from the scope of energy, carbon and water data: Properties acquired as part of the merger with ARA LOGOS Logistics Trust in April 2022, ESR Sakura Distribution Centre acquired in October 2022, 21B Senoko Loop which is closed for redevelopment, 28 Senoko Drive, 45 Changi South Avenue 2, and 2 Jalan Kilang Barat which were divested in January 2022, March 2022 and November 2022 respectively, and 27 Singapore properties that are single-tenanted buildings and/or ESR-LOGOS REIT has limited visibility and control over their environmental performance.

2022 AT A GLANCE





# 2022 SUSTAINABILITY REPORT

## A STATEMENT FROM OUR BOARD

Over the past year, ESR-LOGOS REIT had undergone several significant developments. In April 2022, we merged with ALOG (the "Merger") to become a leading New Economy and Future-Ready APAC S-REIT focusing on the logistics and high specification industrial asset classes. The enlarged portfolio allows ESR-LOGOS REIT to ride on the growth of the New Economy across Singapore, Australia and Japan, and yet remain nimble to adapt to meet future trends.

We have engaged internal and external stakeholders as part of a systematic approach to review and validate our ESG material topics. As a result, we have introduced new material topics and targets and removed outdated material topics to reflect our ambitions going forward as an enlarged REIT.

The Board is committed to further integrate ESG practices into our strategies and business decisions to deliver stable long-term returns to our Unitholders. We have been expanding on our competencies and oversight in this area and also encourage employees and stakeholders to embed these values in their business decisions.

On the environmental front, we continue to make good progress in addressing identified gaps and implementing policies and processes in line with the Monetary Authority of Singapore (MAS)'s Guidelines on Environmental Risk Management for Asset Managers (EnRM Guidelines). The Board acknowledges the significant challenges posed by climate change to our operations and is committed to reducing these risks. As such, we are also developing a decarbonisation roadmap for our portfolio.

In 2022, we completed our second Global Real Estate Sustainability Benchmark ("GRESB") real estate assessment submission. Our efforts to improve sustainability data tracking and reporting enabled us to substantially increase our GRESB score by 17 points and another star, to obtain a 2 star rating with 69 points. Moving forward, we will continue to improve data collection and disclosures. The Board is confident that our current and future ESG disclosures will meet the requirements from the Singapore Exchange ("SGX"), stakeholder expectations, as well as further improve our future GRESB submission score. In addition, in line with SGX requirements, the existing Board Diversity Policy has been reviewed and enhanced by including Board diversity targets, with clear plans and timeline for achieving these targets.

We continue to invest deeply in our people and strive to make an impact in the communities that we serve. In 2022, ESR-LOGOS REIT donated refurbished laptops to underprivileged youths living in transitional shelters via BYTE. With the pandemic expediting the digitalisation of everyday tasks and with lessons and school projects increasingly conducted online, these laptops would support the youths in their educational journey. We have also set a new target to achieve at least 500 hours of staff volunteerism per year.

We appreciate your support as we progress on our sustainability journey and work towards achieving our goals.

### THE BOARD'S COMMITMENT TO SUSTAINABILITY

The ESR-LOGOS REIT Board recognises the importance of integrating sustainability considerations into the REIT's strategic planning process. To this end, the Board has established a Sustainability Committee, chaired by the CEO, which is responsible for:

- **Identifying the REIT's most significant sustainability issues (i.e. material factors)**
- **Overseeing the management and monitoring of material factors**
- **Providing guidance in the preparation of the sustainability report**

**SUSTAINABILITY TARGETS AND PERFORMANCE**

As part of ESR-LOGOS REIT’s commitment to improving sustainability disclosures and refreshed strategy post the Merger, we have added new material topics and revised targets per below.

Material Factor	Targets for 2022 and Going Forward	2022 Performance
<b>Investment Management — Quality of Assets and Services</b>	<ul style="list-style-type: none"> <li><b>New</b> Achieve Green Mark certifications for 80% of Singapore buildings by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Achieved Green Mark Gold certifications for four additional properties</li> <li>17% of properties have obtained Green Mark certifications as at 2022</li> </ul>
<b>Tenant Engagement and Satisfaction</b>	<ul style="list-style-type: none"> <li>Maintain tenant satisfaction levels at 75% or more each year</li> </ul>	<ul style="list-style-type: none"> <li>Achieved tenant satisfaction rate of 80%</li> </ul>
<b>Energy and Carbon Footprint</b>	<ul style="list-style-type: none"> <li>Achieve 7% reduction in total energy<sup>1</sup> consumption for multi-tenanted buildings (MTB) from 2023 to 2030</li> <li>Reduce energy<sup>1</sup> intensity (kWh per m<sup>2</sup>) for MTBs by 1% per year</li> <li>Achieve 50% increase in solar power generation by 2025 (from base year 2019)</li> </ul>	<ul style="list-style-type: none"> <li>Energy<sup>1</sup> consumption in 2022 was 31,356,626 kWh, a 15% reduction from 2021</li> <li>Energy<sup>1</sup> consumption intensity decreased by 15% from 2021 to 2022 for all MTBs</li> <li>Achieved 1,592,000 kWh in solar power generation for 2022</li> </ul>
<b>New Climate Change Adaptation</b>	<ul style="list-style-type: none"> <li>Disclose adaptation and mitigation plans aligned to TCFD by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed qualitative risks and alignment to TCFD’s four core elements of governance, strategy, risk management, and metrics and targets in 2022</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li><b>Revised</b> Obtain Water Efficiency Building (WEB) certifications for all MTBs by 2025</li> <li>Achieve new WEB certification for 10% of the MTBs per year</li> <li>Reduce water intensity for MTBs by 2% per year, or by 14% by 2030 (from base year 2023)</li> </ul>	<ul style="list-style-type: none"> <li>24 out of 25 MTBs were WEB certified as at 2022</li> <li>Water intensity was 2.65 m<sup>3</sup>/m<sup>2</sup> in 2022, a 16% reduction from 2021</li> </ul>
<b>Employee Engagement and Satisfaction</b>	<ul style="list-style-type: none"> <li>Maintain employee satisfaction levels at 75% or more each year with a response rate of at least 80%</li> <li>Maintain an average of 16 training hours per employee per year</li> </ul>	<ul style="list-style-type: none"> <li>Achieved employee satisfaction level of 82.5% with response rate of 90.9%</li> <li>35.5 training hours per employee</li> </ul>

1 From grid electricity consumption

## 2022 SUSTAINABILITY REPORT

Material Factor	Targets for 2022 and Going Forward	2022 Performance
<b>New</b> Diversity and Equal Opportunity	<p><b>New</b> Board Diversity Targets:</p> <ul style="list-style-type: none"> <li>To possess core competencies and experience in 8 different areas for short term (0–3 years) target and 10 different areas for long term (3–5 years) target</li> <li>To have board members from at least two different ethnic groups</li> <li>To have 4 different age group categories represented</li> <li>To have board members with various tenures with the Manager’s Board</li> <li>Gender Diversity               <ul style="list-style-type: none"> <li>To have at least two women directors on Board</li> <li>To appoint woman to be Board Chair or NRC Chair</li> </ul> </li> <li>To have board members with no prior listed company board experience</li> <li>To have at least 50% of the Board to be independent</li> </ul>	<ul style="list-style-type: none"> <li>Achieved all targets set in 2022</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li><b>Revised</b> To achieve Workplace Fatal Injury Rate (“WFIR”) and Major Injury Rate (“MIR”) of zero</li> <li>Conduct health and safety committee meetings quarterly</li> </ul>	<ul style="list-style-type: none"> <li>There were zero fatalities and major injuries for employees in 2022</li> <li>Monthly health and safety committee meetings were held to review and improve on the WSH practices</li> </ul>
<b>New</b> Supply Chain Management	<ul style="list-style-type: none"> <li>To obtain 100% supplier compliance with green procurement policy by 2030</li> </ul>	<ul style="list-style-type: none"> <li>As a new target set in 2022, we are collecting data and introducing minimum requirements to our suppliers and vendors. We intend to disclose this data in subsequent sustainability reports</li> </ul>
Community	<ul style="list-style-type: none"> <li><b>New</b> Achieve at least 500 hours of staff volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>As a new target set in 2022, we are collecting staff volunteerism data. We intend to disclose this data in subsequent sustainability reports</li> </ul>
Governance and Enterprise Risk Management	<ul style="list-style-type: none"> <li>Zero lapses in corporate governance or corruption</li> <li>Provide training to all employees on compliance with relevant governance policies</li> <li>Ensure procedures and business continuity plans are in place for pandemic preparedness and resilience</li> </ul>	<ul style="list-style-type: none"> <li>Achieved zero lapses in corporate governance or corruption</li> <li>Bite-sized trainings on compliance with governance policies were conducted in 2022</li> <li>Policies on Influenza Pandemic Preparedness Plan and Workplace Safe Management Measures are in place</li> </ul>
Regulatory Compliance	<ul style="list-style-type: none"> <li>Zero material incidents of non-compliance with socioeconomic or environmental laws</li> </ul>	<ul style="list-style-type: none"> <li>Achieved zero material incidents of non-compliance with socioeconomic or environmental laws</li> </ul>

**HOW WE MANAGE SUSTAINABILITY**

**Our Sustainability Leaders at ESR-LOGOS REIT**

ESR-LOGOS REIT’s sustainability efforts are supervised by its Board of Directors and led by the Sustainability Committee, which was formed in 2016. This committee, chaired by our CEO, Mr. Adrian Chui, is responsible for sustainability-related procedures and initiatives across the organisation, including the implementation and monitoring of environmental, social, and governance policies. Comprising key members from various business functions, the Sustainability Committee is also responsible for overseeing the annual sustainability reporting process.

As part of its role, the Sustainability Committee regularly reviews the Manager’s approach to the REIT’s operations, investments, projects, and sustainability activities to ensure that existing policies and measures are robust and effective. Additionally, the Sustainability Committee also identifies relevant sustainability issues and risks and develops applicable internal control and risk management systems to manage, monitor and report those risks. In this regard, members of the Sustainability Committee were engaged in connection with the conducted materiality assessment, see below section.



**MATERIALITY ASSESSMENT**

In the identification and prioritising of material ESG topics, ESR-LOGOS REIT considers its sustainability programmes and performance, taking into account its broader business objectives and benchmarked itself against industry peers. Our material topics are also mapped to the most relevant United Nations’ Sustainable Development Goals (SDGs), in alignment with our sponsor, ESR Group Limited.

Since our first materiality assessment in 2016, we have reviewed our material topics annually to proactively consider risks and opportunities. In 2022, the Sustainability Committee undertook a comprehensive materiality review to engage stakeholders and refresh both material topics and targets, with the support of an external consultant. In view of the high relevance of climate action, diversity and sustainable supply chain issues, we have added Climate Change Adaptation, Diversity and Equal Opportunity, and Supply Chain Management as new material topics. We have also revised our targets to strengthen accountability for sustainability efforts across the group.




Our material issues and their corresponding topics and SDGs are disclosed on page 172.

# 2022 SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

ESR-LOGOS REIT regularly engages its different stakeholder groups through a variety of channels, allowing us to better understand their needs and preferences to build positive and lasting relationships. These regular engagement initiatives provide a platform for dialogue and allow stakeholders to raise concerns. In FY2022, there were no critical concerns raised to the board.

The ESR-LOGOS REIT Sustainability Committee has identified the following key stakeholder groups who are crucial to the REIT's performance and long-term business strategy.

Stakeholder	Forms of Engagement	Key Topics Raised	How We Responded
 <p><b>Investment Community (Institutional and Retail Investors, Analysts and the Media)</b></p>	<ul style="list-style-type: none"> <li>Dedicated investor relations team proactively communicates with the investment community to keep them updated on operational and financial performance, as well as ESR-LOGOS REIT's long-term strategy</li> <li>Regular financial and non-financial performance updates</li> <li>Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM")</li> <li>Investor conferences, face-to-face meetings and Non-Deal Roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Long-term, sustainable and recurring distributions</li> <li>Total investment returns</li> <li>ESR-LOGOS REIT's strategic outlook and growth prospects</li> <li>Timely updates on ESR-LOGOS REIT's portfolio performance, asset and capital management, asset enhancement initiatives, acquisitions and divestments, as well as major corporate developments</li> </ul>	<ul style="list-style-type: none"> <li>Announcement of half-yearly and annual financial results, with interim updates in between the results reporting periods</li> <li>Half-yearly briefings for analysts and media</li> <li>Comprehensive investor relations section on company website</li> <li>Provided written responses to key questions from Unitholders ahead of AGM and EGM</li> </ul>
 <p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>Regular face-to-face or virtual meetings, online communication and calls</li> <li>Orientation and training programmes for new and existing Directors</li> <li>Annual Board evaluation</li> </ul>	<ul style="list-style-type: none"> <li>ESR-LOGOS REIT's overall corporate governance and sustainability framework and initiatives</li> <li>Setting of ESR-LOGOS REIT's strategic objectives, broad policies, procedures and targets</li> <li>Ensuring regulatory compliance</li> <li>Ensuring that the organisation meets the needs and expectations of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Timely and regular updates from key management on business activities</li> </ul>
 <p><b>Government Agencies and Industry Organisations</b></p>	<ul style="list-style-type: none"> <li>Periodic participation in industry forums and dialogues</li> <li>Membership in industry associations such as the REIT Association of Singapore ("REITAS"), etc</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with applicable laws and regulations</li> <li>ESR-LOGOS REIT's economic, environmental, social and governance impact on the communities the REIT operates in</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with all applicable laws and regulations</li> <li>Regular monitoring and evaluation of ESG impact</li> </ul>



Stakeholder	Forms of Engagement	Key Topics Raised	How We Responded
 <p><b>Existing and Potential Tenants</b></p>	<ul style="list-style-type: none"> <li>• 24/7 call centre with specialised functions, addressing tenants' varying concerns</li> <li>• Open communication</li> <li>• Frequent site visits and face-to-face discussions</li> <li>• Social and networking events</li> <li>• Tenant satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive rental rates and locations</li> <li>• Conducive and secure working environment with adequate facilities</li> <li>• On-site security practices and management</li> </ul>	<ul style="list-style-type: none"> <li>• Support for key tenants' corporate milestone events</li> <li>• Responsiveness towards tenants' feedback</li> <li>• Health and safety initiatives</li> </ul>
 <p><b>Local Communities</b></p>	<ul style="list-style-type: none"> <li>• Open communication</li> <li>• Regular monitoring of community needs via feedback sessions with Member of Parliament and community centres for respective constituencies</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible operations</li> <li>• Support in community development and activities</li> <li>• Creation of employment opportunities</li> <li>• Compassion and care for the underprivileged in society</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships and sponsorships for events and programmes</li> <li>• Giving back to the community through donations and participation in meaningful community outreach activities (see page 192)</li> <li>• Supporting tenants' CSR programmes where possible</li> </ul>
 <p><b>Management Team and Employees</b></p>	<ul style="list-style-type: none"> <li>• Weekly/bi-weekly department meetings</li> <li>• Bi-weekly Heads of Departments' meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment updates and issues</li> <li>• Competitive remuneration and benefits</li> <li>• Job security, stability and pathways for career progression</li> <li>• Health, workplace safety and work-life balance</li> <li>• Equality and diversity at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Empowerment and active engagement</li> <li>• Orientation and training programmes for new employees</li> <li>• Annual performance review</li> <li>• Training and development programmes</li> <li>• Team bonding activities, staff loyalty recognition programmes</li> <li>• Annual satisfaction survey for employee</li> <li>• Annual wellness talks and quarterly exercise programmes</li> </ul>

# 2022 SUSTAINABILITY REPORT

## OUR MATERIAL FACTORS

Taking into consideration the key concerns commonly raised by stakeholders, and issues most material to our business, ESR-LOGOS REIT has defined the following list of material issues. As part of our annual materiality review, we removed “Economic Impact” and merged “Environmental Compliance” under “Regulatory Compliance”. We have also added “Climate Change Adaptation”, “Diversity and Equal Opportunity” and “Supply Chain Management” as standalone material topics. These changes are in line with SGX’s mandate on climate reporting and Board diversity disclosures in December 2021, as well as rising stakeholder expectations for companies to consider sustainability impact throughout its supply chain.

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

In the following sections, we will share how we manage our material factors and how we have performed against our targets.

# 2022 SUSTAINABILITY REPORT



## ECONOMIC

ESR-LOGOS REIT strives to bring sustained positive value to our investors and tenants with robust investment and asset management policies.

### INVESTMENT MANAGEMENT - QUALITY ASSETS AND SERVICES



- Achieve Green Mark certifications for 80% of Singapore buildings by 2030

The Manager commits to responsible investment management practices in order to maximise and deliver economic value to its Unitholders in the long-term. We invest in diverse, good quality, yield-accretive assets in order to build a portfolio that generates higher returns, reduces risk and creates a more stable flow of income for the REIT and recurring distributions for Unitholders. At the same time, we seek opportunities to improve existing properties through active asset management and asset enhancement initiatives ("AEIs"). Our strategy is driven through three strategic objectives (see pages 38-39 of this report for further detail):

1. Active acquisition and development growth
2. Achieving organic growth
3. Exercising prudent capital management

Our investment and divestment strategy helps maintain the quality and diversity of ESR-LOGOS REIT's portfolio. In FY2022, ESR-REIT and ALOG ("ALOG") merged to form a leading New Economy and Future-Ready APAC S-REIT.

The REIT also expanded its international footprint with its first overseas acquisition in Japan, its second overseas market, by acquiring the ESR Sakura Distribution Centre in the Greater Tokyo area for a purchase consideration of S\$169.8 million (JPY17,800 million). These additions strengthened ESR-LOGOS REIT's portfolio exposure to the logistics sector, positioning the REIT well as quality warehouse spaces are facing a shortage in supply. These accretive acquisitions demonstrate our focus on transactions offering attractive, long-term and risk adjusted returns.

Building certifications indicate the quality of assets and provide increased value for our unitholders. Achieving such building certifications strongly correlates to positive returns on investment and high levels of tenant satisfaction. The Manager is committed to achieving green building certifications — such as the Singapore BCA Green Mark or Leadership in Energy and Environmental Design (LEED) — for both new developments and existing properties.

Beyond ongoing maintenance, AEIs are regularly carried out to improve the overall quality of assets, revitalising older buildings with facility upgrades to enhance tenant and visitor experience as well as improve energy and water efficiency. This includes the enhancement of facades, drop-off point shelters, fire-sprinkler systems, lift lobbies and washrooms. In 2022, we obtained Green Mark Gold certifications for three ongoing AEI projects ahead of completion, namely 7002 Ang Mo Kio Avenue 5, 21B Senoko Loop and 16 Tai Seng Street. We also achieved Green Mark Gold certification at 19 Tai Seng Avenue, which underwent AEI in 2021.

## 2022 SUSTAINABILITY REPORT

Properties with Green Mark and LEED certifications are listed below.

### BCA Green Mark Certifications in ESR-LOGOS REIT's Portfolio

	Property	Year of Award & Certification Status
1	16 Tai Seng Street	2022 — Green Mark Gold
2	7002 Ang Mo Kio Avenue 5	2022 — Green Mark Gold
3	21B Senoko Loop	2022 — Green Mark Gold
4	19 Tai Seng Avenue	2022 — Green Mark Gold
5	88 International Road	2021 — Green Mark Certified
6	86 International Road	2021 — Green Mark Certified
7	30 Toh Guan Road (Annex Warehouse)	2021 — Green Mark Certified
8	3 Pioneer Sector 3 (Block 2)	2021 — Green Mark Gold
9	2 & 4 Changi Business Park Avenue 1 (Hotel & Convention Centre)	2020 — Green Mark Gold
10	6 & 8 Changi Business Park Avenue 1 (North & South Tower)	2020 — Green Mark Gold Plus
11	30 Marsiling Industrial Estate Road 8	2020 — Green Mark Certified

### LEED Certifications in ESR-LOGOS REIT's Portfolio

Property	Year of Award & Certification Status
15 Greenwich Drive	2013 — Core and Shell 'Platinum'

To evaluate the effectiveness of our investment management and to identify areas of improvement, the Manager gathers data and monitors tenant occupancy and retention rates annually, and benchmarks them against industry peers. In 2022, we achieved a portfolio occupancy rate of 90.2%, above the industry average of 89.4%<sup>1</sup>.

<sup>1</sup> Figure from JTC's Quarterly Market Report for Industrial Properties 4Q 2022.

**TENANT ENGAGEMENT AND SATISFACTION**

**TARGETS**

- Maintain tenant satisfaction levels at 75% or more each year

Tenants are one of our key stakeholder groups and ESR-LOGOS REIT maintains close relationships with them to ensure that we can anticipate, understand, and respond to their needs effectively. Our efforts to strengthen these relationships enable us to attract and retain tenants.

To maintain this, ESR-LOGOS REIT is committed to regular communication, prompt resolution of issues, and regular facility upgrades. We engage with tenants through site visits, email correspondence, annual tenant engagement events, and tenant satisfaction surveys.

In 2022, our WSH committee organised Community Emergency Preparedness Programmes ("CEPP") Tier 2 "Response Ready" with the Singapore Civil Defence Force ("SCDF") for all our tenants. As most of our tenants operate in industrial areas, which contain higher risk facilities, this program would improve tenant safety by empowering them with hands-on training of the three vital emergency preparedness skills (first aid, CPR-AED and firefighting).



CPR-AED training — Tenants learning how to conduct CPR with AED



Firefighting training — Tenants learning how to use a fire extinguisher



First aid training — Tenants learning how to create a splint for fractures

Tenant Satisfaction Rate	
2020	79%
2021	78%
2022	80%



# 2022 SUSTAINABILITY REPORT

## ENVIRONMENTAL

ESR-LOGOS REIT fully recognises our responsibility in preventing environmental damage that may be caused by our properties' operations and adopts a precautionary approach to environmental challenges. With the Environmental Policy formalised in 2021, we continued our efforts to reduce our properties' environmental footprint by efficiently managing resources with significant environmental impacts, such as energy, water and waste. To further improve the environmental performance of our portfolio, we have obtained ISO 14001: 2015 — Environmental Management System certification.



### REDUCING OUR ENERGY CONSUMPTION AND CARBON EMISSIONS



#### TARGETS

- Achieve 7% reduction in total energy consumption for MTBs from 2023 to 2030.
- Reduce energy intensity (kWh per m<sup>2</sup>) for MTBs by 1% per year
- Achieve 50% increase in solar power generation by 2025 (from base year 2019)

#### How We Manage This Issue

Climate action continues to be a topic that is highly relevant for both the REIT and our stakeholders. Besides improving energy performance and efficiency of our properties, we have also set renewable energy targets to reduce our greenhouse gas emissions. In setting these targets, ESR-LOGOS REIT hopes to contribute to Singapore's climate change commitments to peak emissions at 65 MtCO<sub>2</sub>e by 2030 and achieve net-zero carbon emissions around 2050.

### Our Solar Harvesting Programme

Since 2013, ESR-LOGOS REIT has been harnessing solar energy across our properties. In 2022, 6 out of 52 of our Singapore properties have solar panels installed on their rooftops. Three of these properties managed by our Property Manager generated 1,592 MWh of solar energy, of which 816 MWh was exported and 776 MWh was consumed. Solar energy harvesting in the three remaining properties is managed directly by our tenants or supplied to other buildings outside of our organisation.

In 2022, we have identified properties for solar panel installation which will be carried out progressively over the next 3 years. The installation is expected to increase solar power generation at our properties by 50% by year 2025 (from base year 2019).

### Solar Energy Generated, Exported and Consumed by Our MTBs<sup>1</sup>

	No. of Buildings <sup>2</sup>	Generation (MWh)	Export (MWh)	Consumption (MWh)
2019	3	1,811	918	893
2020	3	1,521	769	753
2021	3	1,535	835	701
2022	3	1,592	816	776

<sup>1</sup> Includes only MTBs with solar energy generation directly managed by the Property Manager.

<sup>2</sup> There was a restatement of information from 2019–2021 due to the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East in FY2021 with solar power generation.

**2022 Performance: Electricity, Cooling and Carbon Emissions**

Electricity Consumption and Intensity <sup>1</sup>	2020	2021	2022
Number of Buildings	27	28	25
Grid Electricity Consumption (kWh)	39,715,245	37,512,370	31,356,626
Electricity Consumption Intensity (kWh/m <sup>2</sup> )	298	269	233

District Cooling Consumption and Intensity <sup>2</sup>	2020	2021	2022
Number of Buildings	1	1	1
District Cooling Consumption (kWh)	85,304	94,614	137,274
District Cooling Consumption Intensity (kWh/m <sup>2</sup> )	40	42	62

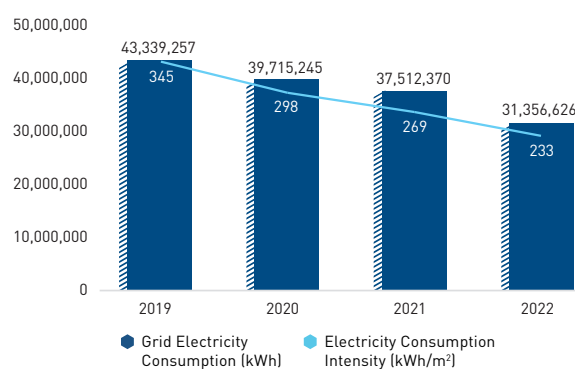
Carbon Emission and Intensity <sup>3</sup>	2020	2021	2022
CO <sub>2</sub> Emissions (tonnes CO <sub>2</sub> )	16,215	15,257	12,777
CO <sub>2</sub> Emissions Intensity (tonnes CO <sub>2</sub> /m <sup>2</sup> )	0.122	0.110	0.095

1 Includes only MTBs with grid electricity consumption directly managed by the Property Manager.

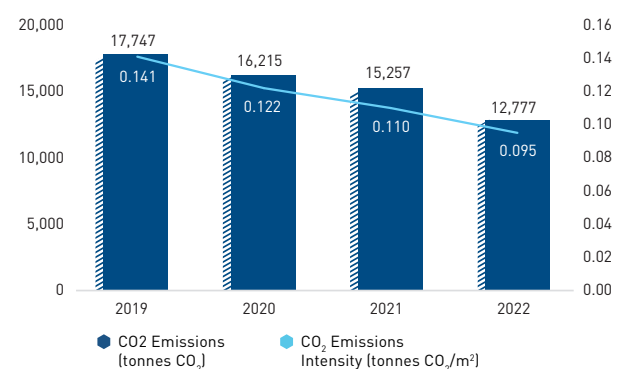
2 Includes only MTBs with district cooling consumption directly managed by the Property Manager.

3 Includes grid electricity and district cooling consumption. Average Operating Margin (OM) Grid Emissions Factor (GEF) for 2020 has also been updated from 0.4080 kg CO<sub>2</sub>/kWh to 0.4074 kg CO<sub>2</sub>/kWh by the Singapore Energy Market Authority, as well as OM GEF for 2021 from 0.4080 kg CO<sub>2</sub>/kWh to 0.4057 kg CO<sub>2</sub>/kWh. Carbon dioxide emissions from electricity for 2022 were calculated based on Singapore Energy Market Authority’s OM GEF for 2021 (0.4057 kg CO<sub>2</sub>/kWh).

**Grid Electricity Consumption and Intensity**



**Scope 2 Carbon Emission and Intensity**



Total grid electricity consumption in 2022 was 31,357 MWh, a 15% decrease from 2021 levels. Electricity consumption intensity also decreased by 15% from 273 kWh/m<sup>2</sup> to 233 kWh/m<sup>2</sup>, due to lift upgrading works, restatement of 2021 consumption<sup>(1)</sup>, and reduced tenant occupancy. District cooling consumption increased due to increased tenant activity post COVID-19.

1 Restatement due to over billing from previous year arising from metering error

# 2022 SUSTAINABILITY REPORT

## CLIMATE CHANGE ADAPTATION



**TARGETS**

- Disclose adaptation and mitigation plans aligned to TCFD by 2025

ESR-LOGOS REIT understands the impact that climate change can have on our portfolio, ranging from physical risks of property damages due to extreme weather events to transitional risks such as insurance premiums and regulatory compliance costs that are likely to increase with the transition to a low carbon economy.

In particular, regulatory compliance on environmental risk mitigation has been increasing, with SGX requiring listed companies from the material and buildings industry to provide climate-related disclosures based on the Task Force's recommendations on Climate-related Financial Disclosures (TCFD) from FY2024 onwards. The MAS had also issued a set of Guidelines on Environmental Risk Management for Asset Managers, setting out supervisory expectations on sound risk management practices so as to strengthen the asset management sector's resilience and management of environmental risk. Aside from regulations, stakeholders are also increasingly incorporating ESG analysis as part of their decision-making processes.

Beyond the risks, we also acknowledge that there are climate opportunities arising from cost reduction, due to investments in energy efficiency and renewable energy.

The above factors therefore bring about a pertinent need for us to identify and assess both climate risks and opportunities that are material to our businesses and implement appropriate actions in ensuring long-term operability and sustained value creation.

Leveraging our initial environmental risk assessment conducted in FY2021, we expanded the assessment geographically to Australia and Japan to include the enlarged portfolio following the completion of the Merger as well as the new acquisitions in FY2022. We started to progressively adopt the disclosures in alignment with TCFD framework, which are structured around the four core elements of governance, strategy, risk management, as well as metrics and targets. Our approach and progress are elaborated in the following sections.

**Core Elements of TCFD Recommendations**

**ESR-LOGOS REIT’s Approach and Progress**



**GOVERNANCE**

The Board is responsible for establishing the overall enterprise risk management approach and governance, which encompasses climate-related risks and opportunities. In addition, the Board approves and monitors the statements outlining the Manager’s risk appetite and tolerance, setting out the nature and extent of risks permissible to fulfill the Manager’s business objectives.

The Board is supported by the ARCC (Audit, Risk Management and Compliance Committee) in the assessment of the adequacy and effectiveness of the internal controls and risk management systems, including internal control processes. Ongoing oversight of climate-related risks and opportunities comes under the purview of the Sustainability Committee. The Sustainability Committee is chaired by our CEO Mr Adrian Chui and comprises key members from different business functions. The Sustainability Committee periodically reviews the progress and effectiveness of sustainability objectives and strategies.



**STRATEGY**

ESR-LOGOS REIT has conducted an environmental risk scenario analysis to identify and assess the potential impacts of transition and physical risks, under a Net Zero (RCP 2.6, limit warming to within 1.5°C from pre-industrial levels by 2100) and Business-as-usual (RCP 8.5, about 4°C warming from pre-industrial levels by 2100) scenario across the short term (by 2025), medium term (by 2030) and long term (by 2050).

Through scenario analysis, the following risks across our geographies and activities have been identified:

- Physical: Flooding, extreme weather and significant changes in average temperatures
- Transition: Increased carbon pricing, enhanced regulatory requirements (i.e. energy efficiency requirements and green building certifications) and changes in stakeholder expectations.

Beyond climate proofing our assets, we also recognise the importance of building sustainability knowledge throughout our workforce. Therefore, we have been sending our staff to sustainability training for the past few years, to upskill them on sustainability matters.

# 2022 SUSTAINABILITY REPORT



## RISK MANAGEMENT

We have integrated environmental risk management into our existing Enterprise Risk Management Framework to identify, assess, monitor and manage climate-related risks and opportunities across our portfolio.

With the climate risks identified above, we are in the process of reviewing existing and potential mitigation and adaptation actions to enhance climate resilience throughout our operations and we look forward to disclosing these in our future sustainability reports. We will also continue working with relevant stakeholders to further refine our governance and management of climate-related risks.

For physical risks, our mitigating plans include augmenting existing flood control features and measures, such as flood barriers, sensors, water level pumps and flood emergency response plans for our existing properties, as well as regular scanning for exposure of our existing properties to physical risks.

We will also identify AELs to improve environmental performance where feasible and incorporate environmental risk due diligence as part of our investment consideration.

In addition, periodic scanning will be conducted to identify our exposure to any new environmental risks or changes to prevailing environmental risks in the evolving ESG landscape including climate risks.

## TRANSITION RISKS

### Country Elaboration of Risk

**Singapore** Part of the Singapore's Green Plan 2030, Green Building Masterplan (SGBMP) aims to deliver three key targets of "80-80-80 in 2030". Under this plan, 80% of buildings by GFA will have green certification. Effective 1 December 2021, there will be increased mandatory environmental sustainability standards for new buildings and existing buildings that undergo a major retrofit. This also includes raising minimum energy performance requirements and introducing mandatory sustainable construction practices.

Singapore carbon tax rate is also set to increase from its current \$5/tCO<sub>2</sub>e from 2019 to 2023 on facilities that emit 25,000 tCO<sub>2</sub>e or more emissions annually. Carbon tax will be raised to \$25/tCO<sub>2</sub>e in 2024 and 2025, and \$45/tCO<sub>2</sub>e in 2026 and 2027, with a view of reaching \$50-\$80/tCO<sub>2</sub>e by 2030.

Stakeholders are increasingly expecting companies to be proactive in managing climate change. Changing perceptions may lead more and more tenants to include sustainable building criteria in shortlisting lease options.

**Australia** In 2019, Australia introduced a national plan "Trajectory for Low Energy Buildings" that aims to achieve zero energy and carbon-ready commercial (including offices and industrial premises) and residential buildings. This is also a key initiative to address Australia's 40% energy productivity improvement target by 2030 under the National Energy Productivity Plan, as well as to reach net zero by 2050.

**Japan** In 2021, Japan strengthened the Building Energy Efficiency Act of 2016, where energy saving standards will also become mandatory for mid-size buildings (those with a floor area exceeding 300 square metres). The Ministry of Environment, Trade and Industry (METI) is also in the process of revising targets for energy conservation, including for the buildings sector. In a preliminary document, it noted that energy conservation efforts in the residential and commercial sectors could be raised by about 10%.



**PHYSICAL RISKS**

We have only considered the business-as-usual 4°C warming scenario as the physical risks are most significant under this scenario. Across our portfolio, the most significant physical risks are observed to be risk of flooding, extreme weather events such as water stress, and rising temperatures. Summary details of physical risks at country level:

**Country      Elaboration of Risk**

**Singapore**      Rising temperature: Increasing global temperatures may lead to extreme heat events and overheating in buildings, requiring higher cooling loads. These in turn lead to increased energy consumption and higher carbon emissions. ESR-LOGOS REIT will therefore face increased costs in retrofitting and/or operational costs of running air conditioning systems.

Flooding: Climate change has led to greater and more intense rainfall in Singapore. In 2021, the United Nation’s Intergovernmental Panel on Climate Change (IPCC) report stated that Southeast Asia will see many more days with the temperature soaring above 35°C as well as the occurrences of wetter monsoons. Mean sea level around Singapore is projected to rise by up to 1m by 2100, and with 30% of our land less than 5m above mean sea level, there is significant risk of flooding in coastal areas and impact to essential services including transport networks.

Water stress: Singapore is at high risk of water stress, being heavily dependent on rainfall due to the lack of alternate natural water resources, and exacerbated by limited area for water storage facilities.

**Australia**      Flooding: Floods are already common occurrence in parts of Australia, due to heavy rainfall, high tides and drainage problems, especially in low-lying areas. Climate change is expected to lead to more intense rainfall, exacerbating flood risk, while rising sea levels also increase the risks of coastal flooding.

Water stress: According to the Australian Government, Bureau of Meteorology’s State of the Climate 2020 report, rainfall has generally decreased due to climate change, with fewer wet years.

**Japan**      Flooding: Japan receives double the global average rainfall annually, and research by the Bank of Japan highlight flood damage to be set to increase by a factor of 9 by the year 2100.

Earthquakes: Not a climate risk but considered together with physical climate risks given similar nature of impact to our portfolio. Japan’s geographical location leaves it vulnerable to earthquakes. Growing scientific evidence show that climate change may contribute to geological phenomena, hence there is a risk that earthquake frequency would increase in future.

# 2022 SUSTAINABILITY REPORT



## METRICS AND TARGETS

- ESR-LOGOS REIT has tracked and managed the carbon emissions of its managed and owned operational properties, and have regularly disclosed relevant metrics in its annual Sustainability Reports such as Scope 2 GHG emissions and energy consumption.
- We have created new targets and revised existing targets, which would enable us to evaluate progress towards them and explore options for any long-term targets of decarbonisation.
- Examples of such targets are:
  - o Green Mark Certifications for 80% of buildings by 2030
  - o 7% reduction in total energy consumption for MTBs from 2023 to 2030
  - o 50% increase in solar power generation by 2025 (from base year 2019)
- ESR-LOGOS REIT will continue to explore relevant metrics to measure climate-related risks and opportunities

## REDUCING OUR WATER CONSUMPTION



### TARGETS

- Obtain Water Efficiency Building (WEB) certifications for all MTBs by 2025
- Achieve new WEB certification for 10% of the MTBs per year
- Reduce water intensity for MTBs by 2% per year, or by 14% by 2030 (from base year 2023)

### How We Manage This Issue

With climate change, availability of fresh water supplies is expected to reduce. By 2040<sup>1</sup>, Singapore is anticipated to become one of the countries facing the most severe water scarcity issues, despite not currently experiencing water stress. As manager of more than 25 MTBs in Singapore, we are committed to managing our water impact and dependence. We give priority to managing water usage across all our properties, with an emphasis on industrial buildings that consume substantial amounts of water. Our objective is to obtain the WEB certification from PUB, the national water utilities provider in Singapore, for all our properties. We adhere to Singapore's stringent laws and standards governing water discharge in all water discharge activities.

### 2022 Performance: Water Withdrawal

	2020	2021	2022
Number of Buildings <sup>2</sup>	28	28	25
Water Withdrawal (megalitres) <sup>3</sup>	444	424	356
Water Intensity (m <sup>3</sup> /m <sup>2</sup> )	3.2	3.0	2.7

<sup>1</sup> Source: World Resources Institute, 2015

<sup>2</sup> Includes MTBs with water withdrawal directly managed by the Property Manager.

<sup>3</sup> All water withdrawn from municipal water sources.

**24 out of 25**  
 MTBs in total obtained WEB (Basic) certifications as of 2022

Water intensity reduced by 33% in 2022 with the implementation of water saving measures such as more water-efficient taps and flushing system.

**REDUCING OUR WASTE**

**How We Manage This Issue**

Waste management is a critical part of resource management, with waste minimisation and recycling an important component in our drive to save natural resources, protect the environment and reduce costs. In line with the Singapore government’s Zero-Waste Masterplan, we seek to tackle waste generated at its source, encouraging waste reduction and recycling measures across our properties wherever feasible.

**2022 Performance: Waste Management**

**14.8%**  
 Waste diverted to recycling

**85.2%**  
 Waste sent to waste-to-energy facilities

Since 2019, the Manager has been tracking the amount of waste produced and recycled in its MTBs. Tracking and reporting on waste helps us identify opportunities to reduce waste such as properties that generate large amounts of waste and the breakdown on various types of waste. This enables us to better engage our tenants in waste reduction activities, as well as identify effective methods of diverting waste from disposal. As of end 2022, 14.8% of the waste across our properties is recycled, with the rest being processed at waste-to-energy facilities. The Manager believes that the first course of action for waste management is always reduction and will take steps to reduce waste to the best of our ability. In 2022, MTBs directly managed by our Property Manager generated a total of 2,295 tonnes of waste, of which 296 tonnes was recycled and none of which was hazardous.

	2020	2021	2022
<b>Number of Buildings<sup>1</sup></b>	28	30	25
<b>Total Waste Generated (tonnes)</b>	2,911	2,206	2,295
<b>Total Waste Recycled (tonnes)</b>	560	344	296

<sup>1</sup> Includes only multi-tenanted buildings (MTBs) with waste disposal directly managed by the Property Manager. Excludes e-waste.

In addition to general recycling bins, the Manager has been providing additional e-waste recycling bins on a voluntary basis for our tenants and members of the public since 2019. We work closely with our e-waste vendors, KGS Pte. Ltd. and Virogreen Singapore Pte. Ltd. to set up indoor and outdoor e-waste bins respectively. KGS Pte. Ltd. also provides door-to-door collection of e-waste for each tenant every quarter. A total of 8.2 tonnes of e-waste was collected for the year of 2022.

# 2022 SUSTAINABILITY REPORT

## SOCIAL

ESR-LOGOS REIT understands that our success relies heavily on the dedication and welfare of our employees and the larger society. As pandemic restrictions gradually ease and we adapt to living with the pandemic, ESR-LOGOS REIT proactively undertakes initiatives to maintain employee involvement and extend support to vulnerable communities.

### EMPLOYEE ENGAGEMENT AND SATISFACTION



#### TARGETS

- Maintain employee satisfaction levels at 75% or more each year with a response rate of at least 80%
- Maintain an average of 16 training hours per employee per year

#### How We Manage This Issue

While the pandemic restrictions have gradually eased, its lasting impact on the nature of work, such as flexible working arrangements, will remain. ESR-LOGOS REIT recognises the need to address its associated impacts on employee motivation and wellbeing, by providing timely updates on work processes such as work-from-home flexibility for vulnerable staff and maintaining employee health by offering adequate masks and ART kits.

Additionally, the Human Resources and Corporate Services ("HRCS") team ensures that ESR-LOGOS REIT employee cohesion remains strong through regular bonding sessions.

#### Fair Remuneration

The Manager prioritises fair compensation for employees and competitiveness in talent retention. To achieve this, we enlist the services of an independent remuneration consultant to ensure that our remuneration packages remain competitive and aligned with industry standards. Our company-wide appraisal system monitors key performance indicators in various areas ensuring that we track progress and maintain a high level of performance. Additionally, we conduct annual performance reviews for all regular full-time employees, during which open discussions take place regarding performance, areas for improvement, developmental needs, and career aspirations. By doing so, we provide our employees with regular and timely feedback on their performance while also creating opportunities for them to communicate their goals and development plans.

With the easing of pandemic restrictions, the Manager organised a series of staff engagement activities to enhance employee cohesion.



An evening of bonding over food and laughter with Sponsor, ESR Group





Post-merger employee team building event



Christmas celebration with Sponsor, ESR Group



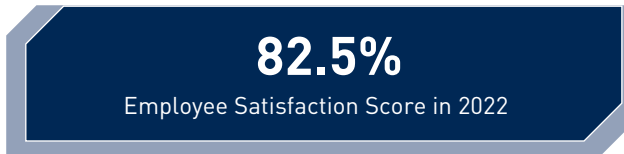
# 2022 SUSTAINABILITY REPORT

In 2022, we conducted an internal Employee Engagement Survey and invited all employees to participate on a voluntary basis. The survey was conducted to monitor employees' satisfaction levels for the following areas:

1. Career Development
2. Teamwork
3. Inclusion and Respect
4. Immediate Supervision
5. Engagement
6. Leadership
7. Communication

We are heartened to achieve an overall 82.5% satisfaction score with a 90.9% response rate, with our consistently high satisfaction score of over 80% a testament to our successful efforts in cultivating a positive working environment. We will endeavour to maintain these high satisfaction levels.

### 2022 Performance: Employee Satisfaction



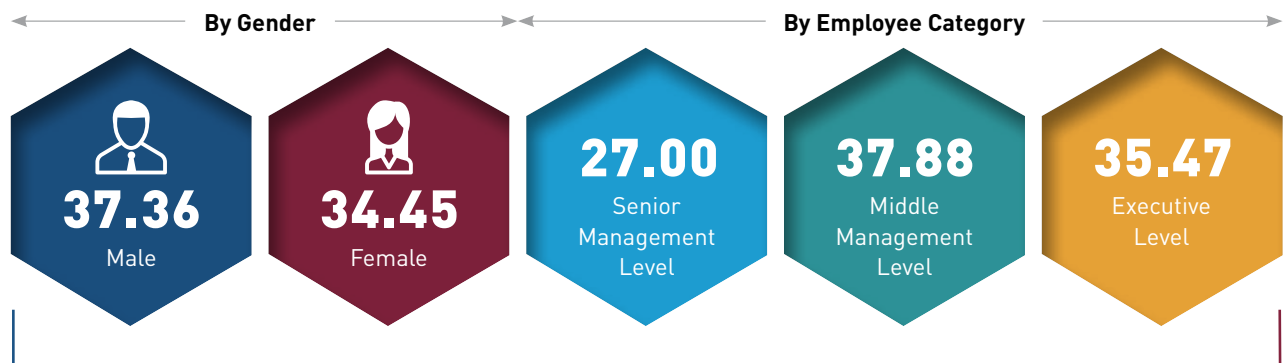
### Training and Education

The Manager seeks to develop a culture of holistic learning to enhance our employees' skillset. Our HRCS team is responsible for the sourcing and promoting of training, as well as assisting with registration of employees to such training sessions. We also encouraged our employees to seek opportunities for professional as well as personal growth in addition to the courses recommended by our HRCS team. Since the onset of the COVID-19 pandemic, web-based learning (i.e. webinars) was the main mode of training as employees spent more time working from home.



All of our employees received professional training in 2022. The training covered technical skills related to the employees' functions and also soft skills.

### Average No. of Hours of Training



**DIVERSITY AND EQUAL OPPORTUNITY**

ESR-LOGOS REIT is committed to promoting diversity and equal opportunity for all individuals. On the Board level, the Manager adopted a formal Board Diversity Policy in 2019 which has been enhanced to include a set of targets with accompanying plans and timeline to achieve these targets.



- To possess core competencies and experience in 8 different areas for short term (0–3 years) target and 10 different areas for long term (3–5 years) target
- To have board members from at least two different ethnic groups
- To have four different age group categories represented
- To have board members with various tenures with the Manager’s Board
- Gender Diversity
  - To have at least two women directors on the Board
  - To appoint woman to be Board Chair or NRC Chair
- To have Board members with no prior listed company board experience
- To have at least 50% of the Board to be independent

**How We Manage This Issue**

	<b>Proposed Targets (0–5 years)</b>	<b>Achievement Based on Short Term Target (0–3 years)</b>	<b>Target Met in 2022 (Yes/No)</b>
1.	To possess core competencies and experience in 8 different areas for short term (0–3 years) target and 10 different areas for long term (3–5 years) target	Achieved 81% of the identified skills or experience areas	Yes
2.	To have board members from at least two different ethnic groups	Achieved 2 ethnic group representation	Yes
3.	To have the following four different age group categories represented – 30–50 years old – 50–60 years old – 60–70 years old – Above 70 years old	All 4 age group categories have been represented	Yes
4.	To have board members with various tenures with the Manager’s Board: – 0–3 years – 3–5 years – 5–7 years – 7–9 years – Above 9 years	Board members are only from the ‘0–3’, 3–5’ and ‘5–7’ years tenures	Yes
5	Gender Diversity		
	(a) To have at least two women directors on Board	Achieved two women directors on the Board	Yes
	(b) To appoint woman to be Board Chair or NRC Chair	Board Chair is a woman	Yes
6.	To have Board members with no prior listed company board experience	Two existing Board members have no prior listed company board experience	Yes
7.	To have at least 50% of the Board to be independent	Achieved regulatory requirement of having at least 50% of the Board being independent	Yes

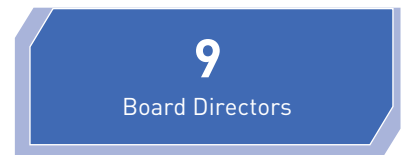
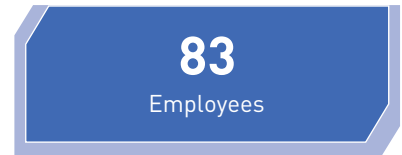
# 2022 SUSTAINABILITY REPORT

ESR-LOGOS REIT is dedicated to creating a working environment that is inclusive for all employees. By embracing diversity in our workforce, we can access a greater range of talent and their varied and valuable experiences, perspectives and skills to achieve organisational efficiency and goals. To attain this, we align our employment practices with the principles set out in the Tripartite Guidelines on Fair Employment Practices ("TGFEF") and the Ministry of Manpower's Fair Consideration Framework, ensuring that we provide equal and fair opportunities based on merit.

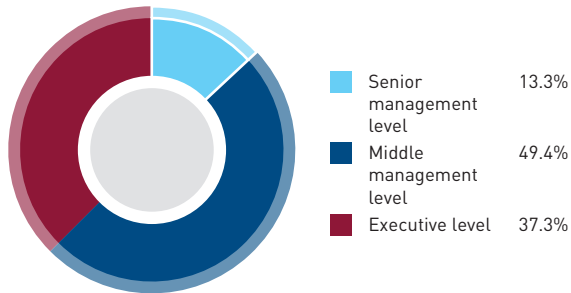
### Our People

On the Board level, the enhanced Board Diversity Policy highlights factors that will be taken into consideration during the Board selection process, such as business and industry experience and all relevant aspects of diversity such as age, gender, cultural ethnicity and board tenure. This ensures that the Board remains robust and comprises talented and dedicated individuals with a broad range of perspectives. In line with the SGX's requirements, the policy is further revised to include Board diversity targets, plans and timeline for achieving these targets. Such inclusions improve Board's decision making, help Board to more effectively mentor and monitor management to achieve ESR-LOGOS REIT's long-term objectives and strategies for the benefits of the REIT and the Unitholders.

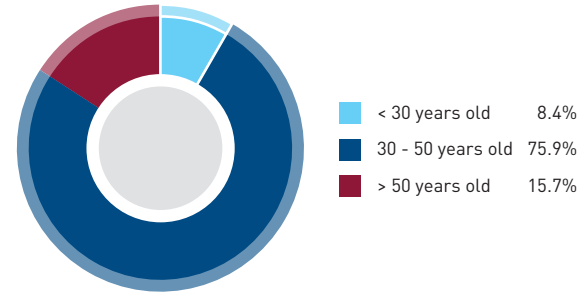
We continue to strive for diversity across both the Board and employees. As of 31 December 2022, we had 83 employees, of which 4 were temporary staff. All staff were Singapore citizens or permanent residents. We also had 237 workers who are not employees, which include on-site technicians, cleaning staff, and security guards in our MTBs.



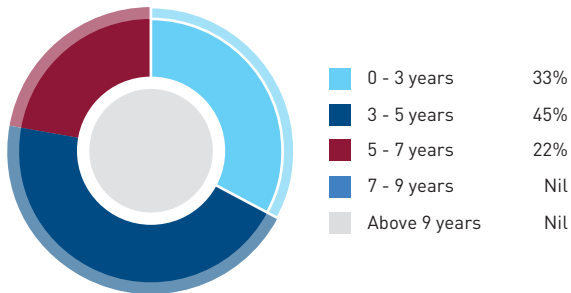
Employees by Category



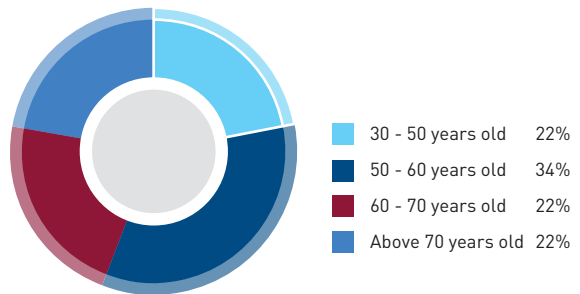
Employees by Age Group



Board Directors by Tenure

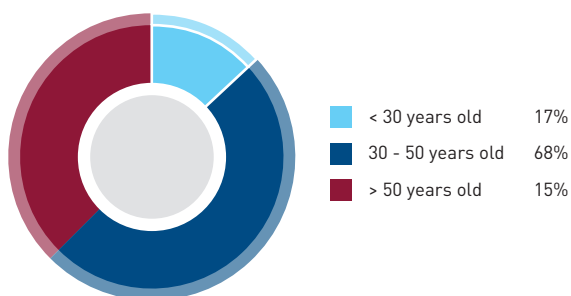


Board Directors by Age Group

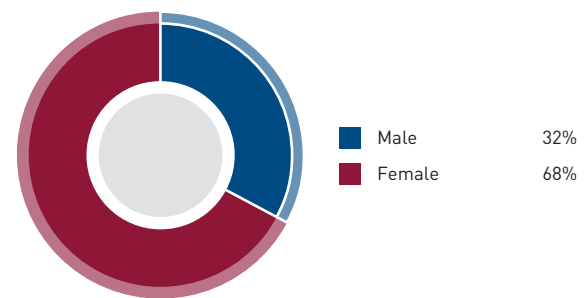


In 2022, there were 37 new hires, of which 46% were male and 54% were female. 8% were less than 30 years old, 81% were between 30 to 50 years old and 11% were over 50 years old. 41 employees left the company in the same year.

Employees Turnover by Age



Employees Turnover by Gender



# 2022 SUSTAINABILITY REPORT

## HEALTH AND SAFETY

**TARGETS**

- To achieve Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR") of zero
- Conduct health and safety committee meetings quarterly

### How We Manage This Issue

ESR-LOGOS REIT places a significant emphasis on workplace health and safety. To ensure the safety of employees and tenants during the COVID-19 pandemic, the Business Continuity Plan ("BCP") Management and HRCS teams implemented workplace safe management measures and work-from-home arrangements in accordance with government's safe management guidelines. Adequate office equipment, resources, and processes were provided to ensure that employees could work remotely in an effective and safe manner. The Manager also regularly updated employees and tenants on COVID-19 safe management throughout the year. Guided by our robust Workplace Safety and Health policies and procedures, we continuously ensure the safety of all employees.

### Workplace Safety and Health (WSH) System

Our WSH committee is responsible for monitoring and advising on occupational health and safety ("OHS") programmes. Comprising senior management and executives from various departments, the committee represents around 15% of our employees. Monthly meetings are held to review and improve on the WSH practices. A WSH consultant has also been appointed as an advisor to the WSH committee.

ESR-LOGOS REIT adopts the following WSH standards and initiatives:

- ISO 45001:2018 Occupational Health and Safety management system which is internally and externally audited and in line with the regulations and guidelines of Singapore's Ministry of Manpower ("MOM"). The system covers all our 79 permanent employees, 4 temporary employees and 237 workers<sup>1</sup>.

- Active identification of work-related hazards during routine inspections and day-to-day operations of contractors and tenants. Investigations of work-related incidents are a formalised process; usually investigated by the property or project manager in-charge, who works with the vendor in-charge to put in place prevention measures. Our contractors and vendors are also expected to adhere to the ISO 45001:2018 standard, which minimises work-related hazards and risks at project sites and properties.
- Monthly workplace safety and health audits of buildings for workplace, fire and building safety by external consultant. By the end of 2022, all 52<sup>2</sup> properties have been audited.

We abide by all of the applicable OHS regulations from the MOM in Singapore, which includes the reporting of any occurrence of onsite work-related incidents. All our employees and workers are encouraged to be proactive in reporting work-related hazards and hazardous situations. Employees and workers are to remove themselves from situations they deem to be unsafe.

At ESR-LOGOS REIT's headquarters, all employees are trained in workplace safety during new hire training, such as fire evacuation plans, appointed first aiders and location of the company's safety kit. The property management team also undergoes compulsory annual training to ensure best safety practices and knowledge of its properties such as Occupational First Aid, Implementation of Incident Management Processes ("IIMP") training and Responding to Fire Incidents at the Workplace ("RFIW") training. The Occupational First Aid certificate requires recertification every two years, while the IIMP and RFIW training are one-off sessions. In 2022, all Property Managers and Property Executives underwent IIMP and RFIW training.

### 2022 Performance: Occupational Health & Safety

0

Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")  
(per 100,000 employees)

<sup>1</sup> Term contractors' workers who conduct preventive maintenance are not covered by our OHS management system as their access to our properties are not permanent and on an ad-hoc basis  
<sup>2</sup> Excluding 21B Senoko Loop due to on-going redevelopment work



	Employees		Other Workers <sup>1</sup>	
	2021	2022	2021	2022
No. of work-related fatalities	0	0	0	0
Fatality rate (per 1,000,000 hours worked)	0	0	0	0
No. of recordable work-related injuries	0	0	2	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	0	0	2.18	0
No. of high-consequence work-related injuries	0	0	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	0	0	0	0
Total manhours worked	180,066	168,553	917,426	1,126,905

<sup>1</sup> Workers include those involved in development projects and property maintenance (technicians, cleaners, and security officers). Worker manhours were estimated from daily rosters.

There was no employee work-related injury and no work-related fatality in 2022.

**Supporting Employee Health & Wellbeing**

Beyond ensuring safety, the Manager also provides the following benefits to all employees to promote health and well-being:

- Employee Insurance Cover: Term Life, Personal Accident and Permanent Disability, Hospital and Surgical, Outpatient Specialist and Travel
- Flexi-benefits scheme allowing reimbursements for approved expenditures
- Comprehensive leave entitlements, including birthday leave and study leave
- Flexible work arrangements
- Wellness webinar series
- Massage sessions by Singapore Association of the Visually Handicapped (SAVH) to help employees relax and support the visually handicapped
- Staff quarterly outing
- Ad-hoc reaching out to HR for support when needed.



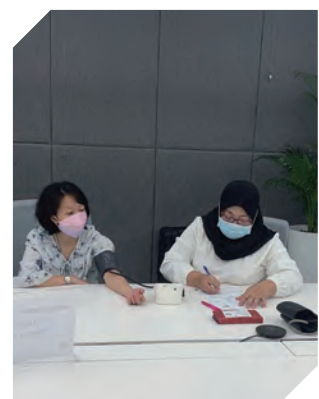
SAVH masseurs providing massage services for employees



Staff quarterly outing



Annual employee health screening



# 2022 SUSTAINABILITY REPORT

## SUPPLY CHAIN MANAGEMENT



- **New** To obtain 100% supplier compliance with green procurement policy by 2030

### How We Manage This Issue

We recognise that our business activities have direct and indirect impact throughout our supply chain. To address these impacts and integrate sustainability considerations into our operations, we developed a Green Procurement Policy in 2021. This policy is designed to extend and embed our sustainability commitments throughout our supply chain.

### Screening of Suppliers

Our suppliers include service vendors, utility providers as well as various trade contractors i.e. cleaning, security, building and M&E works, landscaping, etc. These products and services are sourced locally in Singapore. Since 2019, we have directly managed our facilities.

We expect all suppliers and vendors to comply with applicable laws and regulations as well as internally prescribed standards such as ethical business practices in line with our Code of Conduct and Business Ethics. Due diligence is conducted on the suppliers and vendors at the point of engagement. As part of the procurement process, suppliers with ESG specific attributes are given preference, based on the following environmental and social criteria which include, but are not limited to:

- Implementing measures that reduce greenhouse gas, energy, water and/or waste footprints
- Actively meeting environmental process standards and practices, such as ISO 14001 or Singapore Green Building Services (SGBS)
- Implementing good labour, occupational health and safety practices aligned with international and/or local standards such as ISO 45001, BizSafe Level 3

We will conduct routine assessments of suppliers and vendors to ensure compliance with our Green Procurement Policy either internally or by engaging third-party service providers. This is done by conducting checks on the alignment of suppliers' policies and conduct, and requesting documentation on procedures such as anti-money laundering which demonstrate their commitment to ethical business practices.

## OUR COMMUNITY



- **New** Achieve at least 500 hours of staff volunteerism

### How We Manage This Issue

The Manager is committed to making a positive impact and contributing to the broader community. To achieve this, we hold regular dialogue with grassroots organisations and develop strategic programmes based on community needs. This can include providing financial support (cash or in-kind donations), offering resources or manpower for specific causes, or supporting community initiatives in other ways.

### Donation of Refurbished Laptops

In 2022, we donated around 40 refurbished laptops to BYTE, for use by children living in transitional shelters. The shelters provide temporary housing to displaced families who have no alternate accommodation. With the pandemic expediting the digitalisation of everyday tasks and with lessons and school projects increasingly conducted online, these laptops would support the youths in their educational journey.



Laptops being refurbished



CEO of the Manager of ESR-LOGOS REIT Mr Adrian Chui, presenting a refurbished laptop to BYTE

**Portrait Taking for the Elderly**

Co-organised with Kembangan Chai Chee CC, we invited elderly from low-income families living in rental flats in Kembangan Chai Chee to get their portraits taken by professional photographers. Working closely with the grassroots organisation, we found that many underprivileged elderly individuals rarely got the opportunity to be photographed. These portraits can be used for last rites purposes, providing loved ones with a visual tribute to remember them by, or simply be kept by the elders as mementos. In addition to the portraits, the Manager also supplied lunch bento boxes from its tenant, Mukbang Korean Restaurant, to all participants.



Collage of portraits taken for the elderly

**Kidzcare Tuition Centre at ESR BizPark @ Chai Chee: Supporting Disadvantaged Youth in Partnership with Kembangan-Chai Chee (KCC) Youth Network**

Since 2019, ESR-LOGOS REIT has been partnering with Kidzcare@Kembangan-Chai Chee (an initiative under the Kembangan-Chai Chee Youth Network) to provide a tuition centre for disadvantaged youths. ESR-LOGOS REIT provides the venue for the KCC Tuition Centre in three air-conditioned units at ESR BizPark @ Chai Chee, and certified tutors for youths taking their Primary School Leaving Exams. This provides them access to certified tutors and a safe and conducive environment to better focus and prepare for their exams.

**SportCares Community Futsal Programme**

This year, the Manager also commenced a new partnership with Sport Singapore by sponsoring a Futsal team under the SportCares Community Futsal Programme for youths at risk. The program aims to empower youths and bring about positive character and behavioural changes in vulnerable children through sports. SportSG also invited us to attend a friendly 5-a-side futsal competition with the SportSG youth teams. ESR-LOGOS REIT formed a team of players across different business functions for this event. The futsal competition also served as an opportunity for our employees to band together for a good cause.



ESR-LOGOS REIT Futsal Team made up of employees across different departments, representing the company at the SportCares Football Cup 2022



# 2022 SUSTAINABILITY REPORT

## GOVERNANCE

The Manager safeguards the REIT's assets and builds stakeholders' trust through strong and robust corporate governance.

### REGULATORY COMPLIANCE, GOVERNANCE, AND ENTERPRISE RISK MANAGEMENT



#### TARGETS

- Zero lapses in corporate governance or corruption
- Provide training to all employees on compliance with relevant governance policies
- Ensure procedures and business continuity plans are in place for pandemic preparedness and resilience
- Zero material incidents of non-compliance with socioeconomic or environmental laws

#### How We Manage This Issue

The Manager ensures strict adherence to corporate governance standards through the implementation of compliance policies and procedures, employee training, transparent communication, and robust risk management.

#### Strict Policies and Procedures Regulation

ESR-LOGOS REIT adheres to all applicable legislation and regulations such as the Code of Corporate Governance 2018, the Code on Collective Investment Schemes, the Trust Deed, and the listing rules and regulations set out by SGX.

#### Training and Awareness for Employees/Directors

The Manager raises employees' awareness in regulatory compliance through regular updates and educational sessions on compliance policies and procedures. Every year, the compliance department also conducts periodic bite-sized training sessions on Compliance Policies & Procedures that are available to all employees during working hours.

All newly appointed directors are given induction training which covers business activities, strategic direction of the REIT and the Manager's corporate governance practices. To enable the Directors to properly discharge their duties and responsibilities as Board or Board Committee members on an ongoing basis, the Directors are provided with routine updates by the Management and/or professionals on developments and changes to relevant laws, regulations and accounting standards affecting ESR-LOGOS REIT and/or the Manager. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

All Directors also completed the requisite training on sustainability matters as prescribed by the SGX-ST in 2022, apart from one director who has signed up to attend the Sustainability E-Training for Directors Programme in 2023.

### Open Communication for Transparency

The ARCC and Board exhibit leadership in promoting transparency throughout the organisation by advocating open communication. The Manager upholds a zero-tolerance approach towards all forms of corrupt business practices and is dedicated to conducting business in an ethical manner. The Internal Policy on Conflict of Interest, which outlines guidelines for handling and declaring gifts and entertainment, is given particular emphasis, and employees are regularly reminded to adhere to its requirements.

### Whistleblowing Policy

The Manager has a whistle-blowing policy that enables employees and external parties to raise concerns regarding potential improprieties, including financial reporting matters or other issues, to the Chairman of ARCC. All valid reports made in good faith are subject to an independent investigation, and appropriate follow-up actions are taken. The investigations are handled in strict confidence to ensure whistle-blowers are protected against any form of reprisals or victimization.

### Board and Key Management Personnel<sup>1</sup> (KMP) Compensation

The Nominating and Remuneration Committee (NRC), consisting of majority Independent Non-Executive directors, has instituted a formal and transparent procedure in developing remuneration policies and framework relating to the directors and KMP of the Manager. To ensure the level and mix of the Manager's remuneration remains competitive, aligned with Unitholders' interests and promote ESR-LOGOS REIT's long-term success, an independent remuneration consultant, Aon, was engaged by the NRC to develop the "Total Compensation Framework" for the Manager. The Total Compensation Framework is reviewed periodically by both the NRC as well as the consultant, especially when there are substantial changes to the Manager's structure.

### Enterprise Risk Management

The Manager has put in place a comprehensive risk management system that helps to identify, measure, prioritise and respond to potential risks that could have a significant impact on the REIT's business. The Manager adopts a four-step risk management process to manage different risks and it includes the following steps:

1. Risk identification and assessment;
2. Risk management application;
3. Risk monitoring; and
4. Reporting.

### 2022 Performance: Compliance



There were no material incident of non-compliance with laws and regulations in 2022.

For more information on our corporate governance practices and risk management activities, please refer to pages 132 to 163 on Corporate Governance and Risk Management.

<sup>1</sup> CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company



# GRI CONTENT INDEX

This Content Index includes disclosures from the GRI Standards (2021), unless otherwise stated.

Disclosure No.	Disclosure Title	Section/Notes	Page Number
<b>The organization and its reporting practices</b>			
2-1	Organizational details	About Us	ii
2-2	Entities included in the organization's sustainability reporting	Portfolio Details Sustainability Report, Welcome to ESR-LOGOS REIT's Sustainability Report 2022	116 to 131 164
2-3	Reporting period, frequency and contact point	Sustainability Report, Welcome to ESR-LOGOS REIT's Sustainability Report 2022	164
2-4	Restatements of information	Sustainability Report, Environmental — Solar Energy Generated, Exported and Consumed by our MTBs Sustainability Report, Environmental — 2022 Performance: Electricity, Cooling and Carbon Emissions	176 177
2-5	External assurance	Sustainability Report, Welcome to ESR-LOGOS REIT's Sustainability Report 2022	164
<b>Activities and Workers</b>			
2-6	Activities, value chain and other business relationships	About Us FY2022 Key Highlights Five-Year Financial Highlights Sustainability Report, Social — Our People Message to Unitholders	ii 20 22 188 12
2-7	Employees	Sustainability Report, Social — Our People	188
2-8	Workers who are not employees	Sustainability Report, Social — Our People	188

Disclosure No.	Disclosure Title	Section/Notes	Page Number
<b>Governance</b>			
2-9	Governance structure and composition	Corporate Governance, Board Matters Sustainability Report, How We Manage Sustainability	139 169
2-10	Nomination and selection of the highest governance body	Corporate Governance, Selection and Appointment of Directors	147
2-11	Chair of the highest governance body	The chairman of the board is not a senior executive	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report, A Statement from our Board	166
2-13	Delegation of responsibility for managing impacts	Sustainability Report, How We Manage Sustainability	169
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report, A Statement from our Board	166
2-15	Conflicts of interest	Corporate Governance, Role of Board Corporate Governance, Principle 8: Disclosure on Remuneration Corporate Governance, Dealing with potential conflicts of interest	139 to 140 149 to 150 160 to 161
2-16	Communications of critical concerns	Sustainability Report, Stakeholder Engagement	170 to 171
2-17	Collective knowledge of the highest governance body	Sustainability Report, A Statement from our Board	166
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, Principle 5: Board Performance	148
2-19	Remuneration policies	Corporate Governance, Principle 4: Board Membership, Remuneration Committee	147 to 148
2-20	Process to determine remuneration	Corporate Governance, Principle 4: Board Membership, Nominating and Remuneration Committee Corporate Governance, Principle 7: Level and Mix of Remuneration	147 to 148 148
2-21	Annual total compensation ratio	We do not disclose against this metric due to confidentiality constraints.	

# GRI CONTENT INDEX

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<b>Strategy, Policies and Practices</b>			
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2-24	Embedding policy commitments	Sustainability Report, Governance	194
2-25	Processes to remediate negative impacts	Sustainability Report, Governance — Regulatory Compliance, Governance and Enterprise Risk Management	194
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report, Stakeholder Engagement Sustainability Report, Governance — Regulatory Compliance, Governance and Enterprise Risk Management	170 to 171 194
2-27	Compliance with laws and regulations	Sustainability Report, Governance — Regulatory Compliance, Governance and Enterprise Risk Management	194
2-28	Membership associations	Sustainability Report, Stakeholder Engagement	170 to 171
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement	170 to 171
2-30	Collective bargaining agreements	All employees within the scope of this report are not covered by collective bargaining agreements, as they are considered to be professionals	
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<b>Disclosures on Material Topics</b>			
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<b>Anti-corruption 2016</b>			
3-3	Management of material topics	Sustainability Report, Governance — Regulatory Compliance, Governance, and Enterprise Risk Management	194
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report, Governance — Regulatory Compliance, Governance, and Enterprise Risk Management	195

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302-3	Energy intensity	Sustainability Report, Environmental — 2022 Performance: Electricity, Cooling and Carbon Emissions	177
<b>Water and Effluents 2018</b>			
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303-1	Interactions with water as a shared resource	Sustainability Report, Environmental — Reducing our Water Consumption	182
303-2	Management of water discharge-related impacts	Sustainability Report, Environmental — Reducing our Water Consumption	182
303-3	Water withdrawal	Sustainability Report, Environmental — 2022 Performance: Water Withdrawal	182
<b>Emissions 2016</b>			
3-3	Management of material topics	Sustainability Report, Environmental — Reducing our Energy Consumption and Carbon Emissions	176
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report, Environmental — 2022 Performance: Electricity, Cooling and Carbon Emissions	177
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306-3	Waste generated	Sustainability Report, Environmental — 2022 Performance: Waste Management	183

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308-1	New suppliers that were screened using environmental criteria	Sustainability Report, Social — Supply Chain Management	192
<b>Employment 2016</b>			
3-3	Management of material topics	Sustainability Report, Social — Diversity and Equal Opportunity	187
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403-3	Occupational health services	Sustainability Report, Social — Health and Safety	191
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report, Social — Health and Safety	190
403-5	Worker training on occupational health and safety	Sustainability Report, Social — Health and Safety	191
403-6	Promotion of worker health	Sustainability Report, Social — Health and Safety	191
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report, Social — Health and Safety	190
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Disclosure No.	Disclosure Title	Section/Notes	Page Number
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3-3	Management of material topics	Sustainability Report, Social – Diversity and Equal Opportunity	187
405-1	Diversity of governance bodies and employees	Sustainability Report, Social – Diversity and Equal Opportunity	188 to 189
<b>Investment Management – Quality of Assets and Services</b>			
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3-3	Management of material topics	Sustainability Report, Economic – Investment Management – Quality of Assets and Services	173
<b>Tenant Engagement and Satisfaction</b>			
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3-3	Management of material topics	Sustainability Report, Economic – Tenant Engagement and Satisfaction	175
<b>Local Communities</b>			
3-3	Management of material topics	Sustainability Report, Social – Our Community	192
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Social – Our Community Community projects are implemented at head office level.	192
<b>Supplier Social Assessment 2016</b>			
3-3	Management of material topics	Sustainability Report, Social – Supply Chain Management	192
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report, Social – Supply Chain Management	192

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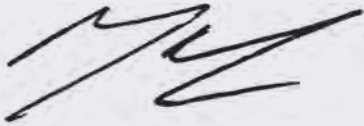
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## REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of ESR-LOGOS REIT (formerly known as ESR-REIT) (the “Trust”) held by it or through its subsidiaries (collectively, the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”) and the Listing Manual, the Trustee shall monitor the activities of ESR-LOGOS Funds Management (S) Limited (formerly known as ESR Funds Management (S) Limited) (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 31 March 2006 (as amended), including the Deed of Retirement and Appointment of Trustee of the Trust dated 14 April 2022 between the Trustee and the Manager (the “Trust Deed”) in each annual accounting year and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 211 to 307 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,  
Perpetual (Asia) Limited



Matthew Allen  
Director

Singapore

17 March 2023

## STATEMENT BY THE MANAGER

In the opinion of the directors of ESR-LOGOS Funds Management (S) Limited, the accompanying financial statements of ESR-LOGOS REIT (the “Trust”) and its subsidiaries (the “Group”) set out on pages 211 to 307 comprising the Statements of Financial Position, Consolidated Statement of Total Return, Consolidated Distribution Statement, Statements of Movements in Unitholders’ Funds, Investment Properties Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies, are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 December 2022, and the financial performance, distributable income, movements in Unitholders’ funds and cash flows of the Group and movements in Unitholders’ funds of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds”* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,  
ESR-LOGOS Funds Management (S) Limited



Ms. Stefanie Yuen Thio  
Chairperson

Singapore

17 March 2023

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of ESR-LOGOS REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and investment properties portfolio statements of the Group and the Trust as at 31 December 2022, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and present fairly, in all material respects, the consolidated financial position and consolidated portfolio holdings of the Group and the financial position and portfolio holdings of the Trust as at 31 December 2022 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of *Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context

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



# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

## Key audit matters (continued)

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

The Group's investments in property assets comprise investment properties held either directly or through joint venture and investments in unquoted property funds. As at 31 December 2022, the respective carrying value of directly held investment properties is \$5.1 billion, investment in joint venture is \$41.2 million, and investments at fair value through profit or loss is \$342.7 million. The underlying investment properties, held directly or indirectly, are stated at fair values based on independent external valuations.

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

We have assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the independence, objectivity and competency of the valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the valuation methodologies adopted and compared them against those applied by other valuers for similar property types. We tested the key inputs in the projected cash flows and net operating income used in the valuations to supporting key information such as contractual terms of the leases and externally available industry and economic data.

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

We have reviewed the appropriateness of the disclosures in Notes 4 and 30 of the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

## Key audit matters (continued)

### Accounting for acquisition of ARA LOGOS Logistics Trust

On 22 April 2022, the Group completed the merger with ALOG by way of a trust scheme of arrangement (the "Merger"). The Group acquired all the issued and paid-up units in ALOG held by the unitholders of ALOG.

The Merger is considered a key audit matter as it was a significant non-routine transaction which requires significant management judgement in determining whether the transaction is a business combination or an acquisition of assets, as the accounting implications are different in each case. The Group accounted for the Merger as an acquisition of assets.

We assessed the appropriateness of the basis of accounting as acquisition of assets by examining the transaction agreements to understand the key terms of the acquisition. We compared the methodologies and key assumptions used in determining the fair values of the identified assets acquired and liabilities assumed to generally accepted market practices and market data. We checked the computations for allocating the scheme consideration to those assets acquired, liabilities assumed, and the premium over net assets acquired.

We have assessed the adequacy and reviewed the appropriateness of the disclosures in Note 5 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

## Other information

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

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

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2022

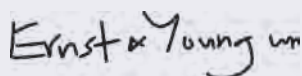
## Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.



**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

17 March 2023

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	4	5,103,400	3,146,010	1,570,449	1,585,914
Investments in subsidiaries	5	-	-	2,104,974	761,591
Investment in joint venture	6	41,233	40,714	41,233	40,714
Investments at fair value through profit or loss ("FVTPL")	7	342,665	66,542	77,320	66,542
Loans to subsidiaries	8	-	-	725,755	636,800
Derivative financial instruments	9	19,617	-	10,419	-
		<b>5,506,915</b>	<b>3,253,266</b>	<b>4,530,150</b>	<b>3,091,561</b>
<b>Current assets</b>					
Trade and other receivables	10	40,684	23,085	52,177	33,421
Derivative financial instruments	9	4,385	-	4,385	-
Cash and bank balances	11	45,579	24,150	9,539	14,164
		<b>90,648</b>	<b>47,235</b>	<b>66,101</b>	<b>47,585</b>
Investment properties held for divestment	4	56,595	29,264	8,141	29,264
		<b>147,243</b>	<b>76,499</b>	<b>74,242</b>	<b>76,849</b>
<b>Total assets</b>		<b>5,654,158</b>	<b>3,329,765</b>	<b>4,604,392</b>	<b>3,168,410</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	12	91,560	64,308	42,796	39,245
Lease liabilities for leasehold land	13	16,180	2,717	2,895	2,717
Interest-bearing borrowings	14	229,349	209,439	229,349	209,439
Derivative financial instruments	9	-	3,707	-	3,707
Amount due to non-controlling interest	15	63,316	62,036	-	-
		<b>400,405</b>	<b>342,207</b>	<b>275,040</b>	<b>255,108</b>
Liabilities directly attributable to investment properties held for divestment	13	6,328	6,373	1,076	6,373
		<b>406,733</b>	<b>348,580</b>	<b>276,116</b>	<b>261,481</b>
<b>Non-current liabilities</b>					
Trade and other payables	12	20,530	20,283	5,537	9,467
Lease liabilities for leasehold land	13	521,440	218,593	155,154	155,097
Interest-bearing borrowings	14	1,846,707	981,413	1,410,387	981,413
Derivative financial instruments	9	1,907	9,946	1,907	9,946
Deferred tax liabilities	24	7,754	1,867	4,208	1,867
		<b>2,398,338</b>	<b>1,232,102</b>	<b>1,577,193</b>	<b>1,157,790</b>
<b>Total liabilities</b>		<b>2,805,071</b>	<b>1,580,682</b>	<b>1,853,309</b>	<b>1,419,271</b>
<b>Net assets</b>		<b>2,849,087</b>	<b>1,749,083</b>	<b>2,751,083</b>	<b>1,749,139</b>
Represented by:					
Unitholders' funds		2,444,653	1,597,968	2,448,955	1,598,024
Perpetual securities holders' funds	16	302,128	151,115	302,128	151,115
Non-controlling interest - perpetual securities	17	102,306	-	-	-
		<b>2,849,087</b>	<b>1,749,083</b>	<b>2,751,083</b>	<b>1,749,139</b>
<b>Units in issue ('000)</b>	18	<b>6,719,188</b>	<b>4,030,257</b>	<b>6,719,188</b>	<b>4,030,257</b>
<b>Net asset value per Unit (cents)</b>		<b>36.4</b>	<b>39.6</b>	<b>36.4</b>	<b>39.7</b>

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



# STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	Group	
		2022 \$'000	2021 \$'000
<b>Gross revenue</b>	19	<b>343,232</b>	241,286
Property expenses	20	<b>(98,989)</b>	(68,025)
Net property income		<b>244,243</b>	173,261
Income from investments at FVTPL		<b>11,129</b>	1,536
Management fees	21	<b>(21,201)</b>	(14,840)
Trust expenses	22	<b>(5,172)</b>	(2,772)
Borrowing costs, net	23	<b>(62,247)</b>	(43,869)
Finance costs on lease liabilities for leasehold land	13	<b>(23,743)</b>	(11,825)
<b>Net income</b>		<b>143,009</b>	101,491
Foreign exchange (loss)/gain		<b>(2,256)</b>	3,125
Change in fair value of investments at FVTPL		<b>8,360</b>	9,312
Change in fair value of financial derivatives		<b>27,570</b>	24,925
Change in fair value of investment properties	4	<b>(22,511)</b>	(40,381)
Fair value adjustments relating to the Merger		<b>(427,055)</b>	-
Change in fair value of right-of-use of leasehold land	13	<b>5,593</b>	1,588
Share of results of joint venture	6	<b>5,343</b>	7,701
<b>Total (loss)/return for the year before income tax</b>		<b>(261,947)</b>	107,761
Income tax expense	24	<b>(9,492)</b>	(2,162)
<b>Total (loss)/return for the year after income tax</b>		<b>(271,439)</b>	105,599
<b>Attributable to:</b>			
Unitholders of the Trust and perpetual securities holders		<b>(278,261)</b>	101,521
Non-controlling interest - perpetual securities holders		<b>3,828</b>	-
Non-controlling interest - others		<b>2,994</b>	4,078
<b>Total (loss)/return for the year</b>		<b>(271,439)</b>	105,599
<b>Earnings per Unit (cents)</b>			
Basic and diluted	25	<b>(4.972)</b>	2.481
<b>Distribution per Unit (cents)</b>	25	<b>3.000</b>	2.987

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

# DISTRIBUTION STATEMENT

For the financial year ended 31 December 2022

	Group	
	2022 \$'000	2021 \$'000
Total (loss)/return after income tax, before distribution for the year	<b>(278,261)</b>	101,521
Add: Distribution adjustments (Note A)	<b>437,871</b>	18,947
	<b>159,610</b>	120,468
Amount reserved for distributions to perpetual securities holders	<b>(12,049)</b>	(6,900)
<b>Net income available for distribution to Unitholders</b>	<b>147,561</b>	113,568
<b>Total amount available for distribution comprising:</b>		
– Taxable income	<b>147,561</b>	113,568
– Tax-exempt income	<b>12,049</b>	183
– Capital distribution	<b>17,487</b>	642
	<b>177,097</b>	114,393
Less: Distributions (Note B)	<b>(73,606)</b>	(85,323)
<b>Net amount available for distribution to Unitholders as at 31 December</b>	<b>103,491</b>	29,070
<b>Note A - Distribution adjustments</b>		
<b>Non-tax deductible/(chargeable) items and other adjustments:</b>		
Management fees paid/payable in Units	<b>10,837</b>	6,033
Property Manager's fees paid/payable in Units	<b>3,257</b>	2,872
Trustee's fees	<b>1,028</b>	595
Financing related costs, including amortisation of debt related costs	<b>11,091</b>	7,261
Realised foreign exchange gain	<b>(1,779)</b>	–
Unrealised foreign exchange loss/(gain)	<b>4,163</b>	(3,134)
Change in fair value of investments at FVTPL	<b>(8,360)</b>	(9,312)
Fair value adjustments relating to the Merger	<b>427,055</b>	–
Change in fair value of investment properties	<b>22,511</b>	40,381
Change in fair value of financial derivatives	<b>(27,570)</b>	(24,925)
Legal and professional fees	<b>(867)</b>	95
Adjustment for straight line rent and lease incentives	<b>(1,976)</b>	(1,140)
Miscellaneous expenses	<b>2,291</b>	850
Share of results of joint venture	<b>(5,343)</b>	(7,701)
Distributable income from joint venture	<b>5,236</b>	5,937
Withholding tax paid for capital gain	<b>–</b>	209
Deferred tax expense	<b>5,069</b>	1,867
Non-controlling interest share of non-tax deductible items	<b>(643)</b>	572
Interest income from subsidiary that was capitalised	<b>227</b>	–
Rollover adjustment from prior years	<b>(2,224)</b>	(171)
Tax interest adjustment	<b>262</b>	210
Net tax adjustments for income from subsidiaries and investments at FVTPL	<b>(6,394)</b>	(1,552)
<b>Net effect of distribution adjustments</b>	<b>437,871</b>	18,947

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

# DISTRIBUTION STATEMENT

For the financial year ended 31 December 2022

## Note B - Distributions

	Group	
	2022 \$'000	2021 \$'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 0.550 cents per Unit for the period from 22/4/2022 to 30/6/2022	<b>36,720</b>	–
Distribution of 0.910 cents per Unit for the period from 1/1/2022 to 21/4/2022	<b>36,886</b>	–
Distribution of 0.712 cents per Unit for the period from 1/7/2021 to 30/9/2021	–	28,532
Distribution of 0.344 cents per Unit for the period from 18/5/2021 to 30/6/2021	–	13,338
Distribution of 0.410 cents per Unit for the period from 1/4/2021 to 17/5/2021	–	14,724
Distribution of 0.800 cents per Unit for the period from 1/1/2021 to 31/3/2021	–	28,729
	<b>73,606</b>	85,323
Distribution of 0.721 cents per Unit for the period from 1/10/2021 to 31/12/2021	<b>29,058</b>	–
Distribution of 0.840 cents per Unit for the period from 1/10/2020 to 31/12/2020	–	30,041
	<b>102,664</b>	115,364
Total distributions to Unitholders during the financial year <sup>1</sup>		

1 Distributions were partly paid by ESR-LOGOS REIT issuing an aggregate of 39.9 million Units amounting to \$16.4 million (2021: 43.5 million Units amounting to \$18.6 million), pursuant to the Distribution Reinvestment Plan.

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Unitholders' Funds</b>				
<b>Balance at beginning of the year</b>	<b>1,597,968</b>	1,446,990	<b>1,598,024</b>	1,449,302
<b>Operations</b>				
Total (loss)/return for the year after tax attributable to Unitholders and perpetual securities holders	<b>(278,261)</b>	101,521	<b>(346,713)</b>	99,265
Less: Amount reserved for distribution to perpetual securities holders	<b>(12,049)</b>	(6,900)	<b>(12,049)</b>	(6,900)
<b>Net (decrease)/increase in net assets resulting from operations</b>	<b>(290,310)</b>	94,621	<b>(358,762)</b>	92,365
<b>Movement in foreign currency translation reserve</b>	<b>(72,698)</b>	-	-	-
<b>Unitholders' transactions</b>				
Management fees paid in Units	<b>12,230</b>	7,377	<b>12,230</b>	7,377
Units issued through Distribution Reinvestment Plan	<b>16,444</b>	18,572	<b>16,444</b>	18,572
Private placement	-	100,000	-	100,000
Preferential offering	-	49,629	-	49,629
Acquisition fees paid in Units	<b>17,647</b>	-	<b>17,647</b>	-
Partial consideration paid in Units pursuant to the Merger	<b>1,268,318</b>	-	<b>1,268,318</b>	-
Equity issue costs pursuant to: (Note 26)				
- Distribution Reinvestment Plan	<b>(557)</b>	(400)	<b>(557)</b>	(400)
- Private placement	-	(2,239)	-	(2,239)
- Preferential offering	<b>(6)</b>	(1,218)	<b>(6)</b>	(1,218)
- Perpetual securities	<b>(1,719)</b>	-	<b>(1,719)</b>	-
Distributions to Unitholders	<b>(102,664)</b>	(115,364)	<b>(102,664)</b>	(115,364)
<b>Net increase in Unitholders' funds resulting from Unitholders' transactions</b>	<b>1,209,693</b>	56,357	<b>1,209,693</b>	56,357
<b>Balance at end of the year</b>	<b>2,444,653</b>	1,597,968	<b>2,448,955</b>	1,598,024
<b>Perpetual Securities Holders' Funds</b>				
<b>Balance at beginning of the year</b>	<b>151,115</b>	151,115	<b>151,115</b>	151,115
Issue of perpetual securities	<b>150,000</b>	-	<b>150,000</b>	-
Amount reserved for distribution to perpetual securities holders	<b>12,049</b>	6,900	<b>12,049</b>	6,900
Distributions to perpetual securities holders	<b>(11,036)</b>	(6,900)	<b>(11,036)</b>	(6,900)
<b>Balance at end of the year</b>	<b>302,128</b>	151,115	<b>302,128</b>	151,115
<b>Non-controlling interest</b>				
<b>- ALOG Trust's Perpetual Securities Holders</b>				
<b>Balance at beginning of the year</b>	-	-	-	-
Non-controlling interest acquired pursuant to the Merger	<b>101,205</b>	-	-	-
Amount reserved for distribution to non-controlling interest - perpetual securities holders	<b>3,828</b>	-	-	-
Distributions to non-controlling interest - perpetual securities holders	<b>(2,727)</b>	-	-	-
<b>Balance at end of the year</b>	<b>102,306</b>	-	-	-
<b>Total</b>	<b>2,849,087</b>	1,749,083	<b>2,751,083</b>	1,749,139

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Group</b>				
<b>Singapore</b>				
<b>Business Park Properties <sup>(1)</sup></b>				
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	34 <sup>(5)</sup>	16 International Business Park Singapore 609929
750 – 750E CHAI CHEE ROAD	Leasehold	60/43	8/8 <sup>(6)</sup>	750 to 750E Chai Chee Road Singapore 469000
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	45 <sup>(7)</sup>	6/8 Changi Business Park Avenue 1 Singapore 486017
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	45 <sup>(7)</sup>	2/4 Changi Business Park Avenue 1 Singapore 486015
<b>Total Business Park Properties</b>				
<b>High-Specs Industrial Properties <sup>(2)</sup></b>				
21/23 UBI ROAD 1	Leasehold	30+30	34 <sup>(8)</sup>	21/23 Ubi Road 1 Singapore 408724/408725
+ 2 JALAN KILANG BARAT	Leasehold	99	—	2 Jalan Kilang Barat Singapore 159346
11 CHANG CHARN ROAD	Leasehold	99	34 <sup>(9)</sup>	11 Chang Charn Road Singapore 159640
12 ANG MO KIO STREET 65	Leasehold	30+30	28 <sup>(10)</sup>	12 Ang Mo Kio Street 65 Singapore 569060
16 TAI SENG STREET	Leasehold	30+30	44 <sup>(11)</sup>	16 Tai Seng Street Singapore 534138
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	27 <sup>(12)</sup>	30 Marsiling Industrial Estate Road 8 Singapore 739193
19 TAI SENG AVENUE	Leasehold	30+30	45 <sup>(13)</sup>	19 Tai Seng Avenue Singapore 534054
# 7000 ANG MO KIO AVENUE 5	Leasehold	32+30	34 <sup>(14)</sup>	7000 Ang Mo Kio Avenue 5 Singapore 569877
<b>Total High-Specs Industrial Properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
100	100	32,500	32,500	1.33	2.03
80	81	232,000	257,600	9.49	16.12
59	57	384,000	381,000	15.71	23.84
100	100	189,000	165,000	7.73	10.33
		<b>837,500</b>	836,100	<b>34.26</b>	52.32
94	82	37,100	36,500	1.52	2.28
—	100	—	28,800	—	1.80
62	39	28,200	28,100	1.15	1.76
92	91	37,200	37,000	1.52	2.32
81	40	87,100	58,500	3.56	3.66
100	100	46,500	46,000	1.90	2.88
76	76	51,500	49,300	2.11	3.09
88	97	328,300	306,200	13.43	19.16
		<b>615,900</b>	590,400	<b>25.19</b>	36.95

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>Logistics Properties<sup>(3)</sup></b>				
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	9 <sup>(15)</sup>	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	32 <sup>(16)</sup>	25 Changi South Ave 2 Singapore 486594
160 KALLANG WAY	Leasehold	30+30	10 <sup>(17)</sup>	160 Kallang Way Singapore 349246
4/6 CLEMENTI LOOP	Leasehold	30+30	31 <sup>(18)</sup>	4/6 Clementi Loop Singapore 129810 and 129814
24 JURONG PORT ROAD	Leasehold	30+12	14 <sup>(19)</sup>	24 Jurong Port Road Singapore 619097
3 PIONEER SECTOR 3	Leasehold	30+30	28 <sup>(20)</sup>	3 Pioneer Sector 3 Singapore 628342
15 GREENWICH DRIVE	Leasehold	30	19 <sup>(21)</sup>	15 Greenwich Drive Singapore 534022
46A TANJONG PENJURU	Leasehold	30+14	27 <sup>(22)</sup>	46A Tanjong Penjuru Singapore 609040
6 CHIN BEE AVENUE	Leasehold	30	21 <sup>(23)</sup>	6 Chin Bee Avenue Singapore 619930
30 PIONEER ROAD	Leasehold	30	14 <sup>(24)</sup>	30 Pioneer Road Singapore 628502
COMMODITY HUB	Leasehold	29	13 <sup>(25)</sup>	24 Penjuru Road, Singapore 609128
COLD CENTRE	Leasehold	30+30	43 <sup>(26)</sup>	2 Fishery Port Road Singapore 619746
SCHENKER MEGAHUB	Leasehold	30	42 <sup>(27)</sup>	51 Alps Avenue Singapore 498783
CHANGI DISTRICENTRE 1	Leasehold	30+30	43 <sup>(28)</sup>	5 Changi South Lane Singapore 486045
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	30 <sup>(29)</sup>	22 Loyang Lane Singapore 508931
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
100	100	8,000	10,300	0.33	0.64
100	100	13,000	12,000	0.53	0.75
8	100	22,200	24,400	0.91	1.53
86	92	39,600	39,200	1.62	2.45
98	98	84,000	85,700	3.44	5.36
100	93	100,000	98,100	4.09	6.14
100	100	90,000	93,500	3.68	5.85
80	100	118,000	119,600	4.83	7.48
100	100	97,900	96,400	4.00	6.03
100	100	39,800	41,400	1.63	2.59
100	—	251,500	—	10.29	—
63	—	110,000	—	4.50	—
100	—	94,500	—	3.86	—
93	—	96,200	—	3.93	—
100	—	13,400	—	0.55	—
		<b>1,178,100</b>	<b>620,600</b>	<b>48.19</b>	<b>38.82</b>

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>Logistics Properties</b> <sup>[3]</sup> (continued)				
<b>Balance brought forward</b>				
PAN ASIA LOGISTICS CENTRE	Leasehold	30	17 <sup>[30]</sup>	21 Changi North Way Singapore 498774
GUL LOGISCENTRE	Leasehold	30	11 <sup>[31]</sup>	15 Gul Way Singapore 629193
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	21 <sup>[32]</sup>	1 Greenwich Drive, Tampines LogisPark Singapore 533565
^ PANDAN LOGISTICS HUB	Leasehold	30	17 <sup>[33]</sup>	49 Pandan Road, Singapore 609290
<b>Total Logistics Properties</b>				
<b>General Industrial Properties</b> <sup>[4]</sup>				
^ 70 SELETAR AEROSPACE VIEW	Leasehold	30	19 <sup>[34]</sup>	70 Seletar Aerospace View Singapore 797564
30 TEBAN GARDENS CRESCENT	Leasehold	10+22	16 <sup>[35]</sup>	30 Teban Gardens Crescent Singapore 608927
30 TOH GUAN ROAD	Leasehold	30+30	33 <sup>[36]</sup>	30 Toh Guan Road Singapore 608840
128 JOO SENG ROAD	Leasehold	30+30	29 <sup>[37]</sup>	128 Joo Seng Road Singapore 368356
130 JOO SENG ROAD	Leasehold	30+30	29 <sup>[38]</sup>	130 Joo Seng Road Singapore 368357
136 JOO SENG ROAD	Leasehold	30+30	28 <sup>[39]</sup>	136 Joo Seng Road Singapore 368360
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
		<b>1,178,100</b>	<b>620,600</b>	<b>48.19</b>	<b>38.82</b>
100	—	31,700	—	1.29	—
100	—	28,300	—	1.16	—
100	—	165,000	—	6.75	—
92	—	43,201	—	1.77	—
		<b>1,446,301</b>	<b>620,600</b>	<b>59.16</b>	<b>38.82</b>
—	—	7,065	7,000	0.29	0.44
63	100	29,300	30,500	1.20	1.91
97	97	60,800	60,800	2.49	3.80
97	96	12,300	11,700	0.50	0.73
100	100	16,000	15,300	0.65	0.96
100	100	12,900	12,600	0.53	0.79
		<b>138,365</b>	<b>137,900</b>	<b>5.66</b>	<b>8.63</b>

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties<sup>(4)</sup> (continued)</b>				
<b>Balance brought forward</b>				
	79 TUAS SOUTH STREET 5	Leasehold	30+30	37 <sup>(40)</sup> 79 Tuas South Street 5 Singapore 637604
	31 TUAS AVENUE 11	Leasehold	30+30	31 <sup>(41)</sup> 31 Tuas Avenue 11 Singapore 639105
	1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	38/43 <sup>(42)</sup> 1/2 Changi North Street 2 Singapore 498808/498775
	9 TUAS VIEW CRESCENT	Leasehold	30+30	36 <sup>(43)</sup> 9 Tuas View Crescent Singapore 637612
+	28 SENOKO DRIVE	Leasehold	30+30	— 28 Senoko Drive Singapore 758214
	31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	32 <sup>(44)</sup> 31 Changi South Avenue 2 Singapore 486478
	22 CHIN BEE DRIVE	Leasehold	30	13 <sup>(45)</sup> 22 Chin Bee Drive Singapore 619870
	54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	33 <sup>(46)</sup> 54 Serangoon North Avenue 4 Singapore 555854
	2 TUAS SOUTH AVENUE 2	Leasehold	60	36 <sup>(47)</sup> 2 Tuas South Ave 2 Singapore 637601
	21B SENOKO LOOP	Leasehold	30+30	30 <sup>(48)</sup> 21B Senoko Loop Singapore 758171
	60 TUAS SOUTH STREET 1	Leasehold	30	12 <sup>(49)</sup> 60 Tuas South Street 1 Singapore 639925
	5/7 GUL STREET 1	Leasehold	29.5	15 <sup>(50)</sup> 5/7 Gul Street 1 Singapore 629318/629320
	28 WOODLANDS LOOP	Leasehold	30+30	33 <sup>(51)</sup> 28 Woodlands Loop Singapore 738308
	25 PIONEER CRESCENT	Leasehold	30+28	44 <sup>(52)</sup> 25 Pioneer Crescent Singapore 628554
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
		<b>138,365</b>	<b>137,900</b>	<b>5.66</b>	<b>8.63</b>
100	100	<b>9,600</b>	10,700	<b>0.39</b>	0.67
100	100	<b>12,200</b>	12,100	<b>0.50</b>	0.76
100	100	<b>23,000</b>	22,400	<b>0.94</b>	1.40
100	—	<b>10,300</b>	10,000	<b>0.42</b>	0.63
—	100	—	11,916	—	0.75
100	100	<b>13,500</b>	13,300	<b>0.55</b>	0.83
—	—	<b>13,000</b>	13,900	<b>0.53</b>	0.87
91	99	<b>23,400</b>	22,900	<b>0.96</b>	1.43
100	100	<b>39,200</b>	36,700	<b>1.60</b>	2.30
—	—	<b>23,800</b>	22,800	<b>0.97</b>	1.43
100	100	<b>4,000</b>	4,100	<b>0.16</b>	0.26
63	63	<b>11,400</b>	13,900	<b>0.47</b>	0.87
100	100	<b>18,000</b>	17,300	<b>0.74</b>	1.08
100	100	<b>16,800</b>	16,400	<b>0.69</b>	1.03
		<b>356,565</b>	<b>366,316</b>	<b>14.58</b>	<b>22.94</b>

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Singapore</b>				
<b>General Industrial Properties<sup>(4)</sup> (continued)</b>				
<b>Balance brought forward</b>				
11 WOODLANDS WALK	Leasehold	30+30	33 <sup>(53)</sup>	11 Woodlands Walk Singapore 738265
43 TUAS VIEW CIRCUIT	Leasehold	30	15 <sup>(54)</sup>	43 Tuas View Circuit Singapore 637360
13 JALAN TERUSAN	Leasehold	28	12 <sup>(55)</sup>	13 Jalan Terusan Singapore 619293
160A GUL CIRCLE	Leasehold	27	18 <sup>(56)</sup>	160A Gul Circle Singapore 629618
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	36 <sup>(57)</sup>	3 Tuas South Avenue 4 Singapore 637610
8 TUAS SOUTH LANE	Leasehold	30+16	31 <sup>(58)</sup>	8 Tuas South Lane Singapore 637302
120 PIONEER ROAD	Leasehold	30+28	32 <sup>(59)</sup>	120 Pioneer Road Singapore 639597
+ 45 CHANGI SOUTH AVENUE 2	Leasehold	30+30	—	45 Changi South Avenue 2 Singapore 486133
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/30+30	31/31 <sup>(60)</sup>	511/513 Yishun Industrial Park A Singapore 768768/768736
86/88 INTERNATIONAL ROAD	Leasehold	30+30	32 <sup>(61)</sup>	86/88 International Road Singapore 629176/629177
11 UBI ROAD 1	Leasehold	30+30/21+30	33 <sup>(62)</sup>	11 Ubi Road 1 Singapore 408723
29 TAI SENG STREET	Leasehold	30+30	44 <sup>(63)</sup>	29 Tai Seng Street Singapore 534120
11 LORONG 3 TOA PAYOH	Leasehold	60	6 <sup>(64)</sup>	11 Lorong 3 Toa Payoh Singapore 319579
81 TUAS BAY DRIVE	Leasehold	60	44 <sup>(65)</sup>	81 Tuas Bay Drive Singapore 637308
<b>Total General Industrial Properties</b>				
<b>Total Singapore investment properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
		<b>356,565</b>	<i>366,316</i>	<b>14.58</b>	<i>22.94</i>
100	100	<b>18,000</b>	17,600	<b>0.74</b>	1.10
100	100	<b>16,700</b>	17,400	<b>0.68</b>	1.09
100	100	<b>23,500</b>	25,000	<b>0.96</b>	1.56
35	82	<b>13,900</b>	13,700	<b>0.57</b>	0.86
100	100	<b>45,000</b>	43,200	<b>1.84</b>	2.70
100	100	<b>101,100</b>	103,700	<b>4.14</b>	6.49
82	84	<b>33,900</b>	36,500	<b>1.39</b>	2.28
—	68	—	10,975	—	0.69
100	79	<b>25,900</b>	25,900	<b>1.06</b>	1.62
100	100	<b>41,500</b>	40,500	<b>1.70</b>	2.53
100	100	<b>87,900</b>	87,500	<b>3.60</b>	5.48
100	100	<b>37,000</b>	35,500	<b>1.51</b>	2.22
74	75	<b>42,800</b>	48,700	<b>1.75</b>	3.05
100	100	<b>28,500</b>	28,000	<b>1.17</b>	1.76
		<b>872,265</b>	900,491	<b>35.69</b>	56.37
		<b>3,771,966</b>	2,947,591	<b>154.30</b>	184.46

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Australia</b>				
<b>Logistics Properties<sup>(3)</sup></b>				
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	—	127 Orchard Road, Chester Hill, New South Wales, Australia
16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	—	16 – 28 Transport Drive, Somerton, Victoria, Australia
51 MUSGRAVE ROAD, COOPERS PLAINS, QUEENSLAND	Freehold	Freehold	—	51 Musgrave Road, Coopers Plains, Queensland, Australia
203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	—	203 Viking Drive, Wacol, Queensland, Australia
223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	—	223 Viking Drive, Wacol, Queensland, Australia
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	—	76-90 Link Drive, Campbellfield, Victoria, Australia
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	—	67-93 National Boulevard, Campbellfield, Victoria, Australia
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	—	41-51 Mills Road, Braeside, Victoria, Australia
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	—	151-155 Woodlands Drive, Braeside, Victoria, Australia
41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	—	41-45 Hydrive Close, Dandenong, Victoria, Australia
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	—	16-24 William Angliss Drive, Laverton, North Victoria, Australia
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	—	217-225 Boundary Road, Laverton North, Victoria, Australia
182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	—	182-198 Maidstone Street, Altona, Victoria, Australia
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	—	196 Viking Drive, Wacol, Queensland, Australia
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	—	11-19 Kellar Street, Berrinba, Queensland, Australia
<b>Balance carried forward</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
100	—	71,616	—	2.93	—
100	—	37,168	—	1.52	—
86	—	9,519	—	0.39	—
100	—	32,544	—	1.33	—
100	—	11,513	—	0.47	—
100	—	15,638	—	0.64	—
100	—	40,341	—	1.65	—
97	—	47,819	—	1.96	—
100	—	20,623	—	0.84	—
100	—	15,411	—	0.63	—
100	—	25,836	—	1.06	—
100	—	35,355	—	1.45	—
100	—	55,298	—	2.26	—
100	—	18,901	—	0.77	—
100	—	16,408	—	0.67	—
		<b>453,990</b>	<b>—</b>	<b>18.57</b>	<b>—</b>

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<b>Australia</b>				
<b>Logistics Properties<sup>(3)</sup> (continued)</b>				
<b>Balance brought forward</b>				
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	—	47 Logistics Place, Larapinta, Queensland, Australia
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	40 <sup>(66)</sup>	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	37 <sup>(67)</sup>	8 Curlew Street, Port of Brisbane, Queensland, Australia
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	37 <sup>(68)</sup>	53 Peregrine Drive, Port of Brisbane, Queensland, Australia
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	37 <sup>(69)</sup>	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland
<b>Total Logistics Properties</b>				
<b>Total Australia investment properties</b>				
<b>Japan</b>				
<b>Logistics Property<sup>(3)</sup></b>				
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	—	2464-11 and others, Ota, Sakura-shi, Chiba-ken
<b>Total Japan investment property</b>				
<b>Total Group's investment properties</b>				

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

	Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
	2022 %	2021 %	2022 \$'000	2021 \$'000	2022 %	2021 %
			453,990	—	18.57	—
100	—	—	17,859	—	0.73	—
100	—	—	56,930	—	2.33	—
100	—	—	36,896	—	1.51	—
100	—	—	24,114	—	0.99	—
100	—	—	72,069	—	2.95	—
			661,858	—	27.08	—
			661,858	—	27.08	—
75	—	—	182,223	—	7.45	—
			182,223	—	7.45	—
			4,616,047	2,947,591	188.83	184.46

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



# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

			Percentage of net assets attributable to Unitholders	
	2022 \$'000	2021 \$'000	2022 %	2021 %
<b>Trust</b>				
Investment properties, at valuation (Note 4)	1,419,465	1,450,991	57.96	90.80
Other assets and liabilities (net)	1,331,618	298,148	54.38	18.66
Net assets of the Trust	2,751,083	1,749,139	112.34	109.46
Perpetual securities holders' funds	(302,128)	(151,115)	(12.34)	(9.46)
Net assets attributable to Unitholders' Funds	2,448,955	1,598,024	100.00	100.00
<b>Group</b>				
Investment properties, at valuation (Note 4)	4,616,047	2,947,591	188.83	184.46
Other assets and liabilities (net)	(1,766,960)	(1,198,508)	(72.29)	(75.00)
Net assets of the Group	2,849,087	1,749,083	116.54	109.46
Perpetual securities holders' funds	(302,128)	(151,115)	(12.36)	(9.46)
Non-controlling interest – perpetual securities holders' funds	(102,306)	—	(4.18)	—
Net assets attributable to Unitholders' Funds	2,444,653	1,597,968	100.00	100.00

	Independent valuation	
	2022 \$'000	2021 \$'000
As disclosed in the Statement of Financial Position:		
<b>Trust</b>		
Investment properties (non-current)	1,570,449	1,585,914
Investment properties held for divestment (current)	8,141	29,264
Less: Right-of-use assets (Note 4)	(159,125)	(164,187)
<b>Total investment properties, at valuation</b>	1,419,465	1,450,991
<b>Group</b>		
Investment properties (non-current)	5,103,400	3,146,010
Investment properties held for divestment (current)	56,595	29,264
Less: Right-of-use assets (Note 4)	(543,948)	(227,683)
<b>Total investment properties, at valuation</b>	4,616,047	2,947,591

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

# INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

## Notes

- 1 Business Parks are clusters of buildings and offices typically dedicated to business activities relating to high-technology, research and development (R&D) value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.
  - 2 High-Specs Industrial properties are mixed-use industrial buildings with a high proportion of space that can be allocated for office use. These buildings typically have facilities such as air-conditioned units and sufficient floorboard, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.
  - 3 Logistics properties are typically equipped with high floor loading and also have a high floor-to-ceiling height. Such buildings can be either single-storey or multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.
  - 4 General Industrial properties can be single or multi-storey facilities dedicated to general industrial, manufacturing or factory activities. Such spaces also have a low percentage of the usable space which can be set aside for office use.
  - 5 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.
  - 6 Viva Trust holds the remainder of a 60 year lease commencing from 1 April 1971 for Plot 1: Lot 8134N Mukim 27 and 43 year lease commencing from 1 March 1988 for Plot 2: Lot 7837V Mukim 27.
  - 7 Viva Trust holds the remainder of a 30+30 year lease commencing from 1 February 2008.
  - 8 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.
  - 9 ESR-LOGOS REIT holds the remainder of a 99 year lease commencing from 1 January 1958.
  - 10 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.
  - 11 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.
  - 12 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.
  - 13 Viva Trust holds the remainder of a 30+30 year lease commencing from 11 September 2007.
  - 14 7000 AMK LLP holds the remainder of a 32+30 year lease commencing from 30 January 1995.
  - 15 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2001.
  - 16 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.
  - 17 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 February 1973.
  - 18 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 October 1993.
  - 19 ESR-LOGOS REIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.
  - 20 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1990.
  - 21 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2011.
  - 22 ESR-LOGOS 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 October 2013.
  - 24 Viva Trust holds the remainder of a 30 year lease commencing from 16 February 2007.
  - 25 ALOG Trust holds the remainder of a 29 year lease commencing from 19 August 2006.
  - 26 ALOG Trust holds the remainder of a 30+30 year lease commencing from 20 December 2005.
  - 27 ALOG Trust holds the remainder of a 30 year lease commencing from 1 June 2005.
  - 28 ALOG Trust holds the remainder of a 30+30 year lease commencing from 16 August 2005.
  - 29 ALOG Trust holds the remainder of a 30+16 year lease commencing from 1 February 2007.
  - 30 ALOG Trust holds the remainder of a 30 year lease commencing from 1 June 2010.
  - 31 ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2003.
  - 32 ALOG Trust holds the remainder of a 30 year lease commencing from 16 June 2014.
  - 33 ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2009.
  - 34 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 October 2011.
  - 35 ESR-LOGOS REIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.
  - 36 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 August 1995.
  - 37 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.
  - 38 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.
  - 39 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.
  - 40 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.
  - 41 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.
  - 42 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.
  - 43 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.
  - 44 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.
  - 45 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 September 2005.
  - 46 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.
  - 47 ESR-LOGOS REIT holds the remainder of a 60 year lease commencing from 4 January 1999.
  - 48 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.
  - 49 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 March 2005.
  - 50 ESR-LOGOS REIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.
  - 51 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
  - 52 ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.
  - 53 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
  - 54 ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 1 February 2008.
  - 55 ESR-LOGOS REIT holds the remainder of a 28 year lease commencing from 25 March 2007.
  - 56 ESR-LOGOS REIT holds the remainder of a 27 year lease commencing from 30 September 2013.
  - 57 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1999.
  - 58 ESR-LOGOS REIT holds the remainder of a 30+16 year lease commencing from 1 April 2008.
  - 59 ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.
  - 60 ESR-LOGOS REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.
  - 61 ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.
  - 62 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.
  - 63 Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.
  - 64 Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.
  - 65 Viva Trust holds the remainder of a 60 year lease commencing from 19 July 2006.
  - 66 The Trust Company (Australia) Limited as trustee for Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.
  - 67 The Trust Company (Australia) Limited as trustee for LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.
  - 68 The Trust Company (Australia) Limited as trustee for Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.
  - 69 The Trust Company (Australia) Limited as trustee for LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.
- + Property divested during the financial year  
# Property is on 100% basis which includes a 20% non-controlling interest.  
^ Property classified as held for divestment as at reporting date.

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

## INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2022

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 six to twenty-five years for single tenancy and from two and half months to fifteen years for multi-tenancy.

An independent valuation exercise was conducted for all the investment properties in December 2022 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., CBRE Valuations Pty Limited and Colliers International Japan KK. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield, discount rate and average growth rate. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

As at 31 December 2022, the valuations adopted for investment properties amounted to \$4.62 billion (2021: \$2.95 billion). The net fair value loss on investment properties recognised in the Statement of Total Return is \$22.5 million (2021: \$40.4 million). An investment property with carrying value of S\$182.2 million (2021: Nil) is pledged as security to secure bank loans (see Note 14).

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Group	
	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>		
Total (loss)/return before income tax for the year	(261,947)	107,761
Adjustments for:		
Unrealised foreign exchange gain	(1,907)	(3,134)
Borrowing costs, net	62,247	43,869
Management fees paid/payable in Units	10,837	6,033
Property Manager's fees paid/payable in Units	3,257	2,872
Share of results of joint venture	(5,343)	(7,701)
Finance costs on lease liabilities for leasehold land	23,743	11,825
Income from investments at FVTPL	(11,129)	(1,536)
Fair value adjustments relating to the Merger	427,055	–
Change in fair value of financial derivatives	(27,570)	(24,925)
Change in fair value of investment properties	22,511	40,381
Change in fair value of right-of-use of leasehold land	(5,593)	(1,588)
Change in fair value of investments at FVTPL	(8,360)	(9,312)
<b>Operating income before working capital changes</b>	<b>227,801</b>	<b>164,545</b>
Changes in working capital:		
Trade and other receivables	(9,464)	(10,735)
Trade and other payables	(23,730)	(342)
<b>Cash generated from operating activities</b>	<b>194,607</b>	<b>153,468</b>
Income tax paid	(974)	(698)
<b>Net cash generated from operating activities</b>	<b>193,633</b>	<b>152,770</b>
<b>Cash flows from investing activities</b>		
Interest received	594	20
Capital expenditure on investment properties	(98,573)	(28,477)
Acquisition of investment at FVTPL	–	(64,979)
Acquisition of an investment property	(167,517)	(124,292)
Deposits received for investment properties held for divestment	581	1,210
Proceeds from disposal of investment properties	110,962	52,760
Dividend received from joint venture	4,824	5,005
Income from investments at FVTPL	11,129	1,536
Return of capital from investment at FVTPL	–	7,882
Acquisition of subsidiaries, net of cash acquired (Note 5)	(106,857)	–
Payment for Merger related transaction costs	(22,165)	–
<b>Net cash used in investing activities</b>	<b>(267,022)</b>	<b>(149,335)</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Group	
	2022 \$'000	2021 \$'000
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new Units	–	149,629
Proceeds from issuance of perpetual securities	150,000	–
Issue costs for perpetual securities paid	(1,508)	–
Equity issue costs paid	(870)	(3,707)
Finance costs paid	(75,622)	(44,279)
Proceeds from borrowings	1,379,479	548,630
Repayment of borrowings	(1,238,139)	(531,985)
Loan from non-controlling interest	1,900	1,200
Distributions paid to Unitholders (Note A)	(86,220)	(96,792)
Distributions paid to perpetual securities holders	(11,036)	(6,900)
Distributions paid to non-controlling interest - perpetual securities holders	(2,727)	–
Distributions paid to non-controlling interest	(1,336)	(2,941)
Payment of interest portion of lease liabilities for leasehold land	(10,376)	(8,097)
Payment of principal portion of lease liabilities for leasehold land	(7,774)	(2,141)
Movement in restricted cash	(2,630)	–
<b>Net cash generated from financing activities</b>	<b>93,141</b>	<b>2,617</b>
Net increase in cash and cash equivalents	19,752	6,052
Cash and cash equivalents at 1 January	24,150	18,101
Effect of exchange rate fluctuations on cash held	(953)	(3)
<b>Cash and cash equivalents at 31 December (Note 11)</b>	<b>42,949</b>	<b>24,150</b>

## Note:

(A) Distributions paid to Unitholders

Distributions during the year ended 31 December 2022 were partially paid by issuing an aggregate of 39.9 million new Units (2021: 43.5 million new Units) amounting to \$16.4 million (2021: \$18.6 million) pursuant to the Distribution Reinvestment Plan.

	Group	
	2022 \$'000	2021 \$'000
<b>Distributions paid to Unitholders</b>	<b>(102,664)</b>	<b>(115,364)</b>
Distributions paid in Units pursuant to Distribution Reinvestment Plan	16,444	18,572
Net distributions paid to Unitholders in cash	<b>(86,220)</b>	<b>(96,792)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL

ESR-LOGOS REIT (formerly known as ESR-REIT) (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between ESR-LOGOS Funds Management (S) Limited (the “Manager”) and Perpetual (Asia) Limited (the “Trustee”), and is governed by the laws of the Republic of Singapore (“Trust Deed”). On 31 March 2006, ESR-LOGOS REIT was declared as an authorised unit trust scheme under the Trustees Act 1967. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

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

On 22 April 2022, the Group completed its merger with ARA LOGOS Logistics Trust (“ALOG”) by way of a trust scheme of arrangement (the “Merger”). ALOG owns a portfolio of 30 properties and holds ALOG Logistics Trust Australia, ALOG (Australia) Pte Ltd and ALOG Singapore One Pte Ltd as subsidiaries. Following the completion of the Merger, ALOG was delisted from the Official List of SGX-ST on 5 May 2022 and became a wholly-owned sub-trust of ESR-LOGOS REIT. ALOG was subsequently renamed as ALOG Trust.

The financial statements of the Group as at and for the year ended 31 December 2022 comprise the Trust and its subsidiaries.

The principal activity of ESR-LOGOS REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. The principal activities of the subsidiaries and joint venture are set out in Note 5 and Note 6 to the financial statements.

The Trustee, Perpetual (Asia) Limited (the “Viva Trust Trustee”), in its capacity as the trustee of Viva Trust and HSBC Institutional Trust Services (Singapore) Limited (the “ALOG Trust Trustee”), in its capacity as the trustee of ALOG Trust, have entered into several service agreements in relation to the management of ESR-LOGOS REIT, Viva Trust and ALOG Trust and their property operations.

The fee structures for these services are as follows:

### (A) Trustee’s fees

#### The Trust

Pursuant to the Trust Deed, the Trustee’s fees shall not exceed 0.1% per annum of the value of the deposited property of ESR-LOGOS REIT, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee’s fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the Group’s deposited property, excluding the deposited property of ALOG Trust, subject to there being no double counting of fees where the Trustee has already received a fee from a sub-trust in its capacity as the trustee of the relevant sub-trust. In addition, the Trustee charges a sub-trust administration fee of \$50,000 per annum in respect of ALOG Trust.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (A) Trustee's fees (continued)

#### Viva Trust

Pursuant to the trust deed entered into by the Manager and the Viva Trust Trustee, the fees of the Viva Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of Viva Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Viva Trust Trustee from time to time. The Viva Trust Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the deposited property of the Viva Trust, subject to a minimum fee of \$15,000 per month.

#### ALOG Trust

Pursuant to the trust deed entered into by the Manager and the ALOG Trust Trustee, the fees of the ALOG Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of ALOG Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the ALOG Trust Trustee from time to time. The ALOG Trust Trustee's fee is presently charged at 0.030% per annum of the value of the deposited property of ALOG Trust, subject to a minimum fee of \$15,000 per month.

### (B) Management fees

Under the Trust Deed, the Manager is entitled to receive a base fee and performance fee as follows:

- (a) base fee ("Base Fee") of 0.5% per annum of the value of the deposited property or such higher percentage as may be fixed by an extraordinary resolution passed at a meeting of Unitholders duly convened and held in accordance with the provision of the Trust Deed, subject to there being no double counting of fees where a related party of the Manager has charged an asset management fee to a subsidiary of the Trust; and
- (b) performance fee ("Performance Fee"), computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of Units in issue for such financial year, provided that the Highest DPU Threshold is achieved.

The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by the Trust in the previous years for which a Performance Fee was payable ("Highest DPU Threshold"). Whenever a Performance Fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a Performance Fee in future, the Trust would have to outperform the adjusted Highest DPU Threshold.

For the purpose of calculating the Performance Fee, the Highest DPU Threshold is initially set at 6.000 cents, or if the DPU achieved during the Performance Fee Waiver period is higher, then such higher DPU.

Management fees (Base Fee and Performance Fee, including any accrued Performance Fee which have been carried forward from previous financial years but excluding any acquisition fee or disposal fee) to be paid to the Manager in respect of a financial year, whether in cash or in Units or a combination of cash and Units, are capped at an amount equivalent to 0.8% per annum of the value of deposited property as at the end of the financial year (referred to as the "annual fee cap").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (C) Acquisition and disposal fees

Under the Trust Deed, the Manager is also entitled to receive the following fees:

- (a) An acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:
- (i) the purchase price, excluding GST, of any real estate acquired, whether directly by ESR-LOGOS REIT or indirectly through a special purpose vehicle;
  - (ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate) where ESR-LOGOS REIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate, provided that:
    - ESR-LOGOS REIT shall hold or invest in at least 50% of the equity of such entity; or
    - if ESR-LOGOS REIT holds or invests in 30% or more but less than 50% of the equity of such entity, ESR-LOGOS REIT shall have management control of the underlying real estate and/or such entity;
  - (iii) the value of any shareholder's loan extended by ESR-LOGOS REIT to the entity referred to in paragraph (ii) above, provided that the provision in paragraph (ii) is complied with; and
  - (iv) the value of any investment by ESR-LOGOS REIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, (where such investment does not fall within the ambit of paragraph (ii)) made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.
- (b) A disposal fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:
- (i) the sale price, excluding GST, of any investment of the type referred to in paragraph (C)(a)(i) above for the acquisition fee;
  - (ii) in relation to an investment of the type referred to in paragraph (C)(a)(ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate);
  - (iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (C)(a)(iii) above for the acquisition fee; and
  - (iv) the value of an investment referred to in paragraph (C)(a)(iv) above for the acquisition fee.

The Manager may opt to receive acquisition and disposal fees in the form of cash or Units or a combination of cash and Units as it may determine.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (D) Development management fee

Pursuant to the amended and restated Trust Deed as approved and adopted by the Unitholders at the extraordinary general meeting held on 12 September 2019, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT, subject to the following:

- (a) when the estimated total project costs are greater than \$100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee payable to the Manager, and the Manager may be directed by its independent directors to reduce the development management fee;
- (b) in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the development management fee, the Manager's independent directors shall have the discretion to direct the Manager to reduce the development management fee to such amount which is less than 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT; and
- (c) any increase in the percentage of the development management fee or any change in the structure of the development management fee shall be approved by an extraordinary resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where real estate or real estate related assets are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the Manager. Instead, the Manager will receive the development management fee for the development project.

The development management fee shall be payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs have been finalised.

The Manager may opt to receive the development management fee in the form of cash or a combination of cash and Units as it may determine.

### (E) Fees under the property management agreements for Singapore properties

ESR-LOGOS Property Management (S) Pte. Ltd. (the "Property Manager"), as property manager for all of ESR-LOGOS REIT's Singapore properties including those held through 7000 AMK LLP, Viva Trust and ALOG Trust, is entitled to receive the following fees:

- (a) A property management fee of 2.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where property management fee is charged at 1.0% per annum of the gross revenue.
- (b) A lease management fee of 1.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where no lease management fee shall be charged.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (E) Fees under the property management agreements for Singapore properties (continued)

- (c) A marketing services commission equivalent to:
- (i) one month's gross rent, inclusive of service charge, for securing a tenancy of three years or less;
  - (ii) two month's gross rent, inclusive of service charge, for securing a tenancy of more than three years;
  - (iii) half month's gross rent, inclusive of service charge, for securing a renewal of tenancy of three years or less; and
  - (iv) one month's gross rent, inclusive of service charge, for securing a renewal of tenancy of more than three years.
- (d) A project management fee in relation to development or redevelopment (if not prohibited by the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code") or if otherwise permitted by the Monetary Authority of Singapore ("MAS")), the refurbishment, retrofitting and renovation works on a property, as follows:
- (i) where the construction costs are \$2.0 million or less, a fee of 3.0% of the construction costs;
  - (ii) where the construction costs exceed \$2.0 million but do not exceed \$20.0 million, a fee of 2.0% of the construction costs;
  - (iii) where the construction costs exceed \$20.0 million but do not exceed \$50.0 million, a fee of 1.5% of the construction costs; and
  - (iv) where the construction costs exceed \$50.0 million, a fee to be mutually agreed by the Manager, the Property Manager and the Trustee.
- (e) A property tax services fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property:
- (i) where the proposed annual value is \$1.0 million or less, a fee of 7.5% of the property tax savings;
  - (ii) where the proposed annual value is more than \$1.0 million but does not exceed \$5.0 million, a fee of 5.5% of the property tax savings; and
  - (iii) where the proposed annual value is more than \$5.0 million, a fee of 5.0% of the property tax savings.

The above-mentioned fee is a lump sum fixed fee based on the property tax savings calculated over a 12-month period.

The Property Manager may opt to receive property and lease management fees in the form of cash or Units or a combination of cash and Units as it may determine.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (F) Fees under the property and lease management agreements for the Australia properties

LOGOS REIT Property Management Pty Ltd as the property manager for all of ESR-LOGOS REIT's Australia properties, is entitled to receive the following fees:

- (a) A property and lease management fee of 2.0% per annum of gross revenue of the relevant property.
- (b) A marketing services commission equivalent to:
  - (i) between 10% to 18.75% of the annual gross rent for the first year of the new lease or licence, depending on the duration of the new lease or licence secured and whether a local marketing manager is involved; and
  - (ii) 50% of the commission for a new lease or licence for securing a renewal of lease or licence in a multi-tenanted property.
- (c) A project management fee in relation to development or redevelopment, refurbishment, retrofitting and renovation works on a property of between 1.5% to 3.0% of construction costs, for construction costs of up to A\$50.0 million. For construction costs exceeding A\$50.0 million, the project management fee will be mutually agreed.
- (d) A land tax services fee of between 5.0% to 7.5% of the land tax savings, depending on the quantum of the reduction in annual value of the relevant property.

### (G) Fees under the asset and investment management agreements for the Australia properties

LOGOS REIT Investment Management Pty Ltd as the Australia investment and asset manager for all of ESR-LOGOS REIT's Australia properties is entitled to receive the following fees:

- (a) An investment management fee of:
  - (i) A\$53,500 per annum in respect of investment management services provided to ALOG Logistics Trust Australia ("ALTA", a managed investment trust in Australia); and
  - (ii) A\$29,500 per annum in respect of each of ALTA's sub-trusts in Australia, subject to the customary inflation indexation.
- (b) An asset management fee based on 0.15% per annum of ALTA's consolidated deposited properties, excluding its investments in the property funds. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 1. GENERAL (continued)

### (H) Fees under the asset and property management agreements for the Japan property

ESR Ltd. as the asset and property manager for ESR Sakura Distribution Centre (the "Japan Property") is entitled to receive the following fees:

- (a) An asset management fee based on 0.275% per annum of the gross asset value of the Japan Property. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.
- (b) A property management fee of JPY300,000 per month where the number of tenant is zero or one and an additional JPY100,000 per month for each additional tenant, capped at JPY500,000 per month.
- (c) A construction management fee based on 3.0% of construction costs where the total construction costs is at least JPY1,000,000, subject to a fee cap of JPY300,000.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements are prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

### 2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties (including right-of-use assets and investment properties held for divestment), investments at fair value through profit or loss ("FVTPL"), amount due to non-controlling interest and derivative financial instruments, which are stated at fair value as described in Note 30.

As at 31 December 2022, the current liabilities of the Group and the Trust exceeded their current assets by \$259.5 million and \$201.9 million, respectively. This is primarily due to the classification of medium-term notes of \$50.0 million and term loans of \$180.0 million as current liabilities as they are maturing in 2023. Notwithstanding the net current liabilities position, based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due. The financial statements have been prepared on the basis that the Group and the Trust will continue to operate as a going concern.

### 2.3 Functional and presentation currency

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the financial year, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2022.

The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

### 2.5 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 1: <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to FRS 116: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Manager expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 2.6 Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been aligned with the policies adopted by the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

In the Trust's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

#### Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the Group. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Basis of consolidation (continued)

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### Accounting for investments in subsidiaries and joint venture in the Trust's financial statements

Investments in subsidiaries and joint venture are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

### 2.7 Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investment in joint venture using the equity method from the date on which it becomes a joint venture.

Under the equity method, the investment in joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The statement of total return reflects the share of results of operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in joint venture.

The financial statements of joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the joint venture's operations or has made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of total return.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the Statement of Total Return.

#### Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in the Statements of Movements in Unitholders' Funds. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal.

### 2.9 Investment properties

Investment properties are properties that are owned by the Group and held to earn rentals or for capital appreciation, or both but not for sale in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are accounted for as non-current assets, except if they meet the conditions to be classified as held for divestment (see Note 2.10 below). They are initially measured at cost, including transaction costs and at valuation thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

- (i) in such manner and frequency required under the CIS Code issued by MAS; and
- (ii) at least once in each period of 12 months following the acquisition of each investment property

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Investment properties (continued)

Any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Subsequent expenditure relating to investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly valued on the basis set out above.

#### Investment properties under development

Investment properties under development are measured at fair values if the fair values are considered to be reliably determinable. Investment properties under development for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the properties will be reliably determinable when development is completed, are measured at cost less impairment until the fair value becomes reliably determinable or development is completed, whichever is earlier.

### 2.10 Investment properties held for divestment

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for divestment and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

### 2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Leases (continued)

#### Group as a lessee (continued)

##### (i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at fair value and are derived by discounting future lease payments using the Group's incremental borrowing rate for borrowings of similar amount and tenor. Any increase or decrease in right-of-use assets is credited or charged directly to the statement of total return. Right-of-use assets which meets the definition of an investment property is accounted for in accordance with Note 2.9.

##### (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(a). Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### Subsequent measurement

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of total return when the assets are derecognised or impaired, and through amortisation process.

##### Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the statement of total return.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of total return.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Financial instruments (continued)

#### (b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

##### Subsequent measurement

##### Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of total return when the liabilities are derecognised and through the amortisation process.

##### Derivative financial instruments

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the statement of total return.

##### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of total return.

##### Netting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.13 Impairment

#### (a) Financial assets

Expected credit losses (ECLs) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### (b) Non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of total return.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of total return.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at bank, including term deposits and restricted cash.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value.

### 2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

### 2.16 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental costs, directly attributable to the issuance, offering and placement of Units are deducted directly against Unitholders' funds.

### 2.17 Perpetual securities

The perpetual securities confer a right to receive distributions at fixed rates that shall be reset on their respective stipulated date, with subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and will be non-cumulative.

The perpetual securities may be redeemed at the option of the Trust in whole, but not in part, on the first reset date or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

Accordingly, the perpetual securities are classified as equity and the expenses relating to their issue are deducted directly against Unitholders' funds.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.18 Revenue recognition

#### (a) Rental income from operating leases

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (b) Interest income

Interest income is accrued using the effective interest method.

### 2.19 Expenses

#### (a) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are the property manager's fees which are based on the applicable rates stipulated in Notes 1E, 1F and 1H.

#### (b) Management fees

Management fees are recognised on an accrual basis based on the applicable rates stipulated in Note 1B.

#### (c) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are the trustee's fees which are based on the applicable rates stipulated in Note 1A.

#### (d) Borrowing costs

Borrowing costs comprise interest expense on borrowings and amortisation of debt-related transaction costs, which are recognised in the statement of total return using the effective interest method over the period of borrowings.

### 2.20 Taxation

#### (a) Current tax and deferred tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.20 Taxation (continued)

#### (a) Current tax and deferred tax (continued)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of goodwill or assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of ESR-LOGOS REIT and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee will not be assessed to tax on the taxable income of ESR-LOGOS REIT on certain types of income. Instead, the Trustee and the Manager will deduct income tax (if required) at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of ESR-LOGOS REIT in that financial year, except:

- where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- where the beneficial owners are Qualifying Non-resident Non-individual Unitholders or Qualifying Non-resident Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced tax rate of 10.0% for distributions made on or before 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.20 Taxation (continued)

#### (a) Current tax and deferred tax (continued)

A “Qualifying Unitholder” is a Unitholder who is:

- an individual and who holds the Units either in his sole name or jointly with other individuals;
- a Central Provident Fund (“CPF”) member who uses his CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts;
- an individual who uses his Supplementary Retirement Scheme (“SRS”) funds and where the distributions received are returned to the SRS accounts;
- a company which is incorporated and tax resident in Singapore;
- a Singapore branch of companies incorporated outside Singapore;
- a non-corporate constituted or registered in Singapore such as town councils, statutory boards, charities registered under the Charities Act 1994 or established by any written law, co-operative societies registered under the Co-operative Societies Act 1979 or trade unions registered under the Trade Unions Act 1940;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; and
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A “Non-resident Non-individual Unitholder” is one, not being an individual, which is not a resident of Singapore for income tax purposes and;

- which does not have a permanent establishment in Singapore; or
- which carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

A “Qualifying Non-resident Fund” is one that qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act that is not a resident of Singapore for income tax purpose and;

- which does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- which carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by ESR-LOGOS REIT. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act 1947 and collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without having to deduct tax at source.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.20 Taxation (continued)

#### (b) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.21 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

### 2.22 Distribution policy

The Group's distribution policy is to distribute at least 90% of its annual distributable income to Unitholders, comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion. Distributions are made on a semi-annual basis at the discretion of the Manager.

### 2.23 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return for the period after tax by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

### 2.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by ESR-LOGOS REIT's Chief Operating Decision Makers ("CODM"s) which comprise the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer of the Manager, to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.25 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### 3.1 Use of estimates and judgements

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

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

In particular, information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 4 – Accounting for the Merger
- Note 24 – Assessment of income tax provision
- Note 30 – Valuation of investment properties
- Note 30 – Valuation of investments at FVTPL

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 4. INVESTMENT PROPERTIES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Investment properties, at valuation</u>				
At 1 January	<b>2,947,591</b>	2,889,300	<b>1,450,991</b>	1,385,700
Additions through acquisition of subsidiaries (the Merger)	<b>1,595,262</b>	-	-	-
Acquisition of investment property <sup>#</sup>	<b>169,887</b>	124,590	-	124,590
Capital expenditure incurred	<b>108,411</b>	27,007	<b>21,230</b>	5,386
Disposal of investment properties	<b>(109,570)</b>	(52,525)	<b>(57,954)</b>	(52,525)
Change in fair value during the year*	<b>(24,328)</b>	(40,781)	<b>5,198</b>	(12,160)
Effect of movement in exchange rates	<b>(71,206)</b>	-	-	-
At 31 December	<b>4,616,047</b>	2,947,591	<b>1,419,465</b>	1,450,991
Investment properties (non-current)	<b>4,565,780</b>	2,924,700	<b>1,412,400</b>	1,428,100
Investment properties held for divestment (current)	<b>50,267</b>	22,891	<b>7,065</b>	22,891
At 31 December	<b>4,616,047</b>	2,947,591	<b>1,419,465</b>	1,450,991
<u>Right-of-use assets</u>				
At 1 January	<b>227,683</b>	229,758	<b>164,187</b>	165,637
Re-measurement due to change in lease rates	<b>22,903</b>	1,417	<b>2,865</b>	4,859
Recognition due to additions through acquisition of subsidiaries (the Merger)	<b>320,340</b>	-	-	-
Recognition due to acquisition of investment property	-	3,996	-	3,996
De-recognition due to disposal of investment properties	<b>(6,365)</b>	(8,448)	<b>(6,365)</b>	(8,448)
Change in fair value due to accretion of interest	<b>23,743</b>	11,825	<b>8,470</b>	9,043
Change in fair value due to lease payment	<b>(18,150)</b>	(10,237)	<b>(9,488)</b>	(10,235)
Change in fair value due to interest and lease payments borne by tenants**	<b>(801)</b>	(628)	<b>(544)</b>	(665)
Effect of movement in exchange rates	<b>(25,405)</b>	-	-	-
At 31 December	<b>543,948</b>	227,683	<b>159,125</b>	164,187
Right-of-use assets (non-current)	<b>537,620</b>	221,310	<b>158,049</b>	157,814
Right-of-use assets attributable to investment properties held for divestment (current)	<b>6,328</b>	6,373	<b>1,076</b>	6,373
At 31 December	<b>543,948</b>	227,683	<b>159,125</b>	164,187

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 4. INVESTMENT PROPERTIES (continued)

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investment properties (including right-of-use assets) (non-current)	5,103,400	3,146,010	1,570,449	1,585,914
Investment properties held for divestment (including right-of-use assets) (current)	56,595	29,264	8,141	29,264
At 31 December	5,159,995	3,175,274	1,578,590	1,615,178

- # The acquisition cost of the investment property included acquisition fee of \$1.7 million (2021: \$1.2 million) paid to the Manager (Note 29).
- \* The fair value loss of \$24.3 million (2021: \$40.8 million) together with a credit adjustment for the effect of lease incentives and marketing fee amortisation of \$1.8 million (2021: \$0.4 million), aggregate to \$22.5 million (2021: \$40.4 million) as disclosed in the Statement of Total Return.
- \*\* The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and lease payments borne by tenants of \$0.8 million (2021: \$0.6 million) as disclosed in Note 13.

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Except as disclosed in Note 29, investment properties are leased to unrelated third parties under operating leases.

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2022 and 31 December 2021. Investment properties held for divestment are stated at fair value based on recently agreed selling price for the subject property between unrelated third parties in an arm's length transaction. Information on the fair value assessment of investment properties and investment properties held for divestment are disclosed in Note 30.

As at 31 December 2022, \$23.8 million (2021: Nil) of investment properties are under redevelopment.

### Security

As at 31 December 2022, an investment property with carrying value of \$182.2 million (2021: Nil) is pledged as security to secure bank loans (see Note 14).

### Critical judgement – Accounting for the Merger (Note 1)

The Group considered the Merger as an acquisition of a group of assets and liabilities and not a business combination. Accordingly, the acquisition cost of the Merger was allocated to the assets acquired and liabilities assumed and no goodwill or deferred tax was recognised.

An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the assets acquired. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes such as strategic management and operational processes are acquired. The Merger did not include the acquisition of such significant processes.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 5. INVESTMENTS IN SUBSIDIARIES

	Trust	
	2022 \$'000	2021 \$'000
Unquoted equity investments, at cost	3,028,362	1,148,771
Impairment losses	(923,388)	(387,180)
	<b>2,104,974</b>	761,591

### Impairment losses

During the year, the Trust recognised an impairment loss of \$536.2 million (2021: \$31.3 million) against its investment in subsidiaries. This amount relates predominantly to the write-off of acquisition-related costs and premium over the fair value of net assets of ALOG upon completion of the Merger on 22 April 2022, and the decrease in fair value of investment properties. The impairment loss has no impact on distributable income.

### Composition of the Group

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2022 %	2021 %
<b>(I) Direct Subsidiaries</b>				
ESR-LOGOS REIT MTN Pte. Ltd. (formerly known as ESR-MTN Pte. Ltd.)	Provision of financial and treasury services	Singapore	100	100
ESR-LOGOS REIT SPV2 Pte. Ltd. (formerly known as ESR-SPV2 Pte. Ltd.) <sup>(1)</sup>	Investment holding	Singapore	100	100
7000 AMK LLP <sup>(1)</sup>	Property investment	Singapore	80	80
Viva Trust <sup>(1)</sup>	Property investment	Singapore	100	100
ESR-LOGOS REIT AUS (MTN) Pty Ltd <sup>(2), (3)</sup>	Provision of financial and treasury services	Australia	100	100
ALOG Trust <sup>(1)</sup>	Property investment	Singapore	100	–
ESR-LOGOS REIT INV Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	–
ESR-LOGOS REIT INV2 Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 5. INVESTMENTS IN SUBSIDIARIES (continued)

### Composition of the Group (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2022 %	2021 %
<b>(II) Indirect Subsidiaries</b>				
ALOG (Australia) Pte Ltd <sup>(1)</sup>	Investment holding	Singapore	100	–
ALOG Singapore One Pte Ltd <sup>(1)</sup>	Investment holding	Singapore	100	–
ALOG-OPAT Trust <sup>(2)</sup>	Investment holding	Australia	100	–
ALOG Logistics Trust Australia <sup>(2)</sup>	Investment holding	Australia	100	–
Chester Hill (NSW) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Somerton (VIC) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Coopers Plains (QLD) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Wacol (QLD) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Wacol 2 (QLD) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Kidman Park (SA) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Laverton (VIC) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Altona Trust <sup>(2)</sup>	Property investment	Australia	100	–
ESIP Trust <sup>(2)</sup>	Investment holding	Australia	100	–
LAIP Trust <sup>(2)</sup>	Investment holding	Australia	100	–
Berrinba Trust <sup>(2)</sup>	Property investment	Australia	100	–
Berkeley Trust <sup>(2)</sup>	Property investment	Australia	100	–
Campbellfield Trust <sup>(2)</sup>	Property investment	Australia	100	–
Braeside Trust <sup>(2)</sup>	Property investment	Australia	100	–
Hydrive Trust <sup>(2)</sup>	Property investment	Australia	100	–



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 5. INVESTMENTS IN SUBSIDIARIES (continued)

### Composition of the Group (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2022 %	2021 %
<b>(II) Indirect Subsidiaries (continued)</b>				
Link Drive Trust <sup>(2)</sup>	Property investment	Australia	100	–
Wacol Trust <sup>(2)</sup>	Property investment	Australia	100	–
Westlink Trust <sup>(2)</sup>	Property investment	Australia	100	–
Woodlands Trust <sup>(2)</sup>	Property investment	Australia	100	–
LP Bishop Asset Trust <sup>(2)</sup>	Property investment	Australia	100	–
LP Curlew Asset Trust <sup>(2)</sup>	Property investment	Australia	100	–
Peregrine (QLD) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Heron (QLD) Trust <sup>(2)</sup>	Property investment	Australia	100	–
Larapinta Property Asset Trust <sup>(2)</sup>	Property investment	Australia	100	–
ALOG-LAIV Trust <sup>(2)</sup>	Investment holding	Australia	100	–
ESR-LOGOS REIT TMK1 <sup>(3)</sup>	Property investment	Japan	100	–
ESR-LOGOS REIT GK1 <sup>(3)</sup>	Investment holding	Japan	100	–

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by Ernst & Young LLP, Singapore for Group consolidation purpose.

(3) Audited by a member firm of EY International.

### Put option for 20% interest in 7000 AMK LLP

As part of the acquisition in 2017, ESR-LOGOS REIT granted a put option to Ho Lee Properties Pte Ltd (“HLP”), the owner of the remaining 20% interest in 7000 AMK LLP, that provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP at a price of no less than \$60.0 million (the “Put Option”). As the Put Option contains an obligation for ESR-LOGOS REIT to purchase the remaining 20% interest in 7000 AMK LLP, the 20% non-controlling interest in 7000 AMK LLP has been accounted for by the Group as a financial liability (see Note 15). On 14 February 2022, ESR-LOGOS REIT and HLP entered into a Second Supplemental Deed, which among other changes, extended the Put Option until 31 December 2024 or such later date as may be agreed by the parties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 5. INVESTMENTS IN SUBSIDIARIES (continued)

### *Put option for 20% interest in 7000 AMK LLP (continued)*

As at 31 December 2022, the Put Option remains unexercised and HLP's 20% share of the results of 7000 AMK LLP has been allocated to non-controlling interest, which has been accounted for and classified as a current liability. Upon the exercise of the Put Option, the amount recognised as financial liability at that date will be extinguished by the payment made by ESR-LOGOS REIT to HLP.

### *Acquisition of subsidiaries*

#### *Merger with ALOG (Note 1)*

The scheme consideration was settled by way of the issuance of 2,575.8 million new Units at an issue price of \$0.4924 and a cash consideration of \$140.9 million.

The fair value of identifiable assets and liabilities of ALOG as at 22 April 2022 (the Merger date) and the cashflow effect of the Merger were as follow:

	2022 \$'000
Investment properties	1,915,602
Investments at FVTPL	300,467
Trade and other receivables	6,953
Cash and bank balances	34,071
Other assets	9,454
Interest-bearing borrowings	(776,222)
Trade and other payables	(47,560)
Non-controlling interest — perpetual securities	(101,205)
Other liabilities	(320,688)
Fair value of net assets acquired	1,020,872
Premium over the fair value of net assets acquired	388,374
Total consideration paid in cash and Units	1,409,246
Less:	
Cash and bank balances acquired	(34,071)
Consideration paid in Units	(1,268,318)
Net cash outflow on Merger net of cash acquired	106,857

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Investment properties are leased to unrelated third parties under operating leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 6. INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Unquoted equity investment</u>				
At 1 January	40,714	38,018	40,714	38,018
Reversal of impairment losses	-	-	519	2,696
Share of results	5,343	7,701	-	-
Distribution received	(4,824)	(5,005)	-	-
At 31 December	41,233	40,714	41,233	40,714

As at reporting date, a reversal of impairment losses of \$519,000 (2021: \$2,696,000) was made due to accretion in the fair value of the Trust's share of net assets of PTC Logistics Hub LLP ("PTC LLP"). The change in the Trust's share of net assets of PTC LLP relates predominantly to the movement in current assets and fair value of an investment property held by PTC LLP. The reversal of impairment loss has no impact on distributable income.

Summarised financial information of the joint venture, based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

### Summarised statement of financial position of PTC LLP:

	Group	
	2022 \$'000	2021 \$'000
Current assets, including cash and bank balances of \$4,964,675 (2021: \$3,480,387)	5,000	4,637
Non-current assets, including investment property of \$228,000,000 (2021: \$227,700,000)	242,578	242,197
Current liabilities, including short-term borrowings of Nil (2021: \$145,986,990)	(4,052)	(149,591)
Non-current liabilities, including long-term borrowings of \$145,175,071 (2021: Nil)	(159,377)	(14,152)
<b>Net assets</b>	<b>84,149</b>	<b>83,091</b>
Proportion of the Group's ownership	49%	49%
Group's share in net assets	41,233	40,714
<b>Carrying amount of the Group's investment</b>	<b>41,233</b>	<b>40,714</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 6. INVESTMENT IN JOINT VENTURE (continued)

### Summarised statement of comprehensive income of PTC LLP:

	Group	
	2022 \$'000	2021 \$'000
Revenue	17,517	17,494
Property expenses	(322)	(317)
Other operating expenses	(123)	(23)
Change in fair value of investment property	(217)	2,849
Change in fair value of right-of-use of leasehold land	(350)	(326)
Change in fair value of financial derivatives	839	1,905
Net finance costs	(6,440)	(5,865)
<b>Profit for the year, representing total comprehensive income for the year</b>	<b>10,904</b>	15,717
Proportion of the Group's ownership	49%	49%
Group's share of profit for the year	5,343	7,701

The joint venture has no other contingent liabilities or commitments as at 31 December 2022 and 2021. PTC LLP cannot distribute its taxable profits without the consent from the joint venture partners.

## 7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Unquoted equity investments, at fair value</u>				
At 1 January	66,542	-	66,542	-
Additions through acquisition of subsidiaries (the Merger)	300,467	-	-	-
(Reversal)/recognition of acquisition costs	(7)	65,112	(7)	65,112
Change in fair values during the year	8,360	9,312	10,785	9,312
Return of capital	-	(7,882)	-	(7,882)
Effect of movement in exchange rate	(32,697)	-	-	-
At 31 December	<b>342,665</b>	66,542	<b>77,320</b>	66,542

On 14 May 2021, ESR-LOGOS REIT acquired a 10.0% interest in ESR Australia Logistics Partnership ("EALP"). EALP is a private fund managed by ESR Asset Management (Australia) Pty Ltd, an indirect subsidiary of ESR Group Limited. As at 31 December 2022, EALP owns 34 income-producing properties and three properties which are currently under development. Collectively, the 37 prime logistics assets (2021: 36) are located in core industrial markets of New South Wales, Victoria, Queensland and South Australia.

On 22 April 2022, ESR-LOGOS REIT acquired a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund through the merger with ALOG Trust. As at 31 December 2022, New LAIVS Trust owns four income-producing logistics properties located in New South Wales and Victoria, while Oxford Property Fund owns one income-producing logistics property in Victoria.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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

## 8. LOANS TO SUBSIDIARIES (TRUST)

The loans to subsidiaries comprise a mix of interest bearing and interest free loans, which are unsecured.

The interest bearing loans bear interest at rates based on ESR-LOGOS REIT's prevailing cost of debt. Interest is payable in arrears on a quarterly basis.

The loans to subsidiaries are repayable at dates mutually agreed by the parties, which are not likely to occur within the next 12 months from the reporting date.

## 9. DERIVATIVE FINANCIAL INSTRUMENTS

	2022		2021	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
<b>Group</b>				
Interest rate swaps				
Current	4,316	-	-	(3,707)
Non-current	19,617	(1,907)	-	(9,946)
Forward foreign currency exchange contracts				
Current	69	-	-	-
	<b>24,002</b>	<b>(1,907)</b>	-	(13,653)
<b>Trust</b>				
Interest rate swaps				
Current	4,316	-	-	(3,707)
Non-current	10,419	(1,907)	-	(9,946)
Forward foreign currency exchange contracts				
Current	69	-	-	-
	<b>14,804</b>	<b>(1,907)</b>	-	(13,653)

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate borrowings by swapping the interest rates on such borrowings from floating rates to fixed rates.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

At 31 December 2022, the Group has entered into interest rate swap contracts with a total notional amount of \$1,299.5 million (2021: \$930.0 million) to fix the base interest rates for a weighted average tenor of approximately 2.1 years (2021: 2.0 years), of which \$75.0 million (2021: Nil) relates to forward start interest rate swap which will be effective in 2023. Under these interest rate swap contracts, the Group pays interest at a weighted average fixed interest rate of 2.1% (2021: 1.9%) per annum and receives interest based on SORA, SOR, TIBOR or BBSY Bid.

The Group has also entered into forward foreign currency exchange contracts to manage its foreign currency risk. At 31 December 2022, the total notional amount of the Group's outstanding forward foreign currency exchange contracts was A\$18.0 million (2021: Nil).

The Group's derivative financial instruments are not designated as hedging instruments.

## 10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	4,075	2,166	738	1,274
Deposits	5,075	4,352	1,809	1,524
Other receivables				
– Subsidiaries	–	–	45,182	25,649
– Joint venture	837	–	837	–
– Unrelated third parties	10,726	11,937	3,493	379
	11,563	11,937	49,512	26,028
<b>Financial assets carried at amortised cost</b>	<b>20,713</b>	18,455	<b>52,059</b>	28,826
Capitalised costs	279	4,473	–	4,473
Prepayments	2,600	157	118	122
GST receivable	17,092	–	–	–
<b>Total trade and other receivables</b>	<b>40,684</b>	23,085	<b>52,177</b>	33,421

Trade receivables are non-interest bearing and are generally on 14 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables are non-trade related, non-interest bearing and repayable on demand.

The Group's primary exposure to credit risk arises from its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Concentration of credit risk relating to trade receivables is limited due to the Group's large number and diverse range of tenants. The maximum exposure to credit risk for trade and other receivables is represented by the carrying amount at the reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 10. TRADE AND OTHER RECEIVABLES (continued)

### Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Gross receivables 2022 \$'000	Impairment losses 2022 \$'000	Gross receivables 2021 \$'000	Impairment losses 2021 \$'000
<b>Group</b>				
Past due 0–30 days	2,969	–	568	–
Past due 31–120 days	647	–	680	–
More than 120 days past due	459	–	918	–
	<b>4,075</b>	<b>–</b>	<b>2,166</b>	<b>–</b>
<b>Trust</b>				
Past due 0–30 days	283	–	311	–
Past due 31–120 days	224	–	593	–
More than 120 days past due	231	–	370	–
	<b>738</b>	<b>–</b>	<b>1,274</b>	<b>–</b>

Trade receivables are individually assessed for impairment on an ongoing basis.

The Manager believes that no impairment is necessary in respect of the trade receivables as these receivables are mainly due from tenants that have good payment records and/or have sufficient securities in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 31.

## 11. CASH AND BANK BALANCES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and bank balances in the statement of financial position	45,579	24,150	9,539	14,164
Less: Restricted cash	(2,630)	–		
Cash and cash equivalents in the statement of cash flows	<b>42,949</b>	24,150		

The restricted cash pertains to cash reserves for the Japan Property which is required to be maintained based on agreements with the banks. The restricted cash comprises mainly reserves for interest expense, capital expenditure and property expenses to ensure availability of cash when incurred/due for payment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current liabilities</b>				
Trade payables and accrued operating expenses	35,050	30,295	12,429	15,954
Amounts due to related parties (trade):				
– the Manager	5,171	2,792	5,171	2,792
– the Property Manager	2,706	1,308	1,954	1,003
– the Trustee	74	240	29	195
– other related parties	441	–	–	–
Amount due to joint venture	–	558	–	558
Interest and loan commitment fee payable	6,927	6,096	6,292	6,096
Deposits received for investment properties held for divestment	581	1,210	356	1,210
Security deposits	20,688	13,504	13,518	9,400
Rent received in advance	2,610	645	485	223
Retention sums	4,292	1,507	971	559
Other payables	7,637	955	673	364
Reinstatement sums	5,383	5,099	918	891
Rental rebates payable	–	99	–	–
	<b>91,560</b>	<b>64,308</b>	<b>42,796</b>	<b>39,245</b>
<b>Non-current liability</b>				
Security deposits	20,530	20,283	5,537	9,467
<b>Total trade and other payables</b>	<b>112,090</b>	<b>84,591</b>	<b>48,333</b>	<b>48,712</b>
Less: Rent received in advance	(2,610)	(645)	(485)	(223)
Less: GST payables	(5,433)	(5,366)	(2,929)	(4,304)
Less: Deposit received for investment properties held for divestment	(581)	(1,210)	(356)	(1,210)
<b>Financial liabilities at amortised cost</b>	<b>103,466</b>	<b>77,370</b>	<b>44,563</b>	<b>42,975</b>

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand. Transactions with related parties are priced on terms agreed between the parties.

Retention sums relate to monies withheld for certain investment properties acquired in the current and prior years or as security against defective works for properties undergoing asset enhancement initiatives.

Reinstatement sums relate to monies received from outgoing tenants in respect of their contractual obligations to reinstate their leased premises.

The Group and the Trust's exposure to liquidity risk related to trade and other payables are disclosed in Note 31.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 13. LEASES

### As a lessee

The Group is required to pay land rent, whether annually or on an upfront land premium basis to JTC Corporation, CapitaLand Singapore BP&C Pte Ltd and Port of Brisbane Pty Ltd for properties in its portfolio. The annual land rent payable is based on market land rent for the relevant year of the lease term or on the contractual agreement for such leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Lease liabilities for leasehold land			
	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	227,683	229,758	164,187	165,637
Re-measurement due to change in lease rates	22,903	1,417	2,865	4,859
Recognition due to additions through acquisition of subsidiaries (the Merger)	320,340	–	–	–
Recognition due to acquisition of investment property	–	3,996	–	3,996
De-recognition due to disposal of investment properties	(6,365)	(8,448)	(6,365)	(8,448)
Accretion of interest	23,743	11,825	8,470	9,043
Payments	(18,150)	(10,237)	(9,488)	(10,235)
Effect of interest and payments borne by tenants	(801)	(628)	(544)	(665)
Effect of movement in exchange rates	(25,405)	–	–	–
At 31 December	543,948	227,683	159,125	164,187
Current	22,508	9,090	3,971	9,090
Non-current	521,440	218,593	155,154	155,097
At 31 December	543,948	227,683	159,125	164,187

The current lease liabilities are inclusive of liabilities directly attributable to investment properties held for divestment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 13. LEASES (continued)

### As a lessee (continued)

The following are the amounts recognised in the Statement of Total Return:

	Group	
	2022 \$'000	2021 \$'000
Change in fair value of right-of-use of leasehold land	5,593	1,588
Finance costs on lease liabilities for leasehold land	(23,743)	(11,825)
Net amount recognised in Statement of Total Return	<b>(18,150)</b>	(10,237)

### As a lessor

The Group's investment properties are leased to tenants under operating leases. The remaining lease terms of the leases range from less than one year to 19 years. Certain leases include a fixed annual rental escalation clause to enable upward revision of the rental charge on an annual basis. Rental income recognised by the Group during the year is \$317,584,000 (2021: \$221,938,000) (Note 19).

Future minimum rental receivable under non-cancellable operating leases as at 31 December are as follows:

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Receivable:				
– Within 1 year	341,547	229,620	85,015	92,138
– After 1 year but within 5 years	589,015	344,177	99,265	113,789
– After 5 years	346,736	87,094	59,382	59,930
	<b>1,277,298</b>	660,891	<b>243,662</b>	265,857

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current liabilities</b>				
Unsecured SGD loans	180,000	210,000	180,000	210,000
Unsecured SGD fixed rate notes	50,000	–	50,000	–
Unamortised loan transaction costs	(651)	(561)	(651)	(561)
	<b>229,349</b>	209,439	<b>229,349</b>	209,439
<b>Non-current liabilities</b>				
Unsecured SGD loans	1,169,000	755,000	1,169,000	755,000
Unsecured Australian dollar (“AUD”) loans	372,131	59,507	54,845	59,507
Secured Japanese Yen (“JPY”) loans	124,326	–	–	–
Unsecured JPY loans	72,562	–	72,562	–
Unsecured SGD fixed rate notes	125,000	175,000	125,000	175,000
Unamortised loan transaction costs	(16,312)	(8,094)	(11,020)	(8,094)
	<b>1,846,707</b>	981,413	<b>1,410,387</b>	981,413
<b>Total interest-bearing borrowings</b>	<b>2,076,056</b>	1,190,852	<b>1,639,736</b>	1,190,852

The weighted average all in cost of debt as at 31 December 2022 was 3.7% per annum (2021: 3.3% per annum).

### Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	←----- 2022 -----→		←----- 2021 -----→	
			Face value \$'000	Gross carrying amount \$'000	Face value \$'000	Gross carrying amount \$'000
<b>Group</b>						
<b>Secured</b>						
JPY term loan facilities	TIBOR <sup>^</sup> + margin	2026	17,016	16,781	–	–
JPY term loan facilities	0.71375%	2026	107,310	106,076	–	–
<b>Unsecured</b>						
SGD term loan facilities	SOR*/SORA** + margin	2023 to 2027	1,175,000	1,167,189	960,000	954,605
AUD term loan facilities	BBSY Bid <sup>#</sup> + margin	2027	372,131	368,085	59,507	58,650
JPY term loan facilities	TIBOR <sup>^</sup> + margin	2026	72,562	71,885	–	–
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	174,000	171,596	5,000	3,345
SGD medium term notes	2.60% to 3.95%	2023 and 2026	175,000	174,444	175,000	174,252
			<b>2,093,019</b>	<b>2,076,056</b>	1,199,507	1,190,852

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS (continued)

### Terms and debt repayment schedule (continued)

Terms and conditions of outstanding loans and borrowings are as follows (continued):

	Nominal interest rate %	Year of maturity	←----- 2022 -----→		←----- 2021 -----→	
			Face value \$'000	Gross carrying amount \$'000	Face value \$'000	Gross carrying amount \$'000
<b>Trust</b>						
<b>Unsecured</b>						
SGD term loan facilities	SOR*/SORA** + margin	2023 to 2027	1,175,000	1,167,189	960,000	954,605
AUD term loan facilities	BBSY Bid <sup>#</sup> + margin	2027	54,845	54,229	59,507	58,650
JPY term loan facilities	TIBOR <sup>^</sup> + margin	2026	72,562	71,885	-	-
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	174,000	171,989	5,000	3,345
SGD medium term notes	2.60% to 3.95%	2023 and 2026	175,000	174,444	175,000	174,252
			<b>1,651,407</b>	<b>1,639,736</b>	1,199,507	1,190,852

<sup>^</sup> Tokyo Interbank Offered Rate  
<sup>\*</sup> Swap Offer Rate  
<sup>\*\*</sup> Singapore Overnight Rate Average  
<sup>#</sup> Bank Bill Swap Bid Rate

The nominal interest rate for the floating rate loans drawn in SGD is determined by an interest margin plus SOR/SORA, floating rate loans drawn in AUD is determined by an interest margin plus BBSY Bid and floating rate loans drawn in JPY is determined by an interest margin plus TIBOR.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS (continued)

As at the reporting date, the Group has in place the following borrowings:

### (A) Term loans and revolving credit facilities

- (i) unsecured loan facility of \$150 million from CIMB Bank Berhad, Singapore Branch consisting of:
  - Facility A: \$100 million term loan facility maturing in May 2024 at an interest margin plus SOR; and
  - Facility B: \$50 million revolving credit facility at an interest margin plus SOR, which has been fully repaid and cancelled during the year.
- (ii) unsecured loan facility of \$500 million from a syndicate of four banks comprising United Overseas Bank Limited ("UOB"), The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), Malayan Banking Berhad, Singapore Branch ("Maybank") and RHB Bank Berhad ("RHB") consisting of:
  - Facility A: \$160 million term loan facility at an interest margin plus SOR, which has been fully repaid and cancelled in 2021;
  - Facility B: \$180 million term loan facility at an interest margin plus SOR, which has been fully repaid and cancelled during the year; and
  - Facility C: \$160 million term loan facility maturing in October 2023 at an interest margin plus SOR, of which \$80 million has been repaid and cancelled during the year. The remaining balance of \$80 million has been fully repaid and cancelled subsequent to the reporting date.
- (iii) unsecured term loan facility of \$100 million from BNP Paribas, Singapore Branch maturing in October 2023 at an interest margin plus SOR, which has been fully repaid and cancelled subsequent to the reporting date.
- (iv) unsecured club loan facility of \$200 million from MUFG Bank, Ltd. ("MUFG") and Sumitomo Mitsui Banking Corporation, Singapore Branch ("SMBC Singapore") consisting of:
  - Facility A: \$150 million term loan facility maturing in February 2024 at an interest margin plus SOR; and
  - Facility B: \$50 million revolving credit facility maturing in February 2024 at an interest margin plus SOR.
- (v) unsecured club loan facility of \$320 million from UOB, Maybank, RHB and HSBC consisting of:
  - Facility A: \$160 million term loan facility maturing in March 2026 at an interest margin plus SOR; and
  - Facility B: \$160 million revolving credit facility maturing in March 2025 at an interest margin plus SOR.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS (continued)

### Terms and debt repayment schedule (continued)

#### (A) Term loans and revolving credit facilities (continued)

- (vi) unsecured loan facility of A\$68.5 million from RHB consisting of:
- Facility A: A\$60.5 million term loan facility maturing in May 2027 at an interest margin plus BBSY Bid; and
  - Facility B: A\$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.
- (vii) unsecured loan and bank guarantee facility of A\$25 million from Australia and New Zealand Banking Group Limited ("ANZ") maturing in April 2027 at an interest margin plus BBSY Bid.
- (viii) unsecured loan facility of \$835 million and A\$365 million from a syndicate of six banks comprising DBS Bank Ltd. and its Australia Branch, Maybank, SMBC Singapore, HSBC, Oversea-Chinese Banking Corporation Limited and ANZ consisting of:
- Facility A: \$185 million term loan facility maturing in April 2025 at an interest margin plus SORA;
  - Facility B: \$200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
  - Facility C: \$200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
  - Facility D: \$250 million revolving credit facility maturing in April 2024 at an interest margin plus SORA;
  - Facility E: A\$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
  - Facility F: A\$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.
- (ix) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus TIBOR.
- (x) secured club loan facility of JPY12.2 billion from MUFG and Sumitomo Mitsui Banking Corporation consisting of:
- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate;
  - Consumption tax bridging loan facility of JPY1.7 billion maturing in October 2026 at an interest margin plus TIBOR; and
  - Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS (continued)

### Terms and debt repayment schedule (continued)

#### (A) Term loans and revolving credit facilities (continued)

- (x) secured club loan facility of JPY12.2 billion from MUFG and Sumitomo Mitsui Banking Corporation consisting of (continued):

The secured loan facility of JPY12.2 billion is secured on the following:

- Investment property with carrying amount of \$182.2 million (2021: 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 2022, the total amounts outstanding under the term loan and revolving credit facilities were \$1,744.0 million (2021: \$1,019.5 million) and \$174.0 million (2021: \$5.0 million), respectively.

#### (B) Unsecured Medium Term Notes

On 2 February 2012, ESR-LOGOS REIT, through its wholly owned subsidiary, ESR-LOGOS REIT MTN Pte. Ltd. (the "Issuer"), established a \$500 million multi-currency medium term note programme (the "MTN Programme"). The MTN Programme was modified and renamed as \$750 million multi-currency debt issuance programme (the "Debt Issuance Programme") in March 2016 to allow the issue of medium term notes (the "Notes") and/or perpetual securities (the "Perps") by either the Trust or the Issuer.

Under the Debt Issuance Programme, the Trust and/or the Issuer may, subject to compliance with all relevant laws, regulations, and directives, from time to time issue the Notes/Perps denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes/Perps are unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) (the "Guarantor").

The Notes/Perps may be issued in series having one or more issue dates and the same maturity date, and on identical terms.

As at the reporting date, the Group has the following Notes under its Debt Issuance Programme:

- \$50 million 7-year fixed rate notes (the "Series 005 Notes") issued in May 2016, bearing a fixed interest rate of 3.95% per annum payable semi-annually in arrears which will mature in May 2023; and
- \$125 million 5-year fixed rate notes (the "Series 007 Notes") issued in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.

The Series 005 Notes and Series 007 Notes were issued directly by the Trust.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. INTEREST-BEARING BORROWINGS (continued)

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2021 \$'000	Merger \$'000	Cash flows* \$'000	Amortisation of loan transaction costs \$'000	Effect of changes in foreign exchange rates \$'000	2022 \$'000
Bank loans	1,016,600	776,222	126,929	5,657	(23,796)	<b>1,901,612</b>
Fixed rate notes	174,252	-	-	192	-	<b>174,444</b>
	<b>1,190,852</b>	<b>776,222</b>	<b>126,929</b>	<b>5,849</b>	<b>(23,796)</b>	<b>2,076,056</b>

	2020 \$'000	Merger \$'000	Cash flows* \$'000	Amortisation of loan transaction costs \$'000	Effect of changes in foreign exchange rates \$'000	2021 \$'000
Bank loans	1,128,713	-	(113,011)	4,035	(3,137)	1,016,600
Fixed rate notes	49,901	-	124,247	104	-	174,252
	<b>1,178,614</b>	<b>-</b>	<b>11,236</b>	<b>4,139</b>	<b>(3,137)</b>	<b>1,190,852</b>

\* The cash flows included an upfront loan transaction cost of \$14.4 million (2021: \$5.4 million) relating to new loan facilities.

## 15. AMOUNT DUE TO NON-CONTROLLING INTEREST

This relates to the 20% non-controlling interest in 7000 AMK LLP, which has been accounted for and classified as a current liability due to the Put Option granted by ESR-LOGOS REIT to HLP. As disclosed in Note 5, the Put Option provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 16. PERPETUAL SECURITIES

In November 2017, ESR-LOGOS REIT issued \$150.0 million of perpetual securities (the "Series 006 Perps"). The key terms and conditions are as follows:

- the Series 006 Perps confer a right to receive distribution at a rate of 4.6% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to the Series 006 Perps in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset at 6.632% per annum;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;
- the Series 006 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and
- the Series 006 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on any distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

In June 2022, ESR-LOGOS REIT issued a separate \$150.0 million of perpetual securities (the "Series 008 Perps"). The key terms and conditions are as follows:

- the Series 008 Perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;
- the Series 008 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and
- the Series 008 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

The Series 006 Perps and Series 008 Perps are classified as equity instruments and recorded as equity in the Statement of Financial Position. The \$302.1 million (2021: \$151.1 million) presented in the Statement of Financial Position represents the carrying value of the \$300.0 million (2021: \$150.0 million) perpetual securities issued and includes the total return attributable to the perpetual securities holders from the last distribution date. The issue costs were deducted from the Unitholders' funds.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 17. NON-CONTROLLING INTEREST — PERPETUAL SECURITIES

In February 2018, ALOG Trust issued \$100.0 million of perpetual securities (the “ALOG Perps”) under a \$1.0 billion Multicurrency Debt Issuance Programme (the “ALOG Debt Issuance Programme”) established by ALOG Trust. The key terms and conditions are as follows:

- the ALOG Perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every 5 years thereafter;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the ALOG Perps constitute direct, unsecured and subordinated obligations of ALOG Trust and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the terms and conditions of the ALOG Debt Issuance Programme).

The ALOG Perps may be redeemed at the option of ALOG Trust and are classified as non-controlling interest in ESR-LOGOS REIT’s consolidated statement of financial position.

On 30 December 2022, ALOG Trust has elected to redeem the \$100.0 million ALOG Perps on the first call date on 1 February 2023 (see Note 35).

## 18. UNITS IN ISSUE

	Group and Trust	
	2022 Number of units '000	2021 Number of units '000
Units in issue:		
At 1 January	4,030,257	3,576,362
Issue of new Units:		
– Management fees paid in Units	29,932	17,475
– Distribution Reinvestment Plan	39,907	43,530
– Private placement	–	268,818
– Preferential offering	–	124,072
– Partial consideration paid in Units pursuant to the Merger	2,575,788	–
– Acquisition fees paid in Units	43,304	–
Total issued Units at 31 December	6,719,188	4,030,257



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 18. UNITS IN ISSUE (continued)

During the financial year ended 31 December 2022, the Trust issued the following new Units:

- (i) 29.9 million new Units amounting to approximately \$12.2 million at issue prices ranging from \$0.3706 to \$0.4790 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;
- (ii) 39.9 million new Units amounting to approximately \$16.4 million at issue prices ranging from \$0.4024 to \$0.4221 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;
- (iii) 2,575.8 million new Units amounting to approximately \$1,268.3 million at an issue price of \$0.4924 per Unit as partial consideration paid in Units pursuant to the Merger with ALOG Trust in April 2022;
- (iv) 38.3 million new Units amounting to approximately \$16.0 million at an issue price of \$0.4170 per Unit as payment for acquisition fees in relation to the Merger with ALOG Trust; and
- (v) 5.0 million new Units amounting to approximately \$1.7 million at an issue price of \$0.3357 per Unit as payment for acquisition fees in relation to the acquisition of ESR Sakura Distribution Centre.

During the financial year ended 31 December 2021, the Trust issued the following new Units:

- (i) 17.5 million new Units amounting to approximately \$7.4 million at issue prices ranging from \$0.3875 to \$0.4750 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;
- (ii) 43.5 million new Units amounting to approximately \$18.6 million at issue prices ranging from \$0.3915 to \$0.4695 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;
- (iii) 268.8 million new Units amounting to approximately \$100.0 million at an issue price of \$0.3720 per Unit pursuant to a private placement in May 2021; and
- (iv) 124.1 million new Units amounting to approximately \$49.6 million at an issue price of \$0.4000 per Unit pursuant to a preferential offering in August 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 18. UNITS IN ISSUE (continued)

### *Unitholders' rights*

Each Unit represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The limitations on a Unitholder's rights include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem its Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

## 19. GROSS REVENUE

	Group	
	2022 \$'000	2021 \$'000
Property rental income	317,584	221,938
Other income	25,575	18,383
Reversal of rental rebates <sup>1</sup>	73	965
	<b>343,232</b>	241,286

<sup>1</sup> Rental rebates were provided to eligible tenants as part of the Group's measures to support tenants adversely affected by the COVID-19 outbreak, and under the Rental Relief Framework (2020) and Rental Waiver Framework (2021) pursuant to the COVID-19 (Temporary Measures) Act 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 20. PROPERTY EXPENSES

	Group	
	2022 \$'000	2021 \$'000
Property Manager's fees paid and payable in:		
– cash	12,242	7,933
– Units <sup>1</sup>	3,257	2,872
	<b>15,499</b>	10,805
Property tax	28,393	20,101
Repair and maintenance expenses	21,463	18,877
Other property operating expenses	33,634	18,242
	<b>98,989</b>	68,025

1 Includes approximately \$0.9 million (2021: \$0.7 million) paid to the Property Manager subsequent to the reporting date by way of an issuance of 2.3 million (2021: 1.5 million) new Units to the Property Manager at an issue price of \$0.3792 (2021: \$0.4790) per Unit for financial year ended 31 December 2022.

## 21. MANAGEMENT FEES

	Group	
	2022 \$'000	2021 \$'000
Base fees paid and payable in:		
– cash	10,274	8,807
– Units <sup>1</sup>	10,837	6,033
Performance fees <sup>2</sup>	90	–
	<b>21,201</b>	14,840

1 Includes approximately \$3.3 million (2021: \$1.6 million) paid to the Manager subsequent to the reporting date by way of an issuance of 8.7 million (2021: 3.2 million) new Units to the Manager at an issue price of \$0.3792 (2021: \$0.4790) per Unit.

2 Paid to the former manager of ALOG Trust.

There was no Performance Fee payable for the financial year as the Trust did not outperform the initial Highest DPU Threshold of 6.000 cents for the financial year ended 31 December 2022. Please refer to Note 1B (b) for further details on the Performance Fee structure.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 22. TRUST EXPENSES

	Group	
	2022 \$'000	2021 \$'000
Auditor's remuneration:		
– audit fees	597	278
– non-audit fees	184	87
Trustee's fees	1,189	595
Valuation fees	419	452
Professional fees <sup>1</sup>	2,007	275
Other expenses <sup>2</sup>	776	1,085
	<b>5,172</b>	<b>2,772</b>

1 Professional fees in 2022 included \$0.9 million of professional fees incurred in relation to the change of trustee of ESR-LOGOS REIT.

2 Other expenses comprise investor relations costs, compliance costs, listing fees and other non-property related expenses.

## 23. BORROWING COSTS, NET

	Group	
	2022 \$'000	2021 \$'000
Interest income from bank deposits	594	20
Borrowing costs paid and payable:		
– bank loans	(50,562)	(18,468)
– financial derivatives	(955)	(17,767)
– fixed rate notes	(5,225)	(3,311)
Amortisation of transaction costs relating to debt facilities	(6,099)	(4,343)
	<b>(62,247)</b>	<b>(43,869)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 24. INCOME TAX EXPENSE

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2022 and 2021 is as follows:

	Group	
	2022 \$'000	2021 \$'000
Current income tax		
– Current year	25	14
– Under/(Over) provision in prior years	2	(60)
Deferred tax	5,068	1,867
Withholding tax	4,397	341
	<b>9,492</b>	2,162

	Group	
	2022 \$'000	2021 \$'000
<b><i>Reconciliation of tax expense</i></b>		
Total (loss)/return for the year before income tax	<b>(261,947)</b>	107,761
Income tax using Singapore tax rate of 17% (2021: 17%)	<b>(44,531)</b>	18,319
Effect of different tax rates in foreign jurisdictions	<b>(182)</b>	80
Income not subject to tax	<b>(14,827)</b>	(6,477)
Non-tax deductible items	<b>88,619</b>	9,489
Deferred tax on fair value gains	<b>5,068</b>	1,867
Tax transparency	<b>(24,653)</b>	(21,147)
Under/(Over) provision of tax in prior years	<b>2</b>	(60)
Others	<b>(4)</b>	91
Income tax expense	<b>9,492</b>	2,162

Deferred tax liabilities as at 31 December are attributable for the following:

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investments at FVTPL	4,665	1,867	4,208	1,867
Investment properties in Australia	3,089	–	–	–
	<b>7,754</b>	1,867	<b>4,208</b>	1,867

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 24. INCOME TAX EXPENSE (continued)

Movement in temporary differences during the year:

	2021 \$'000	Recognised in statement of total return \$'000	Effect of movement in exchange rates \$'000	2022 \$'000
<b>Group</b>				
Investments at FVTPL	1,867	2,951	(153)	4,665
Investment properties in Australia	–	2,117	972	3,089
Deferred tax liabilities	1,867	5,068	819	7,754
	2020 \$'000	Recognised in statement of total return \$'000	Effect of movement in exchange rates \$'000	2021 \$'000
<b>Group</b>				
Investments at FVTPL	–	1,867	–	1,867

In accordance with FRS 12 Income Taxes, deferred tax is not recognised on temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss (“initial recognition exemption”). As a result of applying the initial recognition exemption, the Group has not recognised deferred tax liabilities of \$35.4 million (2021: Nil) relating to temporary differences arising from the Merger.

## 25. EARNINGS AND DISTRIBUTION PER UNIT

### (a) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the total return attributable to Unitholders and the weighted average number of Units in issue for the financial year.

	Group	
	2022 \$'000	2021 \$'000
Total (loss)/return after income tax	(271,439)	105,599
Less:		
Non-controlling interest	(2,994)	(4,078)
Non-controlling interest – perpetual securities holders	(3,828)	–
Amount reserved for distribution to perpetual securities holders	(12,049)	(6,900)
Total return attributable to Unitholders	(290,310)	94,621



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 25. EARNINGS AND DISTRIBUTION PER UNIT (continued)

### (a) Basic earnings per Unit (continued)

	Number of units	
	2022 '000	2021 '000
Weighted average number of Units:		
– Units issued at beginning of the year	4,030,257	3,576,362
Effect of issue of new Units:		
– Management fees paid in Units	12,166	7,011
– Distribution Reinvestment Plan	22,149	18,532
– Private placement	–	167,919
– Preferential offering	–	43,510
– Partial consideration paid in Units pursuant to the Merger	1,750,125	–
– Acquisition fees paid in Units	24,652	–
	<b>5,839,349</b>	3,813,334
	Group	
	2022	2021
Basic earnings per Unit (cents)	<b>(4.972)</b>	2.481

### (b) Diluted earnings per Unit

Diluted earnings per Unit is the same as basic earnings per Unit as there were no dilutive instruments in issue during the current and previous financial years.

### (c) Distribution per Unit

The calculation of distribution per Unit is based on the total amount available for distribution and the number of Units entitled to distribution during the financial year.

	Group	
	2022 \$'000	2021 \$'000
Total return after income tax and distribution adjustments	159,610	120,468
Amount reserved for perpetual securities holders	(12,049)	(6,900)
Net income available for distribution to Unitholders	147,561	113,568
Total amount available for distribution comprising:		
– Taxable income	147,561	113,568
– Tax-exempt income	12,049	183
– Capital distribution	17,487	642
Amount available for distribution to Unitholders	177,097	114,393
Distribution per Unit (cents)	3.000	2.987

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 26. EQUITY ISSUE COSTS

	Group and Trust	
	2022 \$'000	2021 \$'000
Equity issue costs:		
- Distribution Reinvestment Plan	557	400
- Private placement	-	2,239
- Preferential offering	6	1,218
- Perpetual securities	1,719	-
	<b>2,282</b>	<b>3,857</b>

The equity issue costs are deducted directly against Unitholders' funds.

## 27. COMMITMENTS

### (a) Capital commitments

At the reporting date, the Group had the following commitments:

- \$104.2 million (2021: \$65.9 million) of capital commitments in respect of asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the consolidated financial statements. These projects are targeted to complete by 2024.
- A\$7.05 million (2021: 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.

### (b) Guarantees

- The Trust has provided unsecured corporate guarantees to banks in respect of the interest rate swap contracts entered into by certain subsidiaries with total notional amount of \$272.0 million (2021: Nil).
- The Trust has provided unsecured corporate guarantees of \$6.9 million (2021: Nil) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

## 28. CONTINGENT LIABILITIES

- (a) On 27 July 2022 and 16 September 2022, RBC Investor Services Trust Singapore Limited, as the trustee of ESR-LOGOS REIT at that time, received two letters of demand from a tenant of a property for amounts of \$0.8 million and \$1.0 million respectively for rental rebates and/or waivers in respect of areas at the property which it alleged were unusable. Based on the Manager's assessment of the demands, the Manager has determined that as at the date of these financial statements, no provision for the demands is required as the Manager does not consider it probable that there will be any significant outflow of resources arising from these demands. Please refer to Note 35(c) for update on the case subsequent to the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 28. CONTINGENT LIABILITIES (continued)

- (b) On 1 April 2022, HSBC Institutional Trust Services (Singapore) Limited, as trustee of ALOG Trust, and ARA LOGOS Property Management Pte. Ltd., as the property manager of ALOG Trust at that time, received a writ of summons from a former tenant of a property in Singapore claiming damages from losses suffered arising from damages in its rented premises. The total sum claimed to date amounted to approximately \$13.3 million comprising \$8.0 million in special damages and \$5.3 million in general damages. As at 31 December 2022, the court case was held in abeyance pending mediation. Based on the advice received from the Group's external legal counsel, the Manager has determined that as at the date of these financial statements, no provision for the claim is required. Please refer to Note 35(d) for update on the case subsequent to the reporting period.

## 29. RELATED PARTIES

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

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

	Group	
	2022 \$'000	2021 \$'000
<b>ESR-LOGOS Funds Management (S) Limited (the Manager)</b>		
Management fees paid and payable in:		
– cash	9,001	8,807
– Units	10,837	6,033
Acquisition fees paid in:		
– cash	–	1,196
– Units	17,648	–
Development management fees paid and payable in cash	1,055	21
Divestment fees paid in cash	557	265
<b>ESR-LOGOS Property Management (S) Pte. Ltd. (Subsidiary of immediate holding company of the Manager)</b>		
Property and lease management fees paid and payable in:		
– cash	5,589	4,194
– Units	3,257	2,872
Lease marketing services commission paid and payable in cash	3,592	3,877
Project management fees paid and payable in cash	419	299

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 29. RELATED PARTIES (continued)

	Group	
	2022 \$'000	2021 \$'000
<b>ESR-LOGOS Property Management (S) Pte. Ltd. (Subsidiary of immediate holding company of the Manager)</b>		
Site staff cost recovery	1,088	802
Rental income received and receivable <sup>1</sup>	673	280
Utilities income received and receivable	16	2
<b>RBC Investor Services Trust Singapore Limited<sup>2</sup></b>		
Trustee fees paid	434	412
<b>Perpetual (Asia) Limited (the Trustee)<sup>3</sup></b>		
Trustee fees paid and payable	43	–
<b>ESR Group Limited and its subsidiaries<sup>4</sup></b>		
Base and performance fees paid	439	–
Investment management fees paid and payable	542	–
Asset management fees paid and payable	864	–
Property management fees paid and payable	1,329	–
Acquisition of 10.0% interest in ESR Australia Logistics Partnership	–	62,630
Acquisition of ESR Sakura Distribution Centre	169,812	–
Rental support received and receivable <sup>5</sup>	421	–
<b>TSMP Law Corporation</b>		
Legal fees paid and payable	630	–

1 Relates to rental income received and receivable from ESR-LOGOS Property Management (S) Pte Ltd (“ELPM”) pursuant to a 3-year tenancy agreement entered into between the Group and ELPM during 2021. The lease has since been pre-terminated on 3 January 2023.

2 On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.

3 Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.

4 Excluding the Manager and ESR-LOGOS Property Management (S) Pte Ltd.

5 Pertains to rental support received and receivable from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT

### *Valuation processes applied by the Group*

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

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

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

### *(a) Fair value hierarchy*

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

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

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (b) Assets and liabilities measured at fair value

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<b>2022</b>				
<b>Non financial assets</b>				
Investment properties (including right-of-use assets and investment properties held for divestment)	-	56,595	5,103,400	5,159,995
<b>Financial assets</b>				
Investments at FVTPL	-	-	342,665	342,665
Derivative financial instruments	-	24,002	-	24,002
	-	80,597	5,446,065	5,526,662
<b>Financial liabilities</b>				
Derivative financial instruments	-	(1,907)	-	(1,907)
Amount due to non-controlling interest	-	-	(63,316)	(63,316)
	-	(1,907)	(63,316)	(65,223)
<b>2021</b>				
<b>Non financial assets</b>				
Investment properties (including right-of-use assets and investment properties held for divestment)	-	29,264	3,146,010	3,175,274
<b>Financial assets</b>				
Investment at FVTPL	-	-	66,542	66,542
	-	29,264	3,212,552	3,241,816
<b>Financial liabilities</b>				
Derivative financial instruments	-	(13,653)	-	(13,653)
Amount due to non-controlling interest	-	-	(62,036)	(62,036)
	-	(13,653)	(62,036)	(75,689)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (b) Assets and liabilities measured at fair value (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>				
<b>2022</b>				
<b>Non financial assets</b>				
Investment properties (including right-of-use assets and investment properties held for divestment)	-	8,141	1,570,449	1,578,590
<b>Financial assets</b>				
Investments at FVTPL	-	-	77,320	77,320
Derivative financial instruments	-	14,804	-	14,804
	-	22,945	1,647,769	1,670,714
<b>Financial liabilities</b>				
Derivative financial instruments	-	(1,907)	-	(1,907)
<b>2021</b>				
<b>Non financial assets</b>				
Investment properties (including right-of-use assets and investment properties held for divestment)	-	29,264	1,585,914	1,615,178
<b>Financial assets</b>				
Investment at FVTPL	-	-	66,542	66,542
	-	29,264	1,652,456	1,681,720
<b>Financial liabilities</b>				
Derivative financial instruments	-	(13,653)	-	(13,653)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (c) Level 2 fair value measurements

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

#### *Investment properties held for divestment*

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

#### *Financial derivatives*

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

### (d) Level 3 fair value measurements

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

#### *Amount due to non-controlling interest*

The fair value of the amount due to non-controlling interest is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 30(d).

#### *Investment properties held directly or through joint venture*

Investment properties are stated at fair value based on valuations performed by independent professional valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued. Independent valuations are obtained annually for all investment properties. Any change in the fair value is recorded in profit or loss.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (d) Level 3 fair value measurements (continued)

#### *Investment properties held directly or through joint venture (continued)*

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

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

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

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

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Investment properties held directly or through joint venture</i>		
Discounted cash flows method, direct comparison method, capitalisation approach and residual value approach	<ul style="list-style-type: none"> <li>Market rental growth ranges from 3.0% to 7.0% (2021: 1.5% to 3.0%) per annum.</li> <li>Adjusted price (psm) of \$1,834 (2021: \$972 to \$1,723)</li> <li>Discount rates of 4.00% to 9.50% (2021: 7.00% to 8.25%)</li> <li>Capitalisation rates of 4.20% to 7.50% (2021: 5.00% to 7.25%)</li> <li>Terminal yield rates of 4.30% to 7.50% (2021: 5.25% to 7.25%)</li> </ul>	<p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>expected market rental growth were higher/(lower);</li> <li>the adjusted price psm were higher/ (lower);</li> <li>the discount rates were lower/ (higher);</li> <li>the capitalisation rates were lower/ (higher); or</li> <li>the terminal yield rates were lower/ (higher)</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (d) Level 3 fair value measurements (continued)

Key unobservable inputs correspond to:

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

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 4.

### Investments at fair value through profit or loss

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

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

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Investment properties held by property funds</i>		
Discounted cash flows method and capitalisation approach	<ul style="list-style-type: none"> <li>• Discount rates of 5.50% to 7.00% (2021: 5.50% to 7.25%)</li> <li>• Capitalisation rates of 3.60% to 6.25% (2021: 3.75% to 6.75%)</li> <li>• Terminal yield rates of 3.85% to 7.25% (2021: 4.00% to 7.00%)</li> </ul>	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> <li>• the discount rates were lower/ (higher);</li> <li>• the capitalisation rates were lower/ (higher); or</li> <li>• the terminal yield rates were lower/ (higher).</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (e) *Assets and liabilities not measured at fair value for which fair value is disclosed*

The table below shows an analysis of other non-current liabilities of the Group and the Trust not measured at fair value for which fair value is disclosed:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group and Trust</b>				
<b>2022</b>				
<b>Liabilities</b>				
Fixed rate notes	163,501	-	-	163,501
<b>2021</b>				
<b>Liabilities</b>				
Fixed rate notes	172,399	-	-	172,399

### *Determination of fair value for fixed rate notes*

The fair values of the fixed rate notes are determined based on the quoted bid prices in an active market as at the reporting date.

### (f) *Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value*

The carrying amounts of current financial assets and liabilities of the Group and the Trust approximate their fair values due to their short maturity period. The carrying amounts of non-current floating rate borrowings of the Group and the Trust do not materially differ from their fair values.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (g) Classification of financial instruments

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

	Note	Financial assets at amortised cost \$'000	Fair value through profit or loss \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Group</b>						
<b>2022</b>						
Investments at FVTPL	7	-	342,665	-	342,665	342,665
Trade and other receivables*	10	20,713	-	-	20,713	20,713
Cash and cash equivalents	11	45,579	-	-	45,579	45,579
Loans and borrowings	14	-	-	(2,076,056)	(2,076,056)	(2,064,557)
Trade and other payables^	12	-	-	(103,466)	(103,466)	(103,466)
Amount due to non-controlling interest	15	-	(63,316)	-	(63,316)	(63,316)
Derivative financial instruments (net)	9	-	22,095	-	22,095	22,095
		<b>66,292</b>	<b>301,444</b>	<b>(2,179,522)</b>	<b>(1,811,786)</b>	<b>(1,800,287)</b>
<b>2021</b>						
Investment at FVTPL	7	-	66,542	-	66,542	66,542
Trade and other receivables*	10	18,455	-	-	18,455	18,455
Cash and cash equivalents	11	24,150	-	-	24,150	24,150
Loans and borrowings	14	-	-	(1,190,852)	(1,190,852)	(1,188,251)
Trade and other payables^	12	-	-	(77,370)	(77,370)	(77,370)
Amount due to non-controlling interest	15	-	(62,036)	-	(62,036)	(62,036)
Derivative financial instruments (net)	9	-	(13,653)	-	(13,653)	(13,653)
		<b>42,605</b>	<b>(9,147)</b>	<b>(1,268,222)</b>	<b>(1,234,764)</b>	<b>(1,232,163)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 30. FAIR VALUE MEASUREMENT (continued)

### (g) Classification of financial instruments (continued)

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

	Note	Financial assets at amortised cost \$'000	Fair value through profit or loss \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Trust</b>						
<b>2022</b>						
Loans to subsidiaries	8	725,755	-	-	725,755	725,755
Investments at FVTPL	7	-	77,320	-	77,320	77,320
Trade and other receivables*	10	52,059	-	-	52,059	52,059
Cash and cash equivalents	11	9,539	-	-	9,539	9,539
Loans and borrowings	14	-	-	(1,639,736)	(1,639,736)	(1,628,237)
Trade and other payables^	12	-	-	(44,563)	(44,563)	(44,563)
Derivative financial instruments (net)	9	-	12,897	-	12,897	12,897
		<b>787,353</b>	<b>90,217</b>	<b>(1,684,299)</b>	<b>(806,729)</b>	<b>(795,230)</b>
<b>2021</b>						
Loans to subsidiaries	8	636,800	-	-	636,800	636,800
Investment at FVTPL	7	-	66,542	-	66,542	66,542
Trade and other receivables*	10	28,826	-	-	28,826	28,826
Cash and cash equivalents	11	14,164	-	-	14,164	14,164
Loans and borrowings	14	-	-	(1,190,852)	(1,190,852)	(1,188,251)
Trade and other payables^	12	-	-	(42,975)	(42,975)	(42,975)
Derivative financial instruments (net)	9	-	(13,653)	-	(13,653)	(13,653)
		<b>679,790</b>	<b>52,889</b>	<b>(1,233,827)</b>	<b>(501,148)</b>	<b>(498,547)</b>

\* Excludes prepayments, GST receivable and capitalised costs.

^ Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk).

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit, Risk Management and Compliance Committee ("ARCC") oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit, which is outsourced to a public accounting firm, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for tenants and monitors the amounts receivable from tenants on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the tenants. In addition, the Group requires the tenants to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to the Group. For cash and cash equivalents, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Manager establishes an allowance for impairment loss, based on a specific loss component that relates to individually significant exposures, that represents its estimate of expected losses in respect of trade and other receivables.

#### **Credit risk concentration profile**

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statements of Financial Position.

#### **Financial assets that are neither past due nor impaired**

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment history with the Group. Cash deposits are placed with financial institutions which are reputable and regulated.

#### **Financial assets that are past due or impaired**

Information regarding financial assets that are past due or impaired is disclosed in Note 10 (Trade and other receivables). At the reporting date, the Group had no financial assets which had been determined to be impaired and there are no allowances for impairment loss provided for.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities.

The Manager monitors the liquidity risk of the Group on an on-going basis. The Group's objective is to maintain a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations. Typically, the Manager ensures that the Group has sufficient cash on demand and committed revolving credit facilities to meet expected operating expenses for a reasonable period, including the servicing of financial obligations; but this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

#### *Analysis of financial instruments by remaining contracted maturities*

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Group</b>				
<b>2022</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(245,195)	(1,689,968)	-	(1,935,163)
Revolving credit facilities	(5,757)	(176,020)	-	(181,777)
Medium term notes	(54,229)	(134,759)	-	(188,988)
Trade and other payables*	(76,009)	(20,530)	-	(96,539)
Amount due to non-controlling interest	(63,316)	-	-	(63,316)
Lease liabilities	(25,661)	(172,193)	(1,056,068)	(1,253,922)
	(470,167)	(2,193,470)	(1,056,068)	(3,719,705)
<b>Derivative financial liabilities</b>				
Interest rate swaps	(8,952)	(6,223)	-	(15,175)
	(479,119)	(2,199,693)	(1,056,068)	(3,734,880)
<b>2021</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(226,193)	(771,401)	(60,940)	(1,058,534)
Revolving credit facilities	(175)	(5,081)	-	(5,256)
Medium term notes	(5,225)	(188,988)	-	(194,213)
Trade and other payables*	(51,096)	(20,283)	-	(71,379)
Amount due to non-controlling interest	(62,036)	-	-	(62,036)
Lease liabilities	(11,215)	(60,246)	(358,849)	(430,310)
	(355,940)	(1,045,999)	(419,789)	(1,821,728)
<b>Derivative financial liabilities</b>				
Interest rate swaps	(15,109)	(10,064)	-	(25,173)
	(371,049)	(1,056,063)	(419,789)	(1,846,901)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (b) Liquidity risk (continued)

#### Analysis of financial instruments by remaining contracted maturities (continued)

	Within 1 year \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Trust</b>				
<b>2022</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(229,244)	(1,195,775)	-	(1,425,019)
Revolving credit facilities	(5,757)	(176,020)	-	(181,777)
Medium term notes	(54,229)	(134,759)	-	(188,988)
Trade and other payables**	(32,734)	(5,537)	-	(38,271)
Lease liabilities	(10,888)	(49,748)	(256,310)	(316,946)
	<b>(332,852)</b>	<b>(1,561,839)</b>	<b>(256,310)</b>	<b>(2,151,001)</b>
<b>Derivative financial liabilities</b>				
Interest rate swaps	(6,391)	(2,364)	-	(8,755)
	<b>(339,243)</b>	<b>(1,564,203)</b>	<b>(256,310)</b>	<b>(2,159,756)</b>
<b>2021</b>				
<b>Non-derivative financial liabilities</b>				
Term loan facilities	(226,193)	(771,401)	(60,940)	(1,058,534)
Revolving credit facilities	(175)	(5,081)	-	(5,256)
Medium term notes	(5,225)	(188,988)	-	(194,213)
Trade and other payables**	(27,517)	(9,467)	-	(36,984)
Lease liabilities	(11,215)	(51,057)	(270,289)	(332,561)
	<b>(270,325)</b>	<b>(1,025,994)</b>	<b>(331,229)</b>	<b>(1,627,548)</b>
<b>Derivative financial liabilities</b>				
Interest rate swaps	(15,109)	(10,064)	-	(25,173)
	<b>(285,434)</b>	<b>(1,036,058)</b>	<b>(331,229)</b>	<b>(1,652,721)</b>

\* Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

+ Excludes interest and loan commitment fee payable, which are included in the respective debt facilities.

### (c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Market risk (continued)

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of ensuring that the majority of the Group's exposures to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps and fixed rate borrowings.

At the reporting date, the Group has entered into interest rate swap contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional amounts of the bank loans.

As at 31 December 2022, the Group has fixed 72.0% (2021: 92.0%) of its interest rate exposure by entering into interest rate swaps and fixed rate borrowings. The Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges and takes into account prevailing market conditions.

#### Sensitivity analysis for variable rate instruments

For the variable rate instruments, a change of 100 basis points ("bps") in interest rates at the end of the reporting period would have increased/(decreased) Unitholders' funds and total return by the amounts shown below. The analysis assumes that all other variables remain constant.

	Total Return		Unitholders' Funds	
	100 bps increase \$'000	100 bps decrease \$'000	100 bps increase \$'000	100 bps decrease \$'000
<b>Group</b>				
<b>2022</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(5,862)	5,862	(5,862)	5,862
<b>2021</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(945)	945	(945)	945

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Market risk (continued)

#### (i) Interest rate risk (continued)

##### Sensitivity analysis for variable rate instruments (continued)

	Total Return		Unitholders' Funds	
	100 bps increase \$'000	100 bps decrease \$'000	100 bps increase \$'000	100 bps decrease \$'000
<b>Trust</b>				
<b>2022</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(5,238)	5,238	(5,238)	5,238
<b>2021</b>				
<b>Variable rate instruments</b>				
Interest-bearing borrowings				
– Interest expense	(945)	945	(945)	945

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries and property funds.

The Group manages its foreign currency risk by holding net borrowings in foreign currencies to achieve a natural hedge and by entering into forward foreign currency exchange contracts to hedge against foreign currency movements on net income denominated in foreign currencies (Note 9).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Market risk (continued)

#### (ii) Foreign currency risk (continued)

As at the reporting date, the Group and the Trust's exposure to foreign currency risk are as follows:

	AUD \$'000	JPY \$'000	Total \$'000
<b>Group</b>			
<b>2022</b>			
<b>Financial assets</b>			
Investments at FVTPL	342,665	–	342,665
Derivative financial instruments	9,197	583	9,780
Trade and other receivables	6,997	17,199	24,196
Cash and cash equivalents	8,977	7,593	16,570
	<b>367,836</b>	<b>25,375</b>	<b>393,211</b>
<b>Financial liabilities</b>			
Trade and other payables	(5,629)	(3,560)	(9,189)
Interest-bearing borrowings (Gross)	(372,131)	(196,888)	(569,019)
	<b>(377,760)</b>	<b>(200,448)</b>	<b>(578,208)</b>
Net statement of financial position exposure	<b>(9,924)</b>	<b>(175,073)</b>	<b>(184,997)</b>
	AUD \$'000	JPY \$'000	Total \$'000
<b>Trust</b>			
<b>2022</b>			
<b>Financial assets</b>			
Investment at FVTPL	77,320	–	77,320
Loans to subsidiaries	–	77,633	77,633
Derivative financial instruments	–	583	583
Trade and other receivables	–	52	52
Cash and cash equivalents	363	–	363
	<b>77,683</b>	<b>78,268</b>	<b>155,951</b>
<b>Financial liabilities</b>			
Trade and other payables	(329)	(140)	(469)
Interest-bearing borrowings (Gross)	(54,845)	(72,562)	(127,407)
	<b>(55,174)</b>	<b>(72,702)</b>	<b>(127,876)</b>
Net statement of financial position exposure	<b>22,509</b>	<b>5,566</b>	<b>28,075</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Market risk (continued)

#### (ii) Foreign currency risk (continued)

	AUD \$'000	JPY \$'000	Total \$'000
<b>Group and Trust</b>			
<b>2021</b>			
<b>Financial assets</b>			
Investment at FVTPL	66,542	–	66,542
Cash and cash equivalents	7,034	–	7,034
	73,576	–	73,576
<b>Financial liabilities</b>			
Trade and other payables	(127)	–	(127)
Interest-bearing borrowings (Gross)	(59,507)	–	(59,507)
	(59,634)	–	(59,634)
Net statement of financial position exposure	13,942	–	13,942

#### Sensitivity analysis for foreign currency risk

A 10% weakening of the SGD against the following currencies would increase the total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

	Total Return	
	2022 \$'000	2021 \$'000
<b>Group</b>		
AUD against SGD	5,587	1,394
JPY against SGD	556	–
<b>Trust</b>		
AUD against SGD	2,251	1,394
JPY against SGD	556	–

A 10% strengthening of the SGD against the above currencies would have had an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 32. CAPITAL MANAGEMENT

The Manager's objective when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt, equity and other financial instruments, whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest coverage and other ratios within approved limits.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not (a) before 1 January 2022, exceed 50% of the fund's deposited property; or (b) on or after 1 January 2022, exceed 45% of the fund's deposited property, provided that the Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from new borrowings.

At the reporting date, the Aggregate Leverage and interest coverage ratios of the Group are as follows:

	Group	
	2022	2021
Aggregate leverage ratio <sup>1</sup>	<b>41.8%</b>	40.0%
Interest coverage ratio <sup>2</sup>	<b>3.5x</b>	3.5x
Adjusted interest coverage ratio <sup>3</sup>	<b>2.8x</b>	3.1x

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

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

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

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

## 33. SEGMENT REPORTING

Segment information is presented based on the information reviewed by the Manager's Chief Operating Decision Makers ("CODMs") for performance assessment and resource allocation.

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 33. SEGMENT REPORTING (continued)

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

	Singapore \$'000	Australia \$'000	Japan \$'000	Total \$'000
<b>Segment Results</b>				
<b>For the year ended 31 December 2022</b>				
Gross revenue	303,300	38,702	1,230	343,232
Property expenses	(90,925)	(7,861)	(203)	(98,989)
<b>Net property income</b>	<b>212,375</b>	<b>30,841</b>	<b>1,027</b>	<b>244,243</b>
Share of results of joint venture	5,343	-	-	5,343
Income from investments at FVTPL	-	11,129	-	11,129
Change in fair value of investments at FVTPL	-	8,360	-	8,360
Change in fair value of financial derivatives	26,446	1,124	-	27,570
Change in fair value of investment properties	(28,851)	5,858	482	(22,511)
Change in fair value of right-of-use of leasehold land	1,095	4,498	-	5,593
Finance costs on lease liabilities for leasehold land	(12,702)	(11,041)	-	(23,743)
Unallocated amounts:				
- Interest income				594
- Borrowing costs				(62,841)
- Fair value adjustment relating to the Merger				(427,055)
- Foreign exchange loss				(2,256)
- Management fees				(21,201)
- Trust expenses				(5,172)
<b>Total loss for the year before tax</b>				<b>(261,947)</b>
Income tax expense				(9,492)
<b>Total loss for the year after tax</b>				<b>(271,439)</b>
<b>Segment Assets and Liabilities</b>				
<b>As at 31 December 2022</b>				
Segment assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	4,042,825	934,947	182,223	5,159,995
Investment in joint venture	41,233	-	-	41,233
Investments at FVTPL	-	342,665	-	342,665
Others	60,256	25,269	24,740	110,265
Consolidated total assets	4,144,314	1,302,881	206,963	5,654,158
Segment liabilities	449,160	274,647	3,301	727,108
Unallocated liabilities <sup>(1)</sup>				2,077,963
Consolidated total liabilities				2,805,071

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 33. SEGMENT REPORTING (continued)

	Singapore \$'000	Australia \$'000	Japan \$'000	Total \$'000
<b>Segment Results</b>				
<b>For the year ended 31 December 2021</b>				
Gross revenue	241,286	–	–	241,286
Property expenses	(68,025)	–	–	(68,025)
<b>Net property income</b>	<b>173,261</b>	<b>–</b>	<b>–</b>	<b>173,261</b>
Share of results of joint venture	7,701	–	–	7,701
Income from investment at FVTPL	–	1,536	–	1,536
Change in fair value of investment at FVTPL	–	9,312	–	9,312
Change in fair value of financial derivatives	24,925	–	–	24,925
Change in fair value of investment properties	(40,381)	–	–	(40,381)
Change in fair value of right-of-use of leasehold land	1,588	–	–	1,588
Finance costs on lease liabilities for leasehold land	(11,825)	–	–	(11,825)
Unallocated amounts:				
– Interest income				20
– Borrowing costs				(43,889)
– Foreign exchange gain				3,125
– Management fees				(14,840)
– Trust expenses				(2,772)
<b>Total return for the year before tax</b>				<b>107,761</b>
Income tax expense				(2,162)
<b>Total return for the year after tax</b>				<b>105,599</b>
<b>Segment Assets and Liabilities</b>				
<b>As at 31 December 2021</b>				
Segment assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	3,175,274	–	–	3,175,274
Investment in joint venture	40,714	–	–	40,714
Investment at FVTPL	–	66,542	–	66,542
Others	47,235	–	–	47,235
Consolidated total assets	3,263,223	66,542	–	3,329,765
Consolidated total liabilities	1,580,682	–	–	1,580,682

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 34. FINANCIAL RATIOS

	2022 %	2021 %
Expenses to weighted average net assets <sup>1</sup>		
– including performance component of management fees	1.04	1.04
– excluding performance component of management fees	1.03	1.04
Portfolio turnover rate <sup>2</sup>	4.40	3.12

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.

## 35. SUBSEQUENT EVENTS

Subsequent to the reporting period, the following significant events occurred:

### (a) Redemption of \$100.0 million ALOG Perps

On 1 February 2023, ALOG Trust redeemed the \$100.0 million ALOG Perps. Upon the redemption, the ALOG Perps were cancelled and delisted from the SGX-ST. The ALOG Debt Issuance Programme was terminated on 6 February 2023.

### (b) Issuance of new Units

On 8 February 2023, the Trust issued 10.9 million new Units amounting to approximately \$4.1 million at an issue price of \$0.3792 per Unit as partial payment for the Manager's base management fees and the Property Manager's property management fees.

On 16 February 2023, the Trust launched an equity fund raising comprising a private placement and a non-renounceable preferential offering to raise gross proceeds of up to approximately \$300.0 million. On 27 February 2023, the Trust issued 454.5 million new Units pursuant to the private placement at an issue price of \$0.330 per Unit and raised gross proceeds of approximately \$150.0 million.

### (c) Claim from a tenant of a property in Singapore

On 20 February 2023, the Trustee was served with a claim from the tenant of the property in Singapore for damages amounting to approximately \$1.9 million in relation to the contingent liability as described in Note 28(a) above.

### (d) Mediation and settlement of a claim

On 20 February 2023, HSBC Institutional Trust Services (Singapore) Limited, as trustee of ALOG Trust, and ARA LOGOS Property Management Pte. Ltd., as the former property manager of ALOG Trust, attended a mediation with the former tenant who brought the claim described in Note 28(b) above. The mediation was conducted while the court case was being held in abeyance. At the conclusion of the mediation, the parties entered into a settlement agreement to fully and finally resolve all disputes in relation to the claim. As the agreed settlement amount is fully covered by insurance claim, there is no financial impact to the Group.

### (e) Divestment of 49 Pandan Road

The Group completed the divestment of 49 Pandan Road for a sale consideration of \$43.5 million on 21 February 2023.

### (f) Transition from SOR to SORA

The Trust completed the transition of all its outstanding SGD loan facilities and interest rate swaps from SOR to SORA.

## 36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board on 17 March 2023.

## ADDITIONAL INFORMATION

### (A) INTERESTED PERSON TRANSACTIONS (“IPTS”)

Transactions entered into with interested persons during the financial year falling under the SGX-ST Listing Rules and the Property Funds Appendix of the CIS Code (excluding transactions of less than \$100,000 each) are as follows:

Name of Entity	Aggregate value of all IPTS during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Unitholders’ mandate pursuant to Rule 920 of the SGX-ST Listing Rules) \$’000	Aggregate value of all IPTS conducted under the Unitholders’ mandate pursuant to Rule 920 of the SGX-ST Listing Rules (excluding transactions less than \$100,000) \$’000
<b>ESR-LOGOS Funds Management (S) Limited (the “Manager”)</b>		
Management fees paid and payable		
– in cash	9,001	–
– in Units	10,837	–
Acquisition fees paid in Units	17,648	–
Development management fees paid and payable	1,055	–
Divestment fees paid in cash	557	–
<b>ESR-LOGOS Property Management (S) Pte Ltd (Subsidiary of immediate holding company of the Manager)</b>		
Property and lease management fees paid and payable		
– in cash	5,589	–
– in Units	3,257	–
Lease marketing services commissions paid and payable	3,592	–
Project management fees paid and payable	419	–
Site staff cost recovery	1,088	–
Utilities income received and receivable	16	–
<b>RBC Investor Services Trust Singapore Limited<sup>1</sup></b>		
Trustee fees paid	434	–
<b>Perpetual (Asia) Limited (the “Trustee”)<sup>2</sup></b>		
Trustee fees paid and payable	43	–

## ADDITIONAL INFORMATION

Name of Entity	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules) \$'000	Aggregate value of all IPTs conducted under the Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules (excluding transactions less than \$100,000) \$'000
<b>ESR Group Limited and its subsidiaries<sup>3</sup></b>		
Merger with ALOG	1,409,246	–
Base and performance fees paid	439	–
Investment management fees paid and payable	542	–
Asset management fees paid and payable	864	–
Property management fees paid and payable	1,329	–
Acquisition of ESR Sakura Distribution Centre	169,812	–
Rental support received and receivable <sup>4</sup>	2,256	–
<b>TSMP Law Corporation</b>		
Legal fees	192	–

1 On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.

2 Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.

3 Excluding the Manager and ESR-LOGOS Property Management (S) Pte. Ltd..

4 Pertains to the full amount of rental support received and receivable from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

Except as disclosed above, there were no additional IPTs (excluding transactions of less than \$100,000 each) entered into up to and including 31 December 2022 or any material contracts entered by ESR-LOGOS REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder of the Trust.

Please also see Related Parties in Note 29 to the financial statements.

As set out in ESR-LOGOS REIT's Prospectus dated 14 July 2006, fees and charges payable by ESR-LOGOS REIT to the Manager under the Trust Deed are not subject to Rule 905 and Rule 906 of the SGX-ST Listing Rules.

The Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any IPTs.

## ADDITIONAL INFORMATION

### (B) RATIO OF TOTAL OPERATING EXPENSES TO NET ASSET VALUE

The CIS Code requires that the total operating expenses (including all fees and charges paid to the Manager and interested parties) be disclosed in both absolute terms and as a percentage of the net asset value of the Trust as at the end of the financial year.

The total operating expenses of ESR-LOGOS REIT, including all fees and charges paid to the Manager and interested parties, to the net asset value is as follows:

	2022	2021
Total operating expenses, including all fees, charges and reimbursements paid to the Manager and interested parties (\$'000)	154,698	99,050
Net asset value (\$'000)	2,444,653	1,597,968
Percentage of total operating expenses to net asset value (%)	6.3	6.2

### (C) USE OF PROCEEDS RAISED FROM OFFERINGS PURSUANT TO CHAPTER 8 OF THE LISTING MANUAL

- a. Gross proceeds of S\$150.0 million raised pursuant to the private placement of 194,174,000 new units completed on 26 June 2019 and the pro rata and non-renounceable preferential offering of 98,117,183 new units completed on 14 October 2019 (together, the "2019 Equity Fund Raising") has been used in the following manner:

Intended Use of Proceeds	Amount Allocated (\$ million)	Aggregate Amount Utilised To Date (\$ million)	Remaining Proceeds Pending Utilisation (\$ million)
To fully finance the total acquisition costs for 48 Pandan Road	44.4	44.4	—
To fully finance the proposed asset enhancements at 7000 Ang Mo Kio Avenue 5 and ESR BizPark @ Changi (formerly known as UE BizHub East)	45.7	33.9	11.8
To repay existing indebtedness	56.8	56.8	—
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2019 Equity Fund Raising	3.1	3.1	—
<b>Total</b>	<b>150.0</b>	<b>138.2</b>	<b>11.8</b>

The use of proceeds from the 2019 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 2019 Equity Fund Raising allocated to such use as set out in the announcement dated 17 June 2019 titled "Launch of Equity Fund Raising to raise Gross Proceeds of up to approximately S\$150.0 million".

## ADDITIONAL INFORMATION

### (C) USE OF PROCEEDS RAISED FROM OFFERINGS PURSUANT TO CHAPTER 8 OF THE LISTING MANUAL (continued)

- b. 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 used in the following manner:

Intended Use of Proceeds	Amount Allocated (\$ million)	Aggregate Amount Utilised To Date (\$ million)	Remaining Proceeds Pending Utilisation (\$ 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	7.8	35.5
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	—
<b>Total</b>	<b>149.6</b>	<b>114.1</b>	<b>35.5</b>

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”.



## ADDITIONAL INFORMATION

### (C) USE OF PROCEEDS RAISED FROM OFFERINGS PURSUANT TO CHAPTER 8 OF THE LISTING MANUAL (continued)

- c. Gross proceeds of S\$150.0 million raised pursuant to the private placement of 454,545,000 new units completed on 27 February 2023 (the "2023 Private Placement") has been used in the following manner:

Intended Use of Proceeds	Amount Allocated (\$ million)	Aggregate Amount Utilised To Date (\$ million)	Remaining Proceeds Pending Utilisation (\$ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-LOGOS REIT	146.0	—	146.0
To pay for fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-LOGOS REIT in connection with the 2023 Private Placement	4.0	3.6	0.4
<b>Total</b>	<b>150.0</b>	<b>3.6</b>	<b>146.4</b>

The use of proceeds from the 2023 Private Placement set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2023 Private Placement 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"<sup>5</sup>.

<sup>5</sup> The remaining S\$150.0 million of gross proceeds will be raised by way of a pro rata and non-renounceable preferential offering launched on 29 March 2023.

# STATISTICS OF UNITHOLDERS

as at 24 March 2023

## ISSUED AND FULLY PAID-UP UNITS

7,184,649,079 Ordinary Units (voting rights: one vote per Unit)

Market Capitalisation S\$2,335,010,951 (based on closing price of S\$0.325 as at 24 March 2023)

Size of Unitholdings	No. of Units	% of Units in Issue	No. of Unitholders	% of Unitholders
1-99	29,104	0.00	649	2.65
100-1,000	534,935	0.01	961	3.92
1,001-10,000	35,820,075	0.50	6,675	27.25
10,001-1,000,000	1,143,998,896	15.92	16,048	65.51
1,000,001 and above	6,004,266,069	83.57	165	0.67
<b>Total</b>	<b>7,184,649,079</b>	<b>100.00</b>	<b>24,498</b>	<b>100.00</b>

## TWENTY LARGEST UNITHOLDERS

As shown in the Register of Unitholders

No.	Name	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,861,021,494	25.90
2	DBS NOMINEES (PRIVATE) LIMITED	703,068,061	9.79
3	HSBC (SINGAPORE) NOMINEES PTE LTD	634,231,663	8.83
4	RHB BANK NOMINEES PTE LTD	513,660,138	7.15
5	RAFFLES NOMINEES (PTE.) LIMITED	483,886,140	6.74
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	346,558,781	4.82
7	DBSN SERVICES PTE. LTD.	301,635,869	4.20
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	189,263,547	2.63
9	ESR FUNDS MANAGEMENT (S) LIMITED	110,740,318	1.54
10	PHILLIP SECURITIES PTE LTD	80,855,778	1.13
11	DB NOMINEES (SINGAPORE) PTE LTD	48,568,787	0.68
12	OCBC SECURITIES PRIVATE LIMITED	41,144,813	0.57
13	MEIBAN INVESTMENT PTE LTD	38,572,775	0.54
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	36,840,895	0.51
15	IFAST FINANCIAL PTE. LTD.	33,684,541	0.47
16	NOMURA SINGAPORE LIMITED	33,103,539	0.46
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	28,748,943	0.40
18	MAYBANK SECURITIES PTE. LTD.	28,147,105	0.39
19	ESR-LOGOS PROPERTY MANAGEMENT (S) PTE. LTD.	25,135,550	0.35
20	BPSS NOMINEES SINGAPORE (PTE.) LTD.	24,099,833	0.34
	<b>TOTAL</b>	<b>5,562,968,570</b>	<b>77.44</b>

# STATISTICS OF UNITHOLDERS

as at 24 March 2023

## INTEREST OF SUBSTANTIAL UNITHOLDERS

The interests of the Substantial Unitholders in Units as recorded in the Register of Substantial Unitholders as at 24 March 2023 are set out below.

Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*	No. of Units	%*	No. of Units	%*
Mr Tong Jinqun	172,802,987	2.41%	255,184,832 <sup>(1)</sup>	3.55%	427,987,819	5.96%
e-Shang Infinity Cayman Limited	530,892,503	7.39%	135,875,868 <sup>(2)</sup>	1.89%	666,768,371	9.28%
e-Shang Jupiter Cayman Limited	—	—	666,768,371 <sup>(3)</sup>	9.28%	666,768,371	9.28%
LOGOS Property Group Limited	—	—	469,407,132 <sup>(4)</sup>	6.53%	469,407,132	6.53%
ARA Logistics Ventures I Limited	—	—	469,407,132 <sup>(4)</sup>	6.53%	469,407,132	6.53%
ARA Logistics Partners Limited	—	—	469,407,132 <sup>(4)</sup>	6.53%	469,407,132	6.53%
ARA Logistics (Holdings) Pte. Ltd.	—	—	469,407,132 <sup>(4)</sup>	6.53%	469,407,132	6.53%
ARA Asset Management Limited	—	—	469,407,132 <sup>(4)</sup>	6.53%	469,407,132	6.53%
ESR Group Limited	—	—	1,000,299,635 <sup>(3)(4)</sup>	13.92%	1,000,299,635	13.92%

Notes:

\* Based on Substantial Unitholders' disclosures in respect of interests in securities.

(1) Wealthy Fountain Holdings Inc holds 60 Units and Skyline Horizon Consortium Ltd holds 13,172,094 Units. Both Wealth Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly owned by Shanghai Summit Pte. Ltd. ("SSPL"). Leading Wealth Global Inc holds 242,012,678 Units and is a wholly owned subsidiary of Longement Real Estate Pte Ltd, which is in turn a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. ("SSGCL"). Both SSPL and SSGCL are wholly owned by Mr Tong Jinqun. Therefore, he is deemed to be interested in the 255,184,832 Units held by Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd and Leading Wealth Global Inc.

(2) e-Shang Infinity Cayman Limited indirectly owns 99% equity interest in the Manager and 100.0% equity interest in the ESR-LOGOS Property Management (S) Pte. Ltd. (the "Property Manager"). Each of the Manager and the Property Manager holds 110,740,318 Units and 25,135,550 Units, respectively. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 135,875,868 Units held by the Manager and the Property Manager.

(3) ESR Group Limited is the sole shareholder of e-Shang Jupiter Cayman Limited, which is in turn the sole shareholder of e-Shang Infinity Cayman Limited. Therefore, each of ESR Group Limited and e-Shang Jupiter Cayman Limited is deemed to be interested in the 666,768,371 Units held by e-Shang Infinity Cayman Limited.

(4) LOGOS Units No. 1 Ltd holds 333,531,264 Units and is a wholly-owned subsidiary of LOGOS Property Group Limited ("LPGL"). LOGOS Trust Holdco Pte. Ltd. ("LTHPL") holds 36% shareholding interest in ESR-LOGOS Investment Management Pte. Ltd. ("ELIM"). ELIM holds a 99% shareholding interest in the Manager and a 100% shareholding interest in the Property Manager. LTHPL is a wholly-owned subsidiary of LOGOS Holdco Pte. Ltd., which is in turn a wholly-owned subsidiary of LPGL. Therefore, LPGL is deemed to be interested in the 469,407,132 Units held by LOGOS Units No. 1 Ltd, the Manager and the Property Manager. ARA Logistics Ventures I Limited holds an 86.4% shareholding interest in LPGL. ARA Logistics Ventures I Limited is a subsidiary of ARA Logistics Partners Limited which is in turn a subsidiary of ARA Logistics (Holdings) Pte. Ltd., which is a wholly-owned subsidiary of ARA Asset Management Limited, which is in turn a wholly-owned subsidiary of ESR Group Limited. Accordingly, ESR Group Limited is deemed to be interested in the 469,407,132 Units held by LOGOS Units No. 1 Ltd, the Manager and the Property Manager.

# STATISTICS OF UNITHOLDERS

as at 24 March 2023

## DIRECTOR'S INTEREST IN UNITS AS AT 21 JANUARY 2023

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units issued by ESR-LOGOS REIT are as follows.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>
Ms Stefanie Yuen Thio	265,934	0.0040%	37,951 <sup>(2)</sup>	0.0006	303,885	0.0045%
Mr Nagaraj Sivaram	1,000,000	0.0149%	—	—	1,000,000	0.0149%
Dr Julie Lo	—	—	—	—	—	—
Mr Jeffrey Perlman	—	—	—	—	—	—
Mr Philip Pearce (Alternate Director to Mr Jeffrey Perlman)	—	—	—	—	—	—
Dr Leong Horn Kee	—	—	—	—	—	—
Mr Ronald Lim	166,321	0.0025%	—	—	166,321	0.0025%
Mr Wilson Ang	4,114,579	0.0612%	—	—	4,114,579	0.0612%
Mr Trent Iliffe	1,586,746	0.0236%	—	—	1,586,746	0.0236%
Mr Adrian Chui	—	—	—	—	—	—

Note:

(1) The percentage interest is computed based on the total number of Units in issue as at 21 January 2023 of 6,719,187,987.

(2) As 37,951 Units are held by Ms Stefanie Yuen Thio's husband, Ms Stefanie Yuen Thio is deemed to be interested in these Units.

## FREE FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities are at all times held by the public. Based on the information made available to the Manager as at 24 March 2023 approximately 76.86% of ESR-LOGOS REIT's Units are held by the public and therefore, Rule 723 of the listing Manual of the SGX-ST has been complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 14th Annual General Meeting (“**AGM**”) of the holders of units of ESR-LOGOS REIT (“**E-LOG**”, and the holders of units of E-LOG, “**Unitholders**”) will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593 on 26 April 2023 (Wednesday) at 10.00 a.m. (Singapore time), to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

## AS ORDINARY BUSINESS

### 1. Ordinary Resolution

To receive and adopt the report issued by Perpetual (Asia) Limited, as trustee of E-LOG (the “**Trustee**”), the statement issued by ESR-LOGOS Funds Management (S) Limited, as manager of E-LOG (the “**Manager**”), and the audited financial statements of E-LOG for the financial year ended 31 December 2022 together with the independent auditors’ report to Unitholders thereon.

### 2. Ordinary Resolution

To re-appoint Ernst & Young LLP as Auditor of E-LOG to hold office until the conclusion of the next AGM, and to authorise the directors of the Manager (“**Directors**”) to fix their remuneration.

## AS SPECIAL BUSINESS

### 3. Ordinary Resolution

That authority be and is hereby given to the Manager, to

- (a) (i) issue units in E-LOG (“**Units**”) whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of E-LOG’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or
- (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, “**Instruments**”)

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units pursuant to any Instruments made or granted by the Manager while this Resolution was in force (even though the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with subparagraph (2) below, of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;

## NOTICE OF ANNUAL GENERAL MEETING

- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
- (a) any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing E-LOG, including but not limited to the provisions of the Listing Manual of the SGX-ST (the “**Listing Manual**”) for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting E-LOG (as amended) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution continues in force until (i) the conclusion of the next AGM of E-LOG or (ii) the date on which the next AGM of E-LOG is required by applicable regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of E-LOG to give effect to the authority contemplated and/or authorised by this Resolution.

[Please see Explanatory Notes below]

#### 4. Ordinary Resolution

That:

- (a) the exercise of all the powers of the Manager to repurchase or otherwise acquire Units for and on behalf of E-LOG not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or
  - (ii) off-market repurchase(s) of Units otherwise than on a securities exchange and made under an “equal access scheme” for repurchase of Units from Unitholders in accordance with the Trust Deed,

and otherwise in accordance with the Trust Deed and all applicable laws and regulations including without limitation the Listing Manual as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-Back Mandate**”);

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the conclusion of the next AGM of E-LOG or the date on which the next annual general meeting of E-LOG is or is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;
  - (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;

- (c) in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;

**“date of the making of the offer”** means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

**“Market Day”** means a day on which the SGX-ST is open for trading in securities;

**“Maximum Limit”** means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and

**“Maximum Price”** in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase;

- (d) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of E-LOG to give effect to the transactions contemplated and/or authorised by this Resolution:

All capitalised terms used in this Resolution which are not defined herein shall have the same meaning ascribed to them in the Circular to Unitholders dated 4 April 2023.

[Please see Explanatory Notes]



# NOTICE OF ANNUAL GENERAL MEETING

## OTHER BUSINESS

To transact any other business which may properly be brought forward.

## BY ORDER OF THE BOARD

### ESR-LOGOS Funds Management (S) Limited

(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132)  
(as Manager of ESR-LOGOS REIT)

### Adrian Chui

Chief Executive Officer and Executive Director  
4 April 2023

## Explanatory Notes:

### Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of E-LOG; (ii) the date on which the next AGM of E-LOG is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the “**Mandated Period**”), to issue Units whether by way of bonus or otherwise and/or to make or grant Instruments and to issue Units pursuant to such Instruments, provided that the aggregate number of Units issued under Ordinary Resolution 3 does not exceed fifty per cent. (50.0%) of the total number of issued Units (excluding treasury Units, if any) with a sub-limit of twenty per cent. (20.0%) of the total number of issued Units (excluding treasury Units, if any) for issuances other than on a pro rata basis to Unitholders. For the avoidance of doubt, the Manager may, if Ordinary Resolution 3 is passed, issue Units up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any) on a pro rata basis (including, without limitation, issuance of Units by way of a renounceable rights issue or a non-renounceable preferential offering).

Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

# NOTICE OF ANNUAL GENERAL MEETING

## Ordinary Resolution 4

Ordinary Resolution 4 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of E-LOG; (ii) the date on which the next AGM of E-LOG is required by the applicable laws and regulations or the Trust Deed to be held, (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, or (iv) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied, whichever is the earliest, to exercise all the powers to repurchase or acquire issued Units for and on behalf of E-LOG not exceeding in aggregate 10.0% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Circular to Unitholders dated 4 April 2023.

Apart from using its internal sources of funds, the Manager may obtain or incur borrowings to finance its repurchases or acquisitions of Units on behalf of E-LOG. The Manager does not propose to exercise the Unit Buy-Back Mandate to such extent that it would result in any material adverse effect to the financial position or listing status of E-LOG. The amount of financing required for the Manager to repurchase Units pursuant to the Unit Buy-back Mandate and the impact on the E-LOG's financial position, cannot be realistically ascertained as at the date of this Notice of AGM as this will depend on factors such as the aggregate number of Units repurchased and the repurchase prices paid at the relevant times.

An illustration of the financial effects of the Unit repurchases by the Manager pursuant to the Unit Buy-Back Mandate on the audited consolidated financial statements of E-LOG and its subsidiaries for the financial year ended 31 December 2022 is set out in the Circular to Unitholders dated 4 April 2023.

## Notes:

1. E-LOG will be conducting the AGM in a wholly physical format at Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Any reference to a time of day is made by reference to Singapore time.
2. **Submission of Questions:**
  - (a) All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to submit questions in advance of, or at, the AGM.
  - (b) In addition, all Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the AGM in advance of the AGM up till **13 April 2023 (Thursday), 5.00 p.m.**, in the following manner:
    - (i) Unitholders may submit their questions via email to [ir@esr-logosreit.com.sg](mailto:ir@esr-logosreit.com.sg) or by post addressed to Investor Relations at 5 Temasek Boulevard #12-09 Suntec Tower Five Singapore 038985. Submission electronically by email is strongly encouraged; and
    - (ii) Relevant Intermediary Unitholders (including CPF/SRS investors) may submit questions through their Relevant Intermediary (including CPF Agent Banks/SRS Operators), who in turn should submit a consolidated list of questions to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).

## NOTICE OF ANNUAL GENERAL MEETING

- (c) Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who submit questions in advance of the AGM should provide the following information to the Manager (or, in the case of Relevant Intermediary Unitholders, their Relevant Intermediary) for verification purposes:
- (i) your full name;
  - (ii) your address, contact number and email; and
  - (iii) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you hold your Units through CPF or SRS, or are a Relevant Intermediary Unitholder).
- (d) The Manager will address all substantial and relevant questions received in advance, via an announcement on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and E-LOG's website at <https://esr-logosreit.listedcompany.com/meetings.html> prior to the AGM. Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.
- (e) The Manager will publish the minutes of the AGM on E-LOG's website and on SGXNET, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the AGM.

### 3. Voting by Unitholders:

Unitholders who wish to exercise their voting rights at the AGM may:

- (a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
- (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and
- (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.

Live voting will be conducted during the AGM.

Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit the Proxy Form in accordance with the instructions below.

Duly completed Proxy Forms must be deposited with E-LOG:

- (i) via post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) via email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).

Note: Please refer to the Notes to the Proxy Form for additional documentary requirements in the event the Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

## NOTICE OF ANNUAL GENERAL MEETING

Proxy Forms must be received by E-LOG by 23 April 2023 (Sunday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the AGM). Proxy Forms can be downloaded from E-LOG's website at <https://esr-logosreit.listedcompany.com/meetings.html> or the SGX-ST's website <https://www.sgx.com/securities/company-announcements>. In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for, vote against, or abstain from voting on, each of the resolutions to be tabled at the AGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairman of the AGM) may vote or abstain from voting at his/her discretion.

Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units to be represented by each proxy.

A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.

In this Notice of AGM, "**Relevant Intermediary**" means:

- (A) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (B) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds Units in that capacity; or
- (C) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**Unitholders are strongly encouraged to submit completed Proxy Forms via email. Please refer to the Proxy Form for further information.**

#### 4. Voting by Relevant Intermediary Unitholders and CPF/SRS investors:

Relevant Intermediary Unitholders and CPF/SRS investors who wish to vote at the AGM should approach their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators as soon as possible. In the case of CPF/SRS investors, they must do so at least **seven working days** before the AGM (i.e. by **14 April 2023 (Friday), 5.00 p.m.**).

# NOTICE OF ANNUAL GENERAL MEETING

Relevant Intermediary Unitholders and CPF/SRS investors may:

- (a) attend, speak and vote at the AGM, if they are appointed as proxies by their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators; and
- (b) specify their voting instructions to/arrange for their votes to be submitted with their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators (in the case of CPF/SRS investors, by the date specified above).

**Documents and information relating to the AGM (including this Notice of AGM, the E-LOG's Annual Report 2022, Circular to Unitholders (in relation to the proposed renewal of the Unit Buy-Back Mandate) (the "Circular") and the Proxy Form) are available on E-LOG's website at <https://esr-logosreit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Unitholders and CPF/SRS investors can scan the QR Code below to access the E-LOG's Annual Report 2022, Circular to Unitholders and the Proxy Form.**



**For Unitholders' convenience, printed copies of this Notice of AGM, the Proxy Form and the Request Form for Unitholders to request for a printed copy of the E-LOG's Annual Report 2022 and/or the Circular (the "Request Form") have been despatched to Unitholders.**

**Printed copies of E-LOG's Annual Report 2022 and the Circular will not be despatched to Unitholders, unless otherwise requested and have been published on E-LOG's website at <https://esr-logosreit.listedcompany.com/meetings.html>.**

**Unitholders may request for printed copies of E-LOG's Annual Report 2022 and the Circular by completing and returning the Request Form to the Manager by 11 April 2023 (Tuesday), 5.00 p.m..**

**Unitholders should note that the manner of conduct of the AGM may be subject to further changes at short notice. Unitholders are advised to check E-LOG's website at <https://esr-logosreit.listedcompany.com/meetings.html> and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts at [https://esr-logosreit.listedcompany.com/email\\_alerts.html](https://esr-logosreit.listedcompany.com/email_alerts.html) to receive the latest updates.**

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the E-LOG Unitholder discloses the personal data of the E-LOG Unitholder's proxy(ies) and/or representative(s) to the E-LOG Manager and the E-LOG Trustee (or their agents), the E-LOG Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify E-LOG, the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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# ESR-LOGOS REIT

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

Managed by ESR-LOGOS FUNDS  
MANAGEMENT (S) LIMITED  
(Company Registration Number: 200512804G)

## PROXY FORM

### ANNUAL GENERAL MEETING (“AGM”)

#### IMPORTANT:

- Holders of units in ESR-LOGOS REIT (“Unitholders”) who wish to exercise their voting rights at the AGM (as defined below) may:
  - (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
  - (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and
  - (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.
- Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes below.
- For investors holding units of ESR-LOGOS REIT through a Relevant Intermediary (as defined below) (“**Relevant Intermediary Unitholders**”) and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme (“**CPF/SRS investors**”), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Relevant Intermediary Unitholders who wish to vote at the AGM should approach their Relevant Intermediary as soon as possible. CPF/SRS investors who wish to vote at the AGM should approach their respective CPF Agent Banks/SRS Operators at least seven working days before the AGM (i.e. by 14 April 2023 (Friday) at 5.00 p.m.) to ensure that their votes are submitted.
- PLEASE READ THE NOTES TO THE PROXY FORM.**

#### Personal data privacy

By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2023.

I/We \_\_\_\_\_ (insert Full Name and NRIC no./Passport no./UEN no.)

of \_\_\_\_\_ (Address)

being a unitholder/unitholders of ESR-LOGOS REIT (“E-LOG”), hereby appoint

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

and/or (delete as appropriate)

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

or failing whom, the Chairman of the AGM, as my/our proxy to attend, to speak (as applicable) and to vote for me/us on my/our behalf at the AGM of E-LOG to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593 on 26 April 2023 (Wednesday) at 10.00 a.m. (Singapore time) and at any adjournment thereof. I/We direct my/our proxy(ies) to vote (i) for, (ii) against, or (iii) abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder#. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the AGM. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the AGM, the Chairman of the AGM will be the proxy and will vote or abstain from voting based on the directions indicated hereunder and if no specific direction as to voting is given, the Chairman of the AGM will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the AGM.

No.	Resolutions	For*	Against*	Abstain*
	<b>ORDINARY BUSINESS</b>			
1	To receive and adopt the Trustee’s Report, the Statement by the Manager and the Audited Financial Statements of E-LOG for the financial year ended 31 December 2022 (Ordinary Resolution)			
2	To re-appoint Ernst & Young LLP as Auditor of E-LOG to hold office until the conclusion of the next Annual General Meeting and to authorise the Manager to fix their remuneration (Ordinary Resolution)			
	<b>SPECIAL BUSINESS</b>			
3	To authorise the Manager to issue Units and to make or grant convertible instruments (Ordinary Resolution)			
4	To authorise the Manager to repurchase or otherwise acquire Units for and on behalf of E-LOG pursuant to the Unit Buy-Back Mandate (Ordinary Resolution)			

# You should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolution.

\* If you wish to exercise all your votes “For”, “Against” or “Abstain”, please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total number of Units held (Note 4)

--

Signature(s) of Unitholder(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE**

Please glue and seal along the edge)

Please glue and seal along the edge)



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**ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED**  
(as Manager of ESR-LOGOS REIT)  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue,  
#14-07 Keppel Bay Tower,  
Singapore 098632

2<sup>nd</sup> fold here

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to Proxy Form**

- Unitholders who wish to exercise their voting rights at the AGM may:
  - (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
  - (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and
  - (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.
- Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions below.
- In this Proxy Form, a Unitholder should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, each of the resolutions tabled at the AGM. All valid votes cast via proxy on the resolutions will be counted. If no specific direction as to voting is given, the proxy(ies) (including the Chairman of the AGM) may vote or abstain from voting at his/her discretion.
- A Unitholder should insert the total number of Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"). If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder in the Depository Register.
- A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
  - A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.
- "Relevant Intermediary"** means:
  - a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
  - a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or
  - the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- The duly completed Proxy Form must be deposited:
  - by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632;
  - by email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) (by enclosing a clear, scanned, completed and signed Proxy Form in PDF); orThe Proxy Form must be received by E-LOG by 23 April 2023 (Sunday), 10.00 a.m. (being 72 hours before the time appointed for the AGM). Unitholders are strongly encouraged to submit completed Proxy Forms via email.
- Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
- The Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer or by executor(s) on behalf of a deceased individual's estate, the power of attorney or other relevant authority under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be deposited by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, or by email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com), and must be received by E-LOG by 23 April 2023 (Sunday), 10.00 a.m. (being 72 hours before the time appointed for the AGM), failing which the Proxy Form may be treated as invalid. In the event of any doubt, please email [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).
- The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, unsigned, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
- All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
- Every Unitholder shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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### **ESR-LOGOS REIT**

(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))  
Managed by ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED  
(Company Registration No. 200512804G)

### **REQUEST FORM**

4 April 2023

Dear Unitholders of ESR-LOGOS REIT (“E-LOG”),

We are pleased to enclose printed copies of the Notice of Annual General Meeting (“AGM”), Notice of Extraordinary General Meeting (“EGM”) and the Proxy Forms for the upcoming AGM and EGM of E-LOG. The AGM and EGM will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593 on 26 April 2023 (Wednesday) at 10.00 a.m. (Singapore time) and 11.00 a.m. (Singapore time) (or as soon thereafter as the AGM to be held at 10.00 a.m. on the same day is concluded or adjourned) respectively.

Electronic copies of E-LOG’s Annual Report for the financial year end 31 December 2022 (the “**Annual Report 2022**”), the Circular to Unitholders dated 4 April 2023 (in relation to the proposed renewal of the Unit Buy-Back Mandate) (the “**UBB Circular**”) and the Circular to Unitholders dated 4 April 2023 (in relation to the proposed amendments to the trust deed of E-LOG and the proposed entry into the New Singapore Property Management Agreements) (the “**EGM Circular**”) have been uploaded onto E-LOG’s website and on SGXNET on the date of this letter, and may be accessed and downloaded at the following links: <https://esr-logosreit.listedcompany.com/meetings.html> and <https://www.sgx.com/securities/company-announcements>. You can also scan the QR code on the right to reach E-LOG’s website.



QR Code

If you wish to receive a printed copy of the Annual Report 2022, the UBB Circular and/or the EGM Circular before the date of the AGM and the EGM, please indicate your request by completing and signing the request form below and returning it to us no later than 11 April 2023, (Tuesday), 5.00 p.m..

For avoidance of doubt, your latest request will supersede any earlier requests received by us.

By submitting this request form for a copy of the Annual Report 2022, the UBB Circular and/or the EGM Circular, you accept and agree, where applicable, to the personal data privacy terms set out in the Notice of AGM and Notice of EGM dated 4 April 2023.

We look forward to seeing you at our AGM and the EGM to be held at **Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593 on 26 April 2023 (Wednesday) at 10.00 a.m. (Singapore time) and 11.00 a.m. (Singapore time) (or as soon thereafter as the AGM to be held at 10.00 a.m. on the same day is concluded or adjourned).**

Yours faithfully

For and on behalf of  
ESR-LOGOS Funds Management (S) Limited  
(as Manager of E-LOG)

Adrian Chui  
Chief Executive Officer and Executive Director

### **REQUEST FORM**

To: ESR-LOGOS Funds Management (S) Limited (as Manager of E-LOG)

**Note: If you wish to receive a printed copy of the Annual Report 2022, the UBB Circular and/or the EGM Circular before the date of the AGM and EGM, please indicate your request by completing and signing the request form below and returning it to us no later than 11 April 2023 (Tuesday), 5.00 p.m.. We regret that we will not be able to process any late, incomplete or improperly completed forms.**

- I wish to receive a printed copy of the Annual Report 2022
- I wish to receive a printed copy of the UBB Circular
- I wish to receive a printed copy of the EGM Circular

My/Our Units are held in/through:

- CDP Securities Account Number 

					-					-				
--	--	--	--	--	---	--	--	--	--	---	--	--	--	--
- CPFIS Account

Name(s) of Unitholder(s): \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

### **Personal Data Privacy:**

By submitting this request form for a copy of the Annual Report 2022, the UBB Circular and/or the EGM Circular, you accept and agree, where applicable, to the personal data privacy terms set out in the Notice of AGM and Notice of EGM both dated 4 April 2023.

1<sup>st</sup> fold (this flap for sealing). Glue all sides firmly. Stapling & spot sealing is disallowed.

2<sup>nd</sup> fold here

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(AS MANAGER OF ESR-LOGOS REIT)**  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

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# CORPORATE DIRECTORY

## MANAGER

### ESR-LOGOS Funds Management (S) Limited ("ELFM")

Company Registration Number:  
200512804G  
Capital Markets Services Licence  
Number: 100132

Registered Office:  
5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985  
T: (65) 6222 3339  
F: (65) 6827 9339  
[www.esr-logosreit.com.sg](http://www.esr-logosreit.com.sg)

## BOARD OF DIRECTORS OF ELFM

**Ms. Stefanie Yuen Thio**  
Independent Non-Executive  
Chairperson

**Dr. Leong Horn Kee**  
Independent Non-Executive Director

**Mr. Ronald Lim**  
Independent Non-Executive Director

**Mr. Nagaraj Sivaram**  
Independent Non-Executive Director

**Dr. Julie Lo**  
Independent Non-Executive Director

**Mr. Wilson Ang**  
Non-Executive Director

**Mr. Trent Iliffe**  
Non-Executive Director

**Mr. Jeffrey Perlman**  
Non-Executive Director

**Mr. Philip Pearce**  
Alternate Director to  
Mr. Jeffrey Perlman

**Mr. Adrian Chui**  
Chief Executive Officer and Executive  
Director

## ARCC

**Mr. Nagaraj Sivaram**  
Chairperson

**Ms. Stefanie Yuen Thio**  
Member

**Dr. Leong Horn Kee**  
Member

**Mr. Ronald Lim**  
Member

**Dr. Julie Lo**  
Member

## NRC

**Mr. Ronald Lim**  
Chairperson

**Ms. Stefanie Yuen Thio**  
Member

**Mr. Jeffrey Perlman**  
Member

## EXCO

**Mr. Jeffrey Perlman**  
Chairperson

**Mr. Trent Iliffe**  
Member

**Mr. Adrian Chui**  
Member

## UNIT REGISTRAR

### Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
T: (65) 6536 5355  
F: (65) 6536 1360  
[www.boardroomlimited.com](http://www.boardroomlimited.com)

## TRUSTEE

**Perpetual (Asia) Limited**  
8 Marina Boulevard #05-02  
Marina Bay Financial Centre  
Singapore 018981  
T: (65) 6908 8203  
F: (65) 6438 0255  
[www.perpetual.com.sg](http://www.perpetual.com.sg)

## PROPERTY MANAGER

### ESR-LOGOS Property Management (S) Pte. Ltd.

Company Registration Number:  
200515344N

Registered Office:  
5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985  
T: (65) 6222 3339  
F: (65) 6827 9339  
[www.esr-logosreit.com.sg](http://www.esr-logosreit.com.sg)

## AUDITORS

### Ernst & Young LLP

One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
T: (65) 6535 7777  
F: (65) 6532 7662  
[www.ey.com](http://www.ey.com)

Partner-in-charge:  
Mr. Lee Wei Hock  
(since financial year ended 31  
December 2019)

## COMPANY SECRETARY

### Ms. Angeline Chiang, ACIS

TMF Singapore H Pte. Ltd.  
38 Beach Road  
#29-11 South Beach Tower  
Singapore 189767  
T: (65) 6808 1600  
F: (65) 6808 1616  
[www.tmf-group.com](http://www.tmf-group.com)

## SGX CODE – ESR-LOGOS REIT STOCK SYMBOL – J91U

## UNITHOLDERS' ENQUIRIES

Mr. Sua Xiu Kai  
Assistant Manager, Corporate  
Communications  
T: (65) 6827 9553  
E: [enquiry@esr-logosreit.com.sg](mailto:enquiry@esr-logosreit.com.sg)

## UNITHOLDER DEPOSITORY

**The Central Depository (Pte) Limited**  
T: (65) 6535 7511  
E: [asksgx@sgx.com](mailto:asksgx@sgx.com)



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

5 Temasek Boulevard  
#12-09 Suntec Tower Five  
Singapore 038985

T : (65) 6222 3339

F : (65) 6827 9339

E : [enquiry@esr-logosreit.com.sg](mailto:enquiry@esr-logosreit.com.sg)

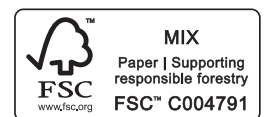


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