
FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2023

The Directors of ESR-LOGOS Funds Management (S) Limited (“E-LOG FM”), as manager of ESR-LOGOS REIT (the “Manager”), are pleased to announce the unaudited financial results of ESR-LOGOS REIT and its subsidiaries (the “Group”) for the half year (“2H2023”) and full year ended 31 December 2023 (“FY2023”).

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

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

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.

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

On 1 February 2023, ALOG Trust redeemed the S\$100.0 million perpetual securities (the “ALOG Perps”) under the S\$1.0 billion Multicurrency Debt Issuance Programme (the “ALOG Debt Issuance Programme”). 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.

On 16 February 2023, ESR-LOGOS REIT launched an equity fund raising comprising a private placement and a non-renounceable preferential offering to raise gross proceeds of not less than approximately S\$300.0 million. The private placement of approximately 454.5 million new Units to raise gross proceeds of approximately S\$150.0 million and the issuance of 460.8 million new Units for the preferential offering to raise gross proceeds of approximately S\$149.8 million were completed on 27 February 2023 and 28 April 2023, respectively.

The Group entered into new property management agreements (the “New Singapore Property Management Agreements”) in respect of its Singapore properties as approved by the Unitholders during the extraordinary general meeting on 26 April 2023, upon the expiry of the previous property management agreements. The duration of the New Singapore Property Management Agreements is 10 years commencing from 5 May 2023.

During 2023, ESR-LOGOS REIT completed the divestment of ten properties, namely 49 Pandan Road, 3 Pioneer Sector 3, 30 Toh Guan Road, 21 Changi North Way, 22 Chin Bee Drive, 4 & 6 Clementi Loop, 6 Chin Bee Avenue, 2 Tuas South Avenue 2 and 70 Seletar Aerospace View located in Singapore, as well as 51 Musgrave Road located in Australia for an aggregate sale consideration of S\$440.6 million.

On 5 October 2023, the Manager announced that 7002 Ang Mo Kio Avenue 5, Singapore, had obtained its Temporary Occupation Permit (“TOP”) following the completion of its asset enhancement initiative (“AEI”).

On 10 October 2023, ALOG Singapore One Pte. Ltd., an indirect wholly-owned subsidiary of ESR-LOGOS REIT was struck off from the Register of Companies pursuant to Section 344A of the Companies Act. The strike-off of the abovementioned subsidiary did not have any material impact on the earnings per unit or net tangible assets per unit of ESR-LOGOS REIT.

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As at 31 December 2023, the Group holds interest in a diversified portfolio of 72 properties (excluding 48 Pandan Road, which is held through a joint venture) located across Singapore, Australia and Japan with a diversified tenant base of approximately 365 tenants across the following sub sectors: business park, high-specs industrial, logistics and general industrial.

Summary of the Group's Results

	FY2023	FY2022	Fav/(Unfav)
	S\$'000	S\$'000	%
Gross revenue	386,350	343,232	12.6
Net property income	273,159	244,243	11.8
Amount available for distribution	192,698	177,097	8.8
- <i>Taxable income</i>	158,291	147,561	7.3
- <i>Tax exempt income</i>	4,084	12,049	(66.1)
- <i>Capital distribution</i>	30,323	17,487	73.4
Distributable amount available per unit (cents)	2.564	3.000	(14.5)
- <i>Taxable income</i>	2.103	2.518	(16.5)
- <i>Tax exempt income</i>	0.056	0.219	(74.4)
- <i>Capital distribution</i>	0.405	0.263	54.0

Breakdown of distributable amount available per unit

	2023	2022	Fav/(Unfav)
	cents	cents	%
For the half year ended 30 June	1.378	1.460	(5.6)
For the half year ended 31 December	1.186	1.540	(23.0)
For the year ended 31 December	2.564	3.000	(14.5)

Distribution details for 2H2023

Distribution period	1 July 2023 to 31 December 2023
Distribution rate	1.186 cents per unit comprising: (a) taxable income 1.030 cents per unit (b) capital distribution 0.156 cents per unit
Record date	9 February 2024
Payment date	27 March 2024

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the distribution for the period from 1 July 2023 to 31 December 2023.

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

	Note ⁽¹⁾	Group					
		2H2023 S\$'000	2H2022 S\$'000	Fav/(Unfav) %	FY2023 S\$'000	FY2022 S\$'000	Fav/(Unfav) %
Gross revenue	7	189,505	195,564	(3.1)	386,350	343,232	12.6
Property expenses	8	(57,175)	(54,083)	(5.7)	(113,191)	(98,989)	(14.3)
Net property income		132,330	141,481	(6.5)	273,159	244,243	11.8
Income from investments at fair value through profit or loss		4,271	5,901	(27.6)	9,215	11,129	(17.2)
Management fees	9	(10,558)	(12,100)	12.7	(21,924)	(21,201)	(3.4)
Trust expenses	10	(2,741)	(2,220)	(23.5)	(6,348)	(5,172)	(22.7)
Borrowing costs, net	11	(35,727)	(37,066)	3.6	(76,013)	(62,247)	(22.1)
Finance costs on lease liabilities for leasehold land		(17,909)	(15,035)	(19.1)	(32,176)	(23,743)	(35.5)
Net income		69,666	80,961	(14.0)	145,913	143,009	2.0
Foreign exchange loss		(1,058)	(641)	(65.1)	(1,240)	(2,256)	45.0
Change in fair value of investments at fair value through profit or loss	4	(39,207)	(6,934)	(465.4)	(39,839)	8,360	n.m.
Change in fair value of financial derivatives		(12,262)	3,181	n.m.	(16,346)	27,570	n.m.
Change in fair value of investment properties	3	(71,467)	(49,649)	(43.9)	(166,818)	(22,511)	(641.1)
Fair value adjustments relating to the Merger		-	36,799	(100.0)	-	(427,055)	100.0
Change in fair value of right-of-use of leasehold land	3	6,246	3,841	62.6	8,685	5,593	55.3
Share of results of joint venture		1,920	2,217	(13.4)	3,876	5,343	(27.5)
Total (loss)/return for the period before income tax		(46,162)	69,775	n.m.	(65,769)	(261,947)	74.9
Income tax		2,314	2,372	(2.4)	2,104	(9,492)	n.m.
Total (loss)/return for the period after income tax		(43,848)	72,147	n.m.	(63,665)	(271,439)	76.5
Attributable to:							
Unitholders of the Trust and perpetual securities holders		(45,196)	67,850	n.m.	(67,449)	(278,261)	75.8
Non-controlling interest - perpetual securities holders		-	2,773	(100.0)	467	3,828	(87.8)
Non-controlling interest - others		1,348	1,524	(11.5)	3,317	2,994	10.8
Total (loss)/return for the period		(43,848)	72,147	n.m.	(63,665)	(271,439)	76.5
Earnings per Unit (cents)							
Basic and diluted		(0.708)	0.891	n.m.	(1.150)	(4.972)	76.9
Distribution per Unit (cents)		1.186	1.540	(23.0)	2.564	3.000	(14.5)
<u>Distribution Statement</u>							
Total (loss)/return after income tax, before distribution for the period		(45,196)	67,850	n.m.	(67,449)	(278,261)	75.8
Distribution adjustments (Note A)		133,581	26,766	399.1	243,938	437,871	(44.3)
		88,385	94,616	(6.6)	176,489	159,610	10.6
Amount reserved for distribution to perpetual securities holders		(9,174)	(8,153)	(12.5)	(18,198)	(12,049)	(51.0)
Net income available for distribution for the period		79,211	86,463	(8.4)	158,291	147,561	7.3
Total amount available for distribution comprising:							
- Taxable income		79,211	86,463	(8.4)	158,291	147,561	7.3
- Tax-exempt income		-	5,701	(100.0)	4,084	12,049	(66.1)
- Capital distribution		12,013	11,328	6.0	30,323	17,487	73.4
Amount available for distribution to Unitholders for the period		91,224	103,492	(11.9)	192,698	177,097	8.8

n.m. – not meaningful

⁽¹⁾ Please refer to the *Notes to the Financial Statements* on pages 46 to 66

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Note A - Distribution adjustments

	Group					
	2H2023 S\$'000	2H2022 S\$'000	Fav/(Unfav) %	FY2023 S\$'000	FY2022 S\$'000	Fav/(Unfav) %
Non-tax deductible/(chargeable) items and other adjustments:						
Management fees paid/payable in Units	5,824	6,576	(11.4)	12,352	10,837	14.0
Property Manager's fees paid/payable in Units	1,520	1,704	(10.8)	3,200	3,257	(1.8)
Trustee's fees	428	586	(27.0)	956	1,028	(7.0)
Financing related costs, including amortisation of debt related costs	6,272	6,262	0.2	12,768	11,091	15.1
Realised foreign exchange loss/(gain)	-	252	(100.0)	-	(1,779)	100.0
Unrealised foreign exchange loss	1,280	264	384.8	1,435	4,163	(65.5)
Change in fair value of investments at fair value through profit or loss	39,207	6,934	465.4	39,839	(8,360)	n.m.
Fair value adjustments relating to the Merger	-	(36,799)	100.0	-	427,055	(100.0)
Change in fair value of investment properties	71,467	49,649	43.9	166,818	22,511	641.1
Change in fair value of financial derivatives	12,262	(3,181)	n.m.	16,346	(27,570)	n.m.
Legal and professional fees	653	(1,035)	n.m.	1,164	(867)	n.m.
Adjustment for straight line rent and lease incentives	(1,086)	(904)	(20.1)	(2,947)	(1,976)	(49.1)
Miscellaneous expenses	(1,589)	1,462	n.m.	202	2,291	(91.2)
Share of results of joint venture	(1,920)	(2,217)	13.4	(3,876)	(5,343)	27.5
Distributable income from joint venture	1,920	2,260	(15.0)	3,876	5,236	(26.0)
Deferred tax (credit)/expense	(2,267)	(6,578)	65.5	(2,133)	5,069	n.m.
Non-controlling interest share of non-tax deductible items	(543)	(776)	30.0	(519)	(643)	19.3
Interest income from subsidiary that was capitalised	738	169	336.7	1,053	227	363.9
Rollover adjustment from prior years	(36)	-	n.m.	(36)	(2,224)	98.4
Tax interest adjustment	72	262	(72.5)	72	262	(72.5)
Net tax adjustments for income from subsidiaries and investments at fair value through profit or loss	(621)	1,876	n.m.	(6,632)	(6,394)	(3.7)
Net effect of distribution adjustments	133,581	26,766	399.1	243,938	437,871	(44.3)

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Financial Review of the Statement of Total Return

Gross revenue

The Group recorded gross revenue of S\$386.4 million in FY2023, 12.6% higher than FY2022, mainly attributed to the full year contributions from the merger with ARA LOGOS Logistics Trust (“ALOG”), now known as ALOG Trust, by way of a trust scheme of arrangement (the “Merger”) in April 2022 and the acquisition of ESR Sakura Distribution Centre (“ESR Sakura DC”) in October 2022, partially offset by the loss of revenue from the divestment of properties.

Net property income

Net property income increased by 11.8% to S\$273.2 million in FY2023, mainly attributed to the full year contributions from the Merger in April 2022 and the acquisition of ESR Sakura DC in October 2022, partially offset by the loss of income from the divestment of properties.

Income from investments at fair value through profit or loss

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

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

Trust expenses

Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Increase in trust expenses in FY2023 were mainly due to the enlarged group after the Merger in April 2022.

Borrowing costs, net

Borrowing costs comprised interest expenses on loans and interest rate swaps, as well as the amortisation of debt related transaction costs, net of interest income. Borrowing costs were 22.1% higher in FY2023 mainly due to (i) increase in borrowings to partially fund the Merger and the acquisition of ESR Sakura DC; and (ii) higher base rates, partially offset by interest savings from the repayment of borrowings using the proceeds from the private placement, preferential offering and the divestment of properties.

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

Lease liabilities and right-of-use of leasehold land

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

The amount of finance costs on lease liabilities for leasehold land net of the change in fair value of right-of-use of leasehold land for FY2023 increased to S\$23.5 million (FY2022: S\$18.2 million) mainly due to the enlarged portfolio post-Merger where some of ALOG Trust’s properties in Singapore and Australia are leasehold properties.

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

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

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

Change in fair value of financial derivatives

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

Change in fair value of investment properties

The change in fair value of investment properties of approximately S\$166.8 million in FY2023 comprised fair value loss of S\$161.4 million based on the valuations of the investment properties as at 31 December 2023 and adjustments for straight-line rent and marketing commission for FY2023 of S\$5.4 million. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Fair value adjustment relating to Merger

The fair value adjustment relating to the Merger in FY2022 of S\$427.1 million represents 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. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Share of results of joint venture

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

Income tax

Income tax consists of corporate income tax, deferred tax and withholding tax. The decrease was mainly attributable to lower withholding tax in relation to the income received from Australia and, lower deferred tax expense. Included in FY2023 was a deferred tax credit primarily arising from the fair value loss in the Group's investments in the Australia property funds, whereas included in FY2022 was deferred tax expense arising from the net appreciation in the value of the Group's Australia investment properties and investments in the Australia property funds. The deferred tax credit / (expense) is not taxable / (tax deductible) and therefore, has no impact on distributable income.

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

	Note ⁽¹⁾	Group		Trust	
		31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 S\$'000	31-12-22 S\$'000
Assets					
Non-current assets					
Investment properties	3	4,686,985	5,103,400	1,292,290	1,570,449
Investments in subsidiaries		-	-	1,953,875	2,104,974
Investment in joint venture		41,233	41,233	41,233	41,233
Investments at fair value through profit or loss	4	300,347	342,665	75,910	77,320
Loans to subsidiaries		-	-	702,586	725,755
Derivative financial instruments		5,075	19,617	-	10,419
		5,033,640	5,506,915	4,065,894	4,530,150
Current assets					
Trade and other receivables		27,258	40,684	14,321	52,177
Derivative financial instruments		3,426	4,385	3,260	4,385
Cash and bank balances		41,985	45,579	10,131	9,539
		72,669	90,648	27,712	66,101
Investment properties held for divestment	3	-	56,595	-	8,141
		72,669	147,243	27,712	74,242
Total assets		5,106,309	5,654,158	4,093,606	4,604,392
Liabilities					
Current liabilities					
Trade and other payables		77,924	91,560	35,693	42,796
Lease liabilities for leasehold land		17,073	16,180	2,735	2,895
Interest-bearing borrowings	5	163,088	229,349	163,088	229,349
Derivative financial instruments		182	-	182	-
Amount due to non-controlling interest		70,928	63,316	-	-
		329,195	400,405	201,698	275,040
Liabilities directly attributable to investment properties held for divestment	6	-	6,328	-	1,076
		329,195	406,733	201,698	276,116
Non-current liabilities					
Trade and other payables		35,854	20,530	15,909	5,537
Lease liabilities for leasehold land		574,972	521,440	129,355	155,154
Interest-bearing borrowings	5	1,392,799	1,846,707	984,165	1,410,387
Derivative financial instruments		2,674	1,907	2,674	1,907
Deferred tax liabilities		5,537	7,754	4,326	4,208
		2,011,836	2,398,338	1,136,429	1,577,193
Total liabilities		2,341,031	2,805,071	1,338,127	1,853,309
Net assets		2,765,278	2,849,087	2,755,479	2,751,083
Represented by:					
Unitholders' funds		2,463,150	2,444,653	2,453,351	2,448,955
Perpetual securities holders' funds		302,128	302,128	302,128	302,128
Non-controlling interest - perpetual securities		-	102,306	-	-
		2,765,278	2,849,087	2,755,479	2,751,083
Units in issue ('000)		7,689,164	6,719,188	7,689,164	6,719,188
Net asset value per Unit (cents)		32.0	36.4	31.9	36.4

⁽¹⁾ Please refer to the *Notes to the Financial Statements* on pages 46 to 66

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Financial Review of the Statements of Financial Position

Investment properties

As at 31 December 2023, the total carrying value of investment properties was S\$4.7 billion based on independent external valuation. The decrease from 31 December 2022 was mainly due to the divestment of ten properties, namely 49 Pandan Road, 3 Pioneer Sector 3, 30 Toh Guan Road, 21 Changi North Way, 22 Chin Bee Drive, 4 & 6 Clementi Loop, 6 Chin Bee Avenue, 2 Tuas South Avenue 2 and 70 Seletar Aerospace View located in Singapore and 51 Musgrave Road located in Australia. This was partially offset by the capital expenditure and asset enhancement costs incurred for certain properties.

Lease liabilities and right-of-use of leasehold land

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

Investment in joint venture

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

Investments at fair value through profit or loss

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

Investment properties held for divestment

Investment properties held for divestment as at 31 December 2022 relates to 49 Pandan Road and 70 Seletar Aerospace View, which have since been divested in 1Q2023 and 4Q2023 respectively.

Trade and other receivables

Trade and other receivables decreased by S\$13.4 million mainly due to the receipt of the Japan Consumption Tax refund in relation to the acquisition of ESR Sakura DC.

Trade and other payables

Trade and other payables increased by S\$1.7 million mainly due to the receipt of security deposits from the new tenants at 7002 Ang Mo Kio Avenue 5, partially offset by the release of retention sums following the completion of the AEI at 7002 Ang Mo Kio Avenue 5.

Amount due to non-controlling interest

The amount due to non-controlling interest represents 20.0% interest in 7000 AMK LLP that is not owned by the Group.

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Derivative financial instruments

Derivative financial instruments represent the fair value of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the Group's floating rate borrowings; and (b) forward foreign currency exchange contracts entered into to manage its foreign currency risk. The aggregate notional amount of interest rate swaps as at 31 December 2023 was S\$1,055.8 million (31 December 2022: S\$1,299.5 million), of which Nil (31 December 2022: S\$75.0 million) relates to forward start interest rate swaps. The aggregate notional amount of Australian dollar forward foreign currency exchange contracts as at 31 December 2023 was A\$13.0 million (31 December 2022: A\$18.0 million).

Aggregate leverage and interest coverage ratios

	Note	Group	
		31-12-23	31-12-22
Aggregate leverage ratio	(1)	35.7%	41.8%
Interest coverage ratio	(2)	3.1x	3.5x
Adjusted Interest coverage ratio	(3)	2.5x	2.8x

- (1) The aggregate leverage ratio includes ESR-LOGOS REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*.
- (2) The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), 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.

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

Liabilities directly attributable to investment properties held for divestment

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

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Perpetual securities

ESR-LOGOS REIT has issued S\$150.0 million of subordinated perpetual securities (“Perps”) under Series 006 (“Series 006 PS”) and S\$150.0 million under Series 008 (“Series 008 PS”) as part of its S\$750 million Multicurrency Debt Issuance Programme.

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

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

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

The Series 008 PS may be redeemed at the option of ESR-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 008 PS is classified as equity instruments and recorded as equity in the financial statements.

Non-controlling interest – Perpetual securities

On 1 February 2018, ALOG Trust issued S\$100.0 million of perpetual securities (the “ALOG Perps”) under a S\$1.0 billion Multicurrency Debt Issuance Programme (the “ALOG Debt Issuance Programme”) established by ALOG Trust. The ALOG Perps confer a right to receive distribution payments at a rate of 5.50% per annum with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every 5 years thereafter. The distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; will constitute direct, unsecured and subordinated obligations of ALOG Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the terms and conditions of the ALOG Debt Issuance Programme).

The ALOG Perps may be redeemed at the option of ALOG Trust and are classified as non-controlling interest in ESR-LOGOS REIT’s consolidated statement of financial position.

On 1 February 2023, ALOG Trust redeemed the S\$100.0 million ALOG Perps. Upon the redemption, the ALOG Perps were cancelled and delisted from the SGX-ST. The ALOG Debt Issuance Programme has since been terminated.

The Group is in net current liabilities position as at 31 December 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.

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1(c) Statement of Cash Flows

	Group			
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Cash flows from operating activities				
Total (loss)/return before income tax for the period	(46,162)	69,775	(65,769)	(261,947)
Adjustments for:				
Unrealised foreign exchange loss/(gain)	1,286	(5,608)	1,435	(1,907)
Borrowing costs, net	35,727	37,066	76,013	62,247
Management fees paid/payable in Units	5,824	6,576	12,352	10,837
Property Manager's fees paid/payable in Units	1,520	1,704	3,200	3,257
Share of results of joint venture	(1,920)	(2,217)	(3,876)	(5,343)
Finance costs on lease liabilities for leasehold land	17,909	15,035	32,176	23,743
Income from investments at fair value through profit or loss	(4,271)	(5,901)	(9,215)	(11,129)
Fair value adjustments relating to the Merger	-	(36,799)	-	427,055
Change in fair value of financial derivatives	12,262	(3,181)	16,346	(27,570)
Change in fair value of investment properties	71,467	49,649	166,818	22,511
Change in fair value of right-of-use of leasehold land	(6,246)	(3,841)	(8,685)	(5,593)
Change in fair value of investments at fair value through profit or loss	39,207	6,934	39,839	(8,360)
Operating income before working capital changes	126,603	129,192	260,634	227,801
Changes in working capital				
Trade and other receivables	(6,531)	(16,089)	11,721	(9,464)
Trade and other payables	(7,559)	1,382	(8,855)	(23,730)
Cash generated from operating activities	112,513	114,485	263,500	194,607
Income tax paid	(410)	(780)	(3,352)	(974)
Net cash generated from operating activities	112,103	113,705	260,148	193,633
Cash flows from investing activities				
Capital expenditure on investment properties	(43,907)	(46,046)	(93,543)	(98,573)
Acquisition of an investment property	-	(167,517)	-	(167,517)
(Refunds)/Deposits for investment properties held for divestment	(253)	356	-	581
Proceeds from disposal of investment properties	397,108	87,862	440,608	110,962
Dividend received from joint venture	1,920	2,257	3,876	4,824
Income from investments at fair value through profit or loss	6,596	5,901	9,748	11,129
Acquisition of subsidiaries, net of cash acquired (Note A)	-	-	-	(106,857)
Payment for Merger related transaction costs	-	(6,859)	-	(22,165)
Interest received	583	551	1,087	594
Net cash generated from/(used in) investing activities	362,047	(123,495)	361,776	(267,022)
Cash flows from financing activities				
Proceeds from issuance of new Units	-	-	299,749	-
Proceeds from issuance of perpetual securities	-	-	-	150,000
Payment for unit buy-back	(2,720)	-	(2,720)	-
Redemption of perpetual securities	-	-	(100,000)	-
Issue costs for perpetual securities paid	-	-	(15)	(1,508)
Equity issue costs paid	(551)	(635)	(5,073)	(870)
Finance costs paid	(32,441)	(36,926)	(68,850)	(75,622)
Proceeds from borrowings	93,800	334,405	317,800	1,379,479
Repayment of borrowings	(451,168)	(233,917)	(824,168)	(1,238,139)
Loan from non-controlling interest	4,784	900	4,784	1,900
Distributions paid to Unitholders (Note B)	(71,358)	(29,581)	(199,771)	(86,220)
Distributions paid to perpetual securities holders	(9,151)	(7,615)	(18,198)	(11,036)
Distributions paid to non-controlling interest - perpetual securities holders	-	(2,727)	(2,773)	(2,727)
Distributions paid to non-controlling interest	(1,922)	(942)	(1,922)	(1,336)
Payment of interest portion of lease liabilities for leasehold land	(9,977)	(5,350)	(19,981)	(10,376)
Payment of principal portion of lease liabilities for leasehold land	(1,687)	(5,845)	(3,510)	(7,774)
Movement in restricted cash	(618)	(2,630)	(946)	(2,630)
Net cash (used in)/generated from financing activities	(483,009)	9,137	(625,594)	93,141
Net (decrease)/increase in cash and cash equivalents	(8,859)	(653)	(3,670)	19,752
Cash and cash equivalents at beginning of the period	46,612	44,194	42,949	24,150
Effect of exchange rate fluctuations on cash held	656	(592)	(870)	(953)
Cash and cash equivalents at end of the period (Note C)	38,409	42,949	38,409	42,949

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Note:

(A) Acquisition of subsidiaries

The Merger was completed by way of a trust scheme of arrangement on 22 April 2022. The consideration for the Merger comprised 90% in Units issued by ESR-LOGOS REIT and 10% in cash.

The fair value of the assets acquired and liabilities assumed as at the acquisition date were as follows:

	S\$'000
Investment properties	1,915,602
Investment at fair value through profit or loss	300,467
Trade and other receivables	6,953
Cash and cash equivalents	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	<u>(320,688)</u>
Fair value of net assets acquired	1,020,872
Premium over the fair value of net assets acquired	<u>388,374</u>
Total consideration paid in cash and units	<u>1,409,246</u>
Less:	
Cash and cash equivalents acquired	(34,071)
Consideration paid in units	<u>(1,268,318)</u>
Cashflow on acquisition net of cash acquired	<u><u>106,857</u></u>

(B) Distributions paid to Unitholders

Distributions during the year ended 31 December 2023 were partially paid by issuing an aggregate of 14.8 million new Units (FY2022: 39.9 million new Units) amounting to S\$5.2 million (FY2022: S\$16.4 million) pursuant to the Distribution Reinvestment Plan.

	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Distributions paid to Unitholders	(71,358)	(36,720)	(204,984)	(102,664)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	-	7,139	5,213	16,444
Distributions paid to Unitholders in cash	<u>(71,358)</u>	<u>(29,581)</u>	<u>(199,771)</u>	<u>(86,220)</u>

(C) Cash and cash equivalents

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

	FY2023	FY2022
	S\$'000	S\$'000
Cash and bank balances in the Statements of Financial Position	41,985	45,579
Less: Restricted cash	(3,576)	(2,630)
Cash and cash equivalents in the Statement of Cash Flows	<u>38,409</u>	<u>42,949</u>

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

	Group		Trust	
	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Unitholders' Funds				
Balance at beginning of the period	2,444,653	1,597,968	2,448,955	1,598,024
<u>Operations</u>				
Total loss for the period attributable to Unitholders and perpetual securities holders	(67,449)	(278,261)	(86,001)	(346,713)
Amount reserved for distribution to perpetual securities holders	(18,198)	(12,049)	(18,198)	(12,049)
Net decrease in net assets resulting from operations	(85,647)	(290,310)	(104,199)	(358,762)
Movement in foreign currency translation reserve	(4,451)	(72,698)	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	16,223	12,230	16,223	12,230
- Distribution Reinvestment Plan	5,213	16,444	5,213	16,444
- Private Placement	150,000	-	150,000	-
- Preferential Offering	149,749	-	149,749	-
- Unit Buy-Back	(2,720)	-	(2,720)	-
- Acquisition fees paid in Units	-	17,647	-	17,647
- Partial consideration paid in Units pursuant to the Merger	-	1,268,318	-	1,268,318
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(195)	(557)	(195)	(557)
- Private Placement	(3,472)	-	(3,472)	-
- Preferential Offering	(1,214)	(6)	(1,214)	(6)
- Unit Buy-Back	(5)	-	(5)	-
- Perpetual Securities	-	(1,719)	-	(1,719)
Distributions paid to Unitholders	(204,984)	(102,664)	(204,984)	(102,664)
Net increase in net assets resulting from Unitholders' transactions	108,595	1,209,693	108,595	1,209,693
Balance at end of the period	2,463,150	2,444,653	2,453,351	2,448,955
Perpetual Securities Holders' Funds				
Balance at beginning of the period	302,128	151,115	302,128	151,115
Issue of perpetual securities	-	150,000	-	150,000
Amount reserved for distribution to perpetual securities holders	18,198	12,049	18,198	12,049
Distribution to perpetual securities holders	(18,198)	(11,036)	(18,198)	(11,036)
Balance at end of the period	302,128	302,128	302,128	302,128
Non-controlling interest				
- ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the period	102,306	-	-	-
Non-controlling interest acquired pursuant to the Merger	-	101,205	-	-
Amount reserved for distribution to perpetual securities holders	467	3,828	-	-
Distribution to non-controlling interest - perpetual securities holders	(2,773)	(2,727)	-	-
Redemption of non-controlling interest - perpetual securities	(100,000)	-	-	-
Balance at end of the period	-	102,306	-	-
Total	2,765,278	2,849,087	2,755,479	2,751,083

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

	Group		Trust	
	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000
Unitholders' Funds				
Balance at beginning of the period	2,584,644	2,439,028	2,584,587	2,439,998
<u>Operations</u>				
Total (loss)/return for the period attributable to Unitholders and perpetual securities holders	(45,196)	67,850	(56,862)	37,573
Amount reserved for distribution to perpetual securities holders	(9,174)	(8,153)	(9,174)	(8,153)
Net (decrease)/increase in net assets resulting from operations	(54,370)	59,697	(66,036)	29,420
Movement in foreign currency translation reserve	(1,924)	(33,609)	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	8,031	7,766	8,031	7,766
- Distribution Reinvestment Plan	-	7,139	-	7,139
- Unit Buy-Back	(2,720)	-	(2,720)	-
- Acquisition fees paid in Units	-	1,694	-	1,694
Equity costs pursuant to:				
- Distribution Reinvestment Plan	-	(278)	-	(278)
- Private Placement	259	-	259	-
- Preferential Offering	593	-	593	-
- Unit Buy-Back	(5)	-	(5)	-
- Perpetual Securities	-	(64)	-	(64)
Distributions paid to Unitholders	(71,358)	(36,720)	(71,358)	(36,720)
Net decrease in net assets resulting from Unitholders' transactions	(65,200)	(20,463)	(65,200)	(20,463)
Balance at end of the period	2,463,150	2,444,653	2,453,351	2,448,955
Perpetual Securities Holders' Funds				
Balance at beginning of the period	302,105	301,590	302,105	301,590
Amount reserved for distribution to perpetual securities holders	9,174	8,153	9,174	8,153
Distribution to perpetual securities holders	(9,151)	(7,615)	(9,151)	(7,615)
Balance at end of the period	302,128	302,128	302,128	302,128
Non-controlling interest				
- ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the period	-	102,260	-	-
Amount reserved for distribution to perpetual securities holders	-	2,773	-	-
Distribution to non-controlling interest - perpetual securities holders	-	(2,727)	-	-
Balance at end of the period	-	102,306	-	-
Total	2,765,278	2,849,087	2,755,479	2,751,083

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

	Note	Trust			
		2H2023 Units	2H2022 Units	FY2023 Units	FY2022 Units
Issued units at beginning of the period		7,672,834,541	6,676,303,226	6,719,187,987	4,030,257,149
Issuance of new Units pursuant to:					
- Management fees paid in units		26,026,963	20,095,189	49,534,207	29,931,841
- Distribution Reinvestment Plan		-	17,741,732	14,827,791	39,907,171
- Private Placement	(1)	-	-	454,545,000	-
- Preferential Offering	(2)	-	-	460,766,519	-
- Unit Buy-Back	(3)	(9,697,500)	-	(9,697,500)	-
- Partial consideration paid in units pursuant to the Merger		-	-	-	2,575,788,303
- Acquisition fees paid in units		-	5,047,840	-	43,303,523
Issued units at end of the period		7,689,164,004	6,719,187,987	7,689,164,004	6,719,187,987

Notes:

- (1) The new units were issued on 27 February 2023 at an issue price of S\$0.3300 per unit.
- (2) The new units were issued on 28 April 2023 at an issue price of S\$0.3250 per unit.
- (3) During 2H2023, ESR-LOGOS REIT repurchased a total of 9,697,500 units by way of market repurchases and all units repurchased have been cancelled as at 31 December 2023.

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

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

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

ESR-LOGOS REIT repurchased a total of 9,697,500 units in 2H2023 which have been cancelled as at 31 December 2023.

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group in the preparation of these financial statements for the current financial period are the same as those applied by the Group in its audited annual financial statements for the financial year ended 31 December 2022, except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual period beginning on 1 January 2023. The adoption of these standards did not have any effect on the financial performance or position of the Group.

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

Please refer to item 4 above.

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

		Group				
		Note	2H2023	2H2022	FY2023	FY2022
<u>EPU</u>						
Total (loss)/return after income tax before distribution for the period	(S\$'000)		(54,370)	59,697	(85,647)	(290,310)
Weighted average number of units	('000)		7,683,293	6,697,794	7,450,132	5,839,349
Basic and diluted EPU	(cents)	(a)	(0.708)	0.891	(1.150)	(4.972)
<u>Distributable amount available per unit</u>						
Total amount available for distribution for the period	(S\$'000)		91,224	103,492	192,698	177,097
Applicable number of units	('000)		7,689,164	6,719,188	7,515,523	5,903,218
Distributable amount available per unit	(cents)	(b)	1.186	1.540	2.564	3.000

Notes:

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

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

	Note	Group		Trust	
		31-12-23	31-12-22	31-12-23	31-12-22
NAV / NTA per unit (cents)	(a)	32.0	36.4	31.9	36.4

Note:

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

8 Review of the performance

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

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

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

(a) Market Outlook

It is expected that global markets will continue to be challenged by persistently high interest rates, geopolitical conflicts, and international trade disputes. The latest forecast comes on the heels of global economic performance exceeding expectations in 2023. The United Nations World Economic Situation Prospects (“**WESP**”) 2024 forecasts slowing global economic growth from 2.7% in 2023 to 2.4% in 2024¹. While global inflation is expected to decline from 5.7% in 2023 to 3.9% in 2024, any further escalation of geopolitical conflicts may result in renewed increase in inflation.

Singapore

Based on advance estimates released by the Ministry of Trade and Industry (“**MTI**”) on 2 January 2024, Singapore’s economy grew by 2.8% year-on-year (“**y-o-y**”) in 4Q2023, an improvement from the 1.0% growth in 3Q2023². On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.7%, extending the 1.3% expansion against the preceding quarter.

The improvement in 4Q2023 was led by a 3.2% y-o-y expansion of the manufacturing sector, a reversal from the 4.7% contraction from the preceding quarter. The expansion was seen in most clusters in the manufacturing sector, save for the precision engineering cluster, resulted in the manufacturing sector growth.

The Singapore Purchasing Manager’s Index (“**PMI**”) for December 2023 continued its upwards trend towards 50.5 points, inching up by 0.2 point from the preceding month. This was the fourth consecutive month of expansion, which is contrary to regional manufacturing activities which have been affected by weak demand. The increase bolsters up the continuous rebound in manufacturing activity in Singapore, particularly in the electronics sector that represents about 40% of Singapore’s industrial output³.

According to JTC’s market report for 4Q2023, occupancy rate remained fairly stable against the preceding quarter while price and rental indices of all industrial spaces continue to trend higher, rising by 0.6% and 1.7% respectively.

Approximately 3.0 million sqm of new industrial space is expected to be completed between 2024 and 2026. Of which, warehouse space makes up an estimated 19% in 2024 and 27% over the next three years. This is similar to the average annual supply of 1.0 million sqm of industrial space from the preceding three years. MTI may launch nine sites under its Industrial Government Land Sales (“**IGLS**”) programme for 1H2024, which is a total of 13.75 ha of industrial land, higher than the 9.81 ha for the 2H2023 IGLS programme.

In 4Q2023, the Manager secured approximately 162,000 sqm of space comprising of 88,000 sqm of new leases and 74,000 sqm of lease renewals. Although Singapore’s manufacturing economy is expected to recover from cyclical lows in 2024, industrial rental growth could be tempered by higher supply pipeline compared to previous years and occupier resistance towards further rent hikes given the high base.

Vacancy rates for Business Parks at suburban location continue to remain challenging and rents are expected to continue to face pressure to attract potential tenants and to retain existing tenants⁴. The lack of new supply in 2024 will allow time for absorption of existing vacant spaces⁵. For the conventional

¹ Based on World Economic Situation and Prospects 2024 released by United Nations in January 2024

² Based on Advanced GDP Estimates for Fourth Quarter 2023 released by Ministry of Trade and Industry (MTI) on 2 January 2024

³ Based on monthly PMI figures obtained from the SPIMM institute

⁴ Based on Industrial Marketbeat Report by Cushman & Wakefield

⁵ Based on Singapore Figures Q4 2023 by CBRE

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factory and high-tech spaces, new and better-located upcoming stock in 2024 may lead to slight rental growth for these sectors.

With the anticipated recovery in global electronics demand for 2024, manufacturing is expected to rebound, coupled with the persisting supply chain disruption on the back of ongoing geopolitical tensions, both of which should continue to support demand for industrial space across both the high-tech and prime logistics segments. As such, New Economy sectors such as the Logistics and High-Specifications Industrial sectors have forecasted rent growth of between 3% - 4% in 2024 with resilient long-term demand expected from the e-commerce, life science and technology sectors. Third-party logistics (“3PL”) users will continue to lead the demand for logistics spaces, whereas electronics and life sciences firms are the demand-drivers for high-specifications spaces.

Australia

Based on the estimates by the International Monetary Fund (“IMF”), the Australian economy is expected to continue to moderate, with GDP growth expected to ease to circa 1.2% in FY2024 before recovering up to circa 2.0% growth in FY2025.

In a recent statement shared, interest rates have kept steady in the later months of FY2023 before the Reserve Bank of Australia (“RBA”) introduced a modest 25 basis point increase to 4.35% in November 2023. This is a continued attempt to rein inflation back to the target range of 2% to 3%. Despite continued pressures on real income and household consumption growth, it is anticipated that cash rates will reduce by 75 bps in 3Q2024 and again in 2Q2025⁶.

Demand for new take-up remained strong in FY2023, with net absorption reaching 2.1 million sqm⁷. This is lower when compared to FY2022, however demand for new take-up is expected to ease in FY2024 due to higher uncertainty as a result of weaker consumer sentiments and increasing supply chain costs.

FY2024 is expected to be a record year for development completions with circa 3.7 million sqm and with circa 40% already pre-committed⁸. In addition to the new completions, there were also large supply of sub-leased made available in the market over the last quarter in FY2023. The significant upcoming supply in the market is likely to cause vacancy rates to inch upwards in the next 12 months. It is also forecasted that the rate of rent growth will moderate from double digits to a low single digit growth in FY2024.

Japan

The Bank of Japan shared that Japan’s economy is easing into moderate recovery but is still expected to face downward pressure from the slowdown in the recovery of the global economy⁹. CBRE estimates that the Japanese economy continue to see moderate growth of around 1% per annum in 2024¹⁰.

The projected GDP growth for 2024 is expected to be higher although the projected year-on-year rate of increase in consumer price index is lower, as a result of high energy prices and economic measures implemented by the government. Expectations of inflation rose moderately.

The Greater Tokyo Large Multi-Tenant (LMT) vacancy rate reached 8.9% in 3Q2023, up 3.3% from 4Q2022. New supply for 2024 is projected to reach 599,000 tsubo, down 34% from 2023. 2025 should see supply fall again to around 526,000 tsubo. With current vacancy of circa 550,000 tsubo in the market, absorption of such vacancy levels is expected to take a considerable amount of time. The vacancy rate is expected to remain at circa 8% to 9% from 2024 through to 1H2025.

⁶ Based on Economic Outlook by Reserve Bank of Australia dated 5 December 2023

⁷ Based on Based on CBRE Australia’s Industrial and Logistics Vacancy Second Half 2023 (2H2023) dated December 2023

⁸ Based on CBRE Industrial & Logistics Report Q4 2023

⁹ Based on Bank of Japan Outlook for Economic Activity and Prices released on 24 January 2024

¹⁰ Based on CBRE Market Outlook 2024 for Japan

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While demand for warehouses with good specifications remains robust, mainly driven by logistics firms and e-commerce operators, many tenants have consolidated multiple sites into one location to increase efficiency and reduce relocation costs to combat rising labour and energy costs.

Effective rents are projected to decline slightly moving into 2024 and 2025 for most of Greater Tokyo, apart from Tokyo Bay area due to the scarcity of available properties in this location. For the longer term, rising inflation may drive up rents. With rising land prices and higher construction costs, developers are likely to pass on increased development costs to tenants in the form of higher rents.

Conclusion

The knock-on effects of global macro challenges from 2023; natural disasters, fluctuating energy prices, high interest rates, and geopolitical tensions, will affect global economic growth, economic sentiments, trade, financial and economic activities. This poses a challenge to rental growth and managing operating costs.

On a positive note, the inflationary and interest rate environment has stabilised with rate cuts expected in 2024. In the near term, the persistent supply chain disruptions on the back of ongoing geopolitical tensions are expected to lend support to the demand for logistics space while the recovery of the manufacturing industry has seen demands in high-specifications spaces from electronics and pharmaceuticals users. In the longer term, the depth and pace of the economic structural trends are expected to continue to provide tailwinds for E-LOG. These trends reinforce E-LOG's focus on the New Economy sector as we continue to rejuvenate our portfolio.

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:

Yes

Name of distribution:

72nd distribution for the period from 1 July 2023 to 31 December 2023

Distribution Type:

Taxable income / Capital distribution

Distribution Rate:

1.186 cents per unit comprising:

(a) Taxable income distribution	1.030 cents per unit
(b) Capital distribution	0.156 cents per unit

Par value of units:

Not meaningful

Tax Rate:

Taxable income distribution

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

Capital distribution

The distribution out of capital is not a taxable distribution to the Unitholders.

Record date:

9 February 2024

Date payable:

27 March 2024

The Manager has determined that the DRP **will not apply** to the distribution for the period from 1 Jul 2023 to 31 December 2023.

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(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:

Yes

Name of distribution: **69th distribution for the period from 1 July 2022 to 31 December 2022**

Distribution Type: Taxable income / Tax-exempt income / Capital distribution

Distribution Rate: 1.540 cents per unit comprising:

(a) Taxable income distribution	1.287 cents per unit
(b) Tax-exempt income distribution	0.085 cents per unit
(c) Capital distribution	0.168 cents per unit

Par value of units: Not meaningful

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

Tax-exempt income distribution
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
The distribution out of capital is not a taxable distribution to the Unitholders.

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

Not applicable.

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

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

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

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

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

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

Intended Use of Proceeds	Amount Allocated (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To partially finance the total acquisition costs for 46A Tanjong Penjuru	71.8	71.8	-
To partially finance the proposed asset enhancements at 16 Tai Seng Street and 7000 Ang Mo Kio Avenue 5	43.3	37.1	6.2
To repay existing indebtedness	31.0	31.0	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2021 Equity Fund Raising	3.5	3.5	-
Total	149.6	143.4	6.2

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”.

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

Intended Use of Proceeds	Amount Allocated (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-LOGOS REIT	293.0	-	293.0
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 Equity Fund Raising	6.7	4.7	2.0
Total	299.7	4.7	295.0

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

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ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	Group		Fav/ (Unfav) %
	FY2023 S\$'000	FY2022 S\$'000	
Gross revenue			
Singapore	323,760	303,300	6.7
Australia	54,983	38,702	42.1
Japan	7,607	1,230	518.5
	386,350	343,232	12.6
Net Property Income			
Singapore	223,412	212,375	5.2
Australia	43,517	30,841	41.1
Japan	6,230	1,027	506.6
	273,159	244,243	11.8

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

Please refer to 1(a) Statement of Total Return on pages 5 to 6 for performance review.

- 18 Breakdown of revenue**

	FY2023 S\$'000	FY2022 S\$'000	Fav/ (Unfav) %
(a) Gross revenue reported for first half year	196,845	147,668	33.3
(b) Total loss after tax before distribution for first half year	(19,817)	(343,586)	94.2
(c) Gross revenue reported for second half year	189,505	195,564	(3.1)
(d) Total (loss)/return after tax before distribution for second half year	(43,848)	72,147	n.m.

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19 Breakdown of the total distributions for the financial year ended 31 December 2023

	FY2023 S\$'000	FY2022 S\$'000
27-02-2023 to 30-06-2023	71,358	-
01-01-2023 to 26-02-2023	30,150	-
01-07-2022 to 31-12-2022	103,476	-
22-04-2022 to 30-06-2022	-	36,720
01-01-2022 to 21-04-2022	-	36,886
01-10-2021 to 31-12-2021	-	29,058
Total distributions to Unitholders	<u>204,984</u>	<u>102,664</u>

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

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

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21 Interested Person Transactions (“IPTs”)

Name of Entity	2023		2022	
	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review
	S\$'000	S\$'000	S\$'000	S\$'000
ESR-LOGOS Funds Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	8,122	-	9,001	-
- in units	12,352	-	10,837	-
Acquisition fees				
- in units	-	-	17,648	-
Development management fees paid and payable	1,857	-	1,055	-
Divestment fees paid in cash	2,162	-	557	-
ESR-LOGOS Property Management (S) Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property manager's fees paid and payable				
- in cash	6,318	-	5,589	-
- in units	3,200	-	3,257	-
Lease marketing services commissions paid and payable	5,602	-	3,592	-
Project management fees paid and payable	822	-	419	-
Site staff cost recovery	1,240	-	1,088	-
Utilities income received and receivable	-	-	16	-

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21 Interested Person Transactions (“IPTs”) (cont’d)

Name of Entity	2023		2022	
	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review
	S\$'000	S\$'000	S\$'000	S\$'000
RBC Investor Services Trust Singapore Limited (the "Trustee") ^(b)				
Trustee fees paid	-	-	434	-
Perpetual (Asia) Limited (the "Trustee") ^(c)				
Trustee fees paid and payable	431	-	43	-
ESR Group Limited and its subsidiaries				
Base and performance fees paid	-	-	439	-
Investment management fees paid and payable	732	-	542	-
Asset management fees paid and payable	1,459	-	864	-
Property management fees paid and payable	1,556	-	1,329	-
Acquisition of ESR Sakura Distribution Centre	-	-	169,812	-
Rental support received ^(d)	-	-	2,256	-
Purchase of solar power	61	-	-	-
TSMP Law Corporation				
Legal fees	-	-	192	-

Notes:

- (a) Except as disclosed, these IPTs exclude transactions of less than S\$100,000 each.
(b) On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.
(c) Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.
(d) Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

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Investment Properties Portfolio Statement

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Investment Properties Portfolio Statement

Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
<u>Singapore</u>										
Business Park Properties ⁽¹⁾										
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	33 ⁽⁵⁾	16 International Business Park Singapore 609929	100	100	26,400	32,500	1.07	1.33
750 - 750E CHAI CHEE ROAD	Leasehold	60/43	7/7 ⁽⁶⁾	750 to 750E Chai Chee Road Singapore 469000	79	80	193,000	232,000	7.84	9.49
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44 ⁽⁷⁾	6/8 Changi Business Park Avenue 1 Singapore 486017	61	59	368,000	384,000	14.94	15.71
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44 ⁽⁷⁾	2/4 Changi Business Park Avenue 1 Singapore 486015	100	100	155,000	189,000	6.29	7.73
Total Business Park Properties							742,400	837,500	30.14	34.26

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Singapore										
High-Specs Industrial Properties ⁽²⁾										
21/23 UBI ROAD 1	Leasehold	30+30	33 ⁽⁶⁾	21/23 Ubi Road 1 Singapore 408724/408725	94	94	34,200	37,100	1.39	1.52
11 CHANG CHARN ROAD	Leasehold	99	33 ⁽⁹⁾	11 Chang Charn Road Singapore 159640	68	62	27,700	28,200	1.12	1.15
12 ANG MO KIO STREET 65	Leasehold	30+30	27 ⁽¹⁰⁾	12 Ang Mo Kio Street 65 Singapore 569060	92	92	32,600	37,200	1.32	1.52
16 TAI SENG STREET	Leasehold	30+30	44 ⁽¹¹⁾	16 Tai Seng Street Singapore 534138	82	81	93,700	87,100	3.80	3.56
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	26 ⁽¹²⁾	30 Marsiling Industrial Estate Road 8 Singapore 739193	100	100	50,400	46,500	2.05	1.90
19 TAI SENG AVENUE	Leasehold	30+30	44 ⁽¹³⁾	19 Tai Seng Avenue Singapore 534054	100	76	51,600	51,500	2.09	2.11
# 7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	33 ⁽¹⁴⁾	7000 & 7002 Ang Mo Kio Avenue 5 Singapore 569877 & 569914	82	88	363,400	328,300	14.75	13.43
Total High-Specs Industrial Properties							653,600	615,900	26.52	25.19

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Singapore										
Logistics Properties ⁽³⁾										
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	8 ⁽¹⁵⁾	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701	100	100	7,400	8,000	0.30	0.33
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	31 ⁽¹⁶⁾	25 Changi South Ave 2 Singapore 486594	100	100	13,000	13,000	0.53	0.53
160 KALLANG WAY	Leasehold	30+30	9 ⁽¹⁷⁾	160 Kallang Way Singapore 349246	13	8	22,300	22,200	0.91	0.91
+ 4/6 CLEMENTI LOOP	Leasehold	30+30	-	4/6 Clementi Loop Singapore 129810 and 129814	-	86	-	39,600	-	1.62
24 JURONG PORT ROAD	Leasehold	30+12	13 ⁽¹⁸⁾	24 Jurong Port Road Singapore 619097	96	98	79,000	84,000	3.21	3.44
+ 3 PIONEER SECTOR 3	Leasehold	30+30	-	3 Pioneer Sector 3 Singapore 628342	-	100	-	100,000	-	4.09
15 GREENWICH DRIVE	Leasehold	30	18 ⁽¹⁹⁾	15 Greenwich Drive Singapore 534022	100	100	88,700	90,000	3.60	3.68
46A TANJONG PENJURU	Leasehold	30+14	26 ⁽²⁰⁾	46A Tanjong Penjur Singapore 609040	74	80	109,000	118,000	4.43	4.83
+ 6 CHIN BEE AVENUE	Leasehold	30	-	6 Chin Bee Avenue Singapore 619930	-	100	-	97,900	-	4.00
Balance carried forward							319,400	572,700	12.98	23.43

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Investment Properties Portfolio Statement

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

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Singapore										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							1,100,500	1,403,100	44.70	57.39
+ PANDAN LOGISTICS HUB	Leasehold	30	-	49 Pandan Road, Singapore 609290	-	92	-	43,201	-	1.77
Total Logistics Properties							1,100,500	1,446,301	44.70	59.16
General Industrial Properties ⁽⁴⁾										
+ 70 SELETAR AEROSPACE VIEW	Leasehold	30	-	70 Seletar Aerospace View Singapore 797564	-	-	-	7,065	-	0.29
30 TEBAN GARDENS CRESCENT	Leasehold	10+22	15 ⁽²⁹⁾	30 Teban Gardens Crescent Singapore 608927	77	63	26,200	29,300	1.06	1.20
+ 30 TOH GUAN ROAD	Leasehold	30+30	-	30 Toh Guan Road Singapore 608840	-	97	-	60,800	-	2.49
128 JOO SENG ROAD	Leasehold	30+30	28 ⁽³⁰⁾	128 Joo Seng Road Singapore 368356	96	97	12,600	12,300	0.51	0.50
130 JOO SENG ROAD	Leasehold	30+30	28 ⁽³¹⁾	130 Joo Seng Road Singapore 368357	88	100	16,400	16,000	0.67	0.65
136 JOO SENG ROAD	Leasehold	30+30	27 ⁽³²⁾	136 Joo Seng Road Singapore 368360	98	100	13,400	12,900	0.54	0.53
Balance carried forward							68,600	138,365	2.78	5.66

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

**ESR-LOGOS REIT
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Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							214,500	306,365	8.70	12.52
60 TUAS SOUTH STREET 1	Leasehold	30	11 ⁽⁴⁰⁾	60 Tuas South Street 1 Singapore 639925	100	100	3,800	4,000	0.15	0.16
5/7 GUL STREET 1	Leasehold	29.5	14 ⁽⁴¹⁾	5/7 Gul Street 1 Singapore 629318/629320	63	63	10,400	11,400	0.42	0.47
28 WOODLANDS LOOP	Leasehold	30+30	32 ⁽⁴²⁾	28 Woodlands Loop Singapore 738308	100	100	18,300	18,000	0.74	0.74
25 PIONEER CRESCENT	Leasehold	30+28	43 ⁽⁴³⁾	25 Pioneer Crescent Singapore 628554	100	100	16,800	16,800	0.68	0.69
11 WOODLANDS WALK	Leasehold	30+30	32 ⁽⁴⁴⁾	11 Woodlands Walk Singapore 738265	100	100	18,000	18,000	0.73	0.74
43 TUAS VIEW CIRCUIT	Leasehold	30	14 ⁽⁴⁵⁾	43 Tuas View Circuit Singapore 637360	100	100	16,000	16,700	0.65	0.68
13 JALAN TERUSAN	Leasehold	28	11 ⁽⁴⁶⁾	13 Jalan Terusan Singapore 619293	100	100	19,500	23,500	0.79	0.96
160A GUL CIRCLE	Leasehold	27	17 ⁽⁴⁷⁾	160A Gul Circle Singapore 629618	100	35	13,400	13,900	0.54	0.57
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	35 ⁽⁴⁸⁾	3 Tuas South Avenue 4 Singapore 637610	100	100	46,000	45,000	1.87	1.84
8 TUAS SOUTH LANE	Leasehold	30+16	30 ⁽⁴⁹⁾	8 Tuas South Lane Singapore 637302	93	100	98,300	101,100	3.99	4.14
120 PIONEER ROAD	Leasehold	30+28	31 ⁽⁵⁰⁾	120 Pioneer Road Singapore 639597	82	82	33,700	33,900	1.37	1.39
Balance carried forward							508,700	608,665	20.63	24.90

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2023**

Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							508,700	608,665	20.63	24.90
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	30/30 ⁽⁵¹⁾	511/513 Yishun Industrial Park A Singapore 768768/768736	100	100	25,200	25,900	1.02	1.06
86/88 INTERNATIONAL ROAD	Leasehold	30+30	31 ⁽⁵²⁾	86/88 International Road Singapore 629176/629177	100	100	41,900	41,500	1.70	1.70
11 UBI ROAD 1	Leasehold	30+30/ 21+30	32 ⁽⁵³⁾	11 Ubi Road 1 Singapore 408723	100	100	79,000	87,900	3.21	3.60
29 TAI SENG STREET	Leasehold	30+30	43 ⁽⁵⁴⁾	29 Tai Seng Street Singapore 534120	100	100	35,400	37,000	1.44	1.51
11 LORONG 3 TOA PAYOH	Leasehold	60	5 ⁽⁵⁵⁾	11 Lorong 3 Toa Payoh Singapore 319579	58	74	35,100	42,800	1.43	1.75
81 TUAS BAY DRIVE	Leasehold	60	43 ⁽⁵⁶⁾	81 Tuas Bay Drive Singapore 637308	100	100	29,700	28,500	1.21	1.17
Total General Industrial Properties							755,000	872,265	30.64	35.69
Total Singapore investment properties							3,251,500	3,771,966	132.00	154.30

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
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Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Australia										
Logistics Properties ⁽³⁾										
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES, AUSTRALIA	Freehold	Freehold	-	127 Orchard Road, Chester Hill, New South Wales, Australia	100	100	79,838	71,616	3.24	2.93
16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA, AUSTRALIA	Freehold	Freehold	-	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	100	33,086	37,168	1.34	1.52
+ 51 MUSGRAVE ROAD, COOPERS PLAINS, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	51 Musgrave Road, Coopers Plains, Queensland, Australia	-	86	-	9,519	-	0.39
203 VIKING DRIVE, WACOL, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	203 Viking Drive, Wacol, Queensland, Australia	100	100	28,771	32,544	1.17	1.33
223 VIKING DRIVE, WACOL, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	223 Viking Drive, Wacol, Queensland, Australia	100	100	14,565	11,513	0.59	0.47
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	76-90 Link Drive, Campbellfield, Victoria, Australia	100	100	16,723	15,638	0.68	0.64
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	100	39,020	40,341	1.58	1.65
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	-	41-51 Mills Road, Braeside, Victoria, Australia	100	97	43,336	47,819	1.76	1.96
Balance carried forward							255,339	266,158	10.36	10.89

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
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Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							255,339	266,158	10.36	10.89
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	-	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	100	22,837	20,623	0.93	0.84
41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	-	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	100	16,004	15,411	0.65	0.63
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	16-24 William Angliss Drive, Laverton, North Victoria, Australia	100	100	25,624	25,836	1.04	1.06
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	217-225 Boundary Road, Laverton North, Victoria, Australia	100	100	35,963	35,355	1.46	1.45
182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	-	182-198 Maidstone Street, Altona, Victoria, Australia	100	100	54,844	55,298	2.23	2.26
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	-	196 Viking Drive, Wacol, Queensland, Australia	100	100	20,094	18,901	0.82	0.77
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	-	11-19 Kellar Street, Berrinba, Queensland, Australia	100	100	15,734	16,408	0.64	0.67
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	-	47 Logistics Place, Larapinta, Queensland, Australia	100	100	16,318	17,859	0.66	0.73
Balance carried forward							462,757	471,849	18.79	19.30

**ESR-LOGOS REIT
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Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-23 %	31-12-22 %	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 %	31-12-22 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							462,757	471,849	18.79	19.30
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	39 ⁽⁵⁷⁾	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia	100	100	55,293	56,930	2.24	2.33
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	36 ⁽⁵⁸⁾	8 Curlew Street, Port of Brisbane, Queensland, Australia	100	100	44,954	36,896	1.83	1.51
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	36 ⁽⁵⁹⁾	53 Peregrine Drive, Port of Brisbane, Queensland, Australia	100	100	30,389	24,114	1.23	0.99
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	36 ⁽⁶⁰⁾	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland	100	100	76,602	72,069	3.11	2.95
Total Logistics Properties							669,995	661,858	27.20	27.08
Total Australia investment properties							669,995	661,858	27.20	27.08
Japan										
Logistics Property ⁽³⁾										
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	-	2464-11 and others, Ota, Sakura-shi, Chiba-ken	100	75	173,445	182,223	7.04	7.45
Total Japan investment property							173,445	182,223	7.04	7.45
Total Group's investment properties							4,094,940	4,616,047	166.24	188.83

**ESR-LOGOS REIT
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Investment Properties Portfolio Statement

	31-12-23 S\$'000	31-12-22 S\$'000	Percentage of net assets attributable to Unitholders	
			31-12-23 %	31-12-22 %
Trust				
Investment properties (Note 3)	1,160,200	1,419,465	47.29	57.96
Other assets and liabilities (net)	1,595,279	1,331,618	65.02	54.38
Net assets of the Trust	2,755,479	2,751,083	112.31	112.34
Perpetual securities holders' funds	(302,128)	(302,128)	(12.31)	(12.34)
Net assets attributable to Unitholders	2,453,351	2,448,955	100.00	100.00
Group				
Investment properties (Note 3)	4,094,940	4,616,047	166.24	188.83
Other assets and liabilities (net)	(1,329,662)	(1,766,960)	(53.97)	(72.29)
Net assets of the Group	2,765,278	2,849,087	112.27	116.54
Perpetual securities holders' funds	(302,128)	(302,128)	(12.27)	(12.36)
Non-controlling interest - perpetual securities holders' funds	-	(102,306)	-	(4.18)
Net assets attributable to Unitholders	2,463,150	2,444,653	100.00	100.00
Fair value				
			31-12-23 S\$'000	31-12-22 S\$'000
As disclosed in the Statement of Financial Position:				
Trust				
Investment properties – non-current			1,292,290	1,570,449
Investment properties held for divestment			-	8,141
Less: Right-of-use assets (Note 3)			(132,090)	(159,125)
Total investment properties			1,160,200	1,419,465
Group				
Investment properties – non-current			4,686,985	5,103,400
Investment properties held for divestment			-	56,595
Less: Right-of-use assets (Note 3)			(592,045)	(543,948)
Total investment properties			4,094,940	4,616,047

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Investment Properties Portfolio Statement

Notes:

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

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Investment Properties Portfolio Statement**

Notes:

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

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
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Investment Properties Portfolio Statement**

Notes:

- (51) ESR-LOGOS REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.
- (52) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.
- (53) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 September 1995 for Plot 1 and 21+30 year lease commencing from 1 September 2004 for Plot 2.
- (54) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.
- (55) Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.
- (56) Viva Trust holds the remainder of a 60 year lease commencing from 19 July 2006.
- (57) Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.
- (58) LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.
- (59) Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.
- (60) LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.

+ Property divested during the financial year.

Property is on 100% basis which includes a 20% non-controlling interest.

Investment properties comprise a diversified portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multi-tenancy and the tenancies range from 1.3 year to 23.1 years for single tenancy and from 0.8 year to 15 years for multi-tenancy.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
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Notes to the Financial Statements

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2023**

1. Summary of material accounting policies

1.1 Basis of preparation

The condensed financial statements for the half year and full year ended 31 December 2023 have been prepared in accordance with FRS 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* applicable to annual and interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since its last annual financial statements for the financial year ended 31 December 2022.

1.2 Basis of measurement

The condensed financial statements are prepared on the historical cost basis, except for investment properties, investments at fair value through profit or loss, and derivative financial instruments, which are measured at fair value.

As at 31 December 2023, the current liabilities of the Group and the Trust exceeded their current assets by S\$256.5 million and S\$174.0 million, respectively. This is primarily due to the classification of revolving credit facilities of S\$163.3 million as current liabilities as they are maturing within the next 12 months from 31 December 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.

1.3 Functional and presentation currency

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

1.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2023. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

**ESR-LOGOS REIT
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2. Significant accounting judgements and estimates

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

The significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the financial year ended 31 December 2022.

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

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

**ESR-LOGOS REIT
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3. Investment properties

	Group		Trust	
	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 S\$'000	31-12-22 S\$'000
<u>Investment properties</u>				
At beginning of the year	4,616,047	2,947,591	1,419,465	1,450,991
Additions through acquisition of subsidiaries	-	1,595,262	-	-
Acquisition of investment property	-	169,887	-	-
Capital expenditure incurred	87,483	108,411	40,434	21,230
Disposal of investment properties	(425,382)	(109,570)	(258,137)	(57,954)
Change in fair value during the year*	(161,448)	(24,328)	(41,562)	5,198
Effect of movement in exchange rates	(21,760)	(71,206)	-	-
At end of the year	4,094,940	4,616,047	1,160,200	1,419,465
Investment properties (non-current)	4,094,940	4,565,780	1,160,200	1,412,400
Investment properties held for divestment (current)	-	50,267	-	7,065
	4,094,940	4,616,047	1,160,200	1,419,465
<u>Right-of-use assets</u>				
At beginning of the year	543,948	227,683	159,125	164,187
Re-measurement due to change in lease rates	77,792	22,903	3,275	2,865
Recognition due to additions through acquisition of subsidiaries	-	320,340	-	-
Decognition due to disposal of investment properties	(36,405)	(6,365)	(28,676)	(6,365)
Change in fair value due to accretion of interest	32,176	23,743	8,004	8,470
Change in fair value due to lease payment	(23,491)	(18,150)	(9,360)	(9,488)
Change in fair value due to interest and payment borne by tenants**	(369)	(801)	(278)	(544)
Effect of movement in exchange rates	(1,606)	(25,405)	-	-
At end of the year	592,045	543,948	132,090	159,125
Right-of-use assets (non-current)	592,045	537,620	132,090	158,049
Right-of-use assets attributable to investment properties held for divestment (current)	-	6,328	-	1,076
	592,045	543,948	132,090	159,125
Investment properties (including right-of-use assets) (non-current)	4,686,985	5,103,400	1,292,290	1,570,449
Investment properties held for divestment (including right-of-use assets) (current)	-	56,595	-	8,141
	4,686,985	5,159,995	1,292,290	1,578,590

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3. Investment properties (cont'd)

- * The fair value loss of S\$161.4 million (FY2022: S\$24.3 million), together with an adjustment for the effect of lease incentives and marketing fee amortisation of S\$5.4 million (FY2022: -S\$1.8 million), aggregate to S\$166.8 million (FY2022: S\$22.5 million) as disclosed in the Statement of Total Return.
- ** The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and payments borne by tenants of S\$0.4 million (FY2022: S\$0.8 million).

Information on the fair value assessment of investment properties and investment properties held for divestment are disclosed in Note 13.

As at 31 December 2023, S\$58.0 million (FY2022: S\$23.8 million) of investment properties are under redevelopment.

Security

As at 31 December 2023, an investment property with a carrying value of S\$173.4 million (FY2022: S\$182.2 million) is pledged as security to secure bank loans (see Note 5).

4. Investments at fair value through profit or loss

	Group		Trust	
	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 S\$'000	31-12-22 S\$'000
At the beginning of the year	342,665	66,542	77,320	66,542
Additions through acquisition of subsidiaries	-	300,467	-	-
Reversal of acquisition cost	-	(7)	-	(7)
Changes in fair values during the year	(39,839)	8,360	(1,410)	10,785
Effect of movement in exchange rate	(2,479)	(32,697)	-	-
At the end of the year	300,347	342,665	75,910	77,320

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

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

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5. Interest-bearing borrowings

	Group		Trust	
	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 S\$'000	31-12-22 S\$'000
Current liabilities				
Unsecured SGD loans	163,300	180,000	163,300	180,000
Unsecured SGD fixed rate notes	-	50,000	-	50,000
Unamortised debt transaction costs	(212)	(651)	(212)	(651)
	163,088	229,349	163,088	229,349
Non-current liabilities				
Unsecured SGD loans	745,000	1,169,000	745,000	1,169,000
Unsecured AUD loans	369,072	372,131	54,394	54,845
Secured Japanese Yen ("JPY") loans	97,755	124,326	-	-
Unsecured JPY loans	66,101	72,562	66,101	72,562
Unsecured SGD fixed rate notes	125,000	125,000	125,000	125,000
Unamortised debt transaction costs	(10,129)	(16,312)	(6,330)	(11,020)
	1,392,799	1,846,707	984,165	1,410,387
Total interest-bearing borrowings	1,555,887	2,076,056	1,147,253	1,639,736

As at 31 December 2023, the Group has in place unsecured borrowings comprising:

- (i) the following unsecured notes issued under its S\$750 million Multicurrency Debt Issuance Programme (the "MTN Programme"):
 - S\$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 has been redeemed and cancelled upon its maturity in May 2023; and
 - S\$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.
- (ii) unsecured club loan facility of S\$320 million from UOB, Maybank, RHB and HSBC consisting of:
 - Facility A: S\$160 million term loan facility maturing in March 2026 at an interest margin plus Singapore Overnight Rate Average ("SORA"); and
 - Facility B: S\$160 million revolving credit facility maturing in March 2025 at an interest margin plus SORA.
- (iii) unsecured loan facility of A\$68.5 million from RHB consisting of:
 - Facility A: A\$60.5 million term loan facility maturing in May 2027 at an interest margin plus Bank Bill Swap Bid Rate ("BBSY Bid"); and
 - Facility B: A\$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.
- (iv) unsecured loan facility of A\$15 million from Australia and New Zealand Banking Group Limited ("ANZ") maturing in April 2027 at an interest margin plus BBSY Bid.

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5. Interest-bearing borrowings (cont'd)

- (v) unsecured loan facility of S\$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: S\$185 million term loan facility maturing in April 2025 at an interest margin plus SORA;
 - Facility B: S\$200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
 - Facility C: S\$200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
 - Facility D: S\$250 million revolving credit facility 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.
- (vi) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus Tokyo Interbank Offered Rate ("TIBOR").
- (vii) 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 at an interest margin plus TIBOR, which has been fully repaid and cancelled; and
 - Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

This secured loan facility is secured on the following:

- Investment property with carrying amount of S\$173.4 million (FY2022: S\$182.2 million);
- A pledge over the trust beneficial interest in the above investment property;
- A conditional pledge over the insurance claims relating to the above investment property; and
- A pledge over the specified shares of certain subsidiaries.

As at 31 December 2023, the total amounts outstanding under the MTN Programme, the term loan and the revolving credit facilities were S\$125.0 million, S\$1,277.9 million and S\$163.3 million, respectively.

6. Liabilities directly attributable to investment properties held for divestment

	Group		Trust	
	31-12-23 S\$'000	31-12-22 S\$'000	31-12-23 S\$'000	31-12-22 S\$'000
Lease liabilities	-	6,328	-	1,076

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7. Gross revenue

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Property rental income	172,836	180,721	355,160	317,657
Other income	16,669	14,843	31,190	25,575
	<u>189,505</u>	<u>195,564</u>	<u>386,350</u>	<u>343,232</u>

8. Property expenses

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Property Manager's fees paid and payable in:				
- cash	7,251	7,394	14,083	12,242
- Units	1,520	1,704	3,200	3,257
	8,771	9,098	17,283	15,499
Property tax	16,577	16,099	32,802	28,393
Repair and maintenance expenses	11,279	10,998	23,140	21,463
Other property operating expenses	20,548	17,888	39,966	33,634
	<u>57,175</u>	<u>54,083</u>	<u>113,191</u>	<u>98,989</u>

9. Management fees

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Base fees paid and payable in:				
- cash	4,734	5,524	9,572	10,274
- Units	5,824	6,576	12,352	10,837
Performance fees ⁽¹⁾	-	-	-	90
	<u>10,558</u>	<u>12,100</u>	<u>21,924</u>	<u>21,201</u>

⁽¹⁾ Paid to the former manager of ALOG Trust.

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10. Trust expenses

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Auditor's remuneration				
- audit fees	156	334	505	597
- non-audit fees	89	104	245	184
Trustee's fees	543	702	1,188	1,189
Valuation fees	145	287	350	419
Professional fees	1,047	1,503	2,203	2,007
Other expenses ⁽¹⁾	761	(710)	1,857	776
	<u>2,741</u>	<u>2,220</u>	<u>6,348</u>	<u>5,172</u>

(1) Other expenses comprise investor relations costs, compliance costs, listing fees and other non-property related expenses.

11. Borrowing costs, net

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Finance income:				
- interest income	583	551	1,087	594
- financial derivatives	7,270	4,942	14,564	-
Finance costs paid and payable:				
- bank loans	(38,887)	(36,679)	(81,015)	(50,562)
- financial derivatives	-	-	-	(955)
- fixed rate notes	(1,638)	(2,634)	(3,943)	(5,225)
Amortisation of transaction costs relating to debt facilities	(3,055)	(3,246)	(6,706)	(6,099)
	<u>(35,727)</u>	<u>(37,066)</u>	<u>(76,013)</u>	<u>(62,247)</u>

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12. Related parties

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

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

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
ESR-LOGOS Funds Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	4,014	4,752	8,122	9,001
- in units	5,824	6,576	12,352	10,837
Acquisition fees paid and payable in units	-	1,695	-	17,648
Development management fees paid and payable	517	614	1,857	1,055
Divestment fees paid in cash	1,944	441	2,162	557
ESR-LOGOS Property Management (S) Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property and lease management fees paid and payable				
- in cash	3,125	3,203	6,318	5,589
- in units	1,520	1,704	3,200	3,257
Lease marketing services commission paid and payable	3,625	2,531	5,602	3,592
Project management fees paid and payable	216	238	822	419
Site staff cost recovery	651	612	1,240	1,088
Rental income received and receivable ⁽¹⁾	-	336	-	673
Utilities income received and receivable	-	9	-	16
RBC Investor Services Trust Singapore Limited ⁽²⁾				
Trustee fees paid	-	196	-	434
Perpetual (Asia) Limited (the "Trustee") ⁽³⁾				
Trustee fees paid and payable	214	43	431	43
ESR Group Limited and its subsidiaries ⁽⁴⁾				
Base and performance fees paid	-	-	-	439
Investment management fees paid and payable	358	388	732	542
Asset management fees paid and payable	728	669	1,459	864
Property management fees paid and payable	750	897	1,556	1,329
Acquisition of ESR Sakura Distribution Centre	-	169,812	-	169,812
Rental support received ⁽⁵⁾	729	421	1,840	421
TSMP Law Corporation				
Legal fees paid and payable	-	630	-	630

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12. Related parties (cont'd)

- (1) Relates to rental income received and receivable from ESR-LOGOS Property Management (S) Pte Ltd ("E-LOG PM") pursuant to a 3-year tenancy agreement entered into between the Group and E-LOG PM during FY2021. 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 from ESR 34 GK in relation to the acquisition of ESR Sakura DC.

13. Fair value measurement

Valuation processes applied by the Group

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

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

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

(a) Fair value hierarchy

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

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

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

Level 3: Unobservable input for the asset or liability.

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

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

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13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value

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

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	4,686,985	4,686,985
Financial assets				
Investments at fair value through profit or loss	–	–	300,347	300,347
Derivative financial instruments	–	8,501	–	8,501
	–	8,501	4,987,332	4,995,833
Financial liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
Amount due to non-controlling interest	–	–	(70,928)	(70,928)
	–	(2,856)	(70,928)	(73,784)
As at 31 December 2022				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	56,595	5,103,400	5,159,995
Financial assets				
Investments at fair value through profit or loss	–	–	342,665	342,665
Derivative financial instruments	–	24,002	–	24,002
	–	80,597	5,446,065	5,526,662
Financial liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)
Amount due to non-controlling interest	–	–	(63,316)	(63,316)
	–	(1,907)	(63,316)	(65,223)

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13. Fair value measurement (cont'd)

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

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Trust				
As at 31 December 2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	1,292,290	1,292,290
Financial assets				
Investment at fair value through profit or loss	–	–	75,910	75,910
Derivative financial instruments	–	3,260	–	3,260
	–	3,260	1,368,200	1,371,460
Financial liabilities				
Derivative financial instruments	–	(2,856)	–	(2,856)
As at 31 December 2022				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	–	8,141	1,570,449	1,578,590
Financial assets				
Investment at fair value through profit or loss	–	–	77,320	77,320
Derivative financial instruments	–	14,804	–	14,804
	–	22,945	1,647,769	1,670,714
Financial liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)

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13. Fair value measurement (cont'd)

(c) Level 2 fair value measurements

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

Investment properties held for divestment

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

Financial derivatives

The fair values of derivative financial instruments such as interest rate swaps and forward foreign currency exchange contracts are based on valuation statements from financial institutions that are the counterparties of the transactions. The fair value of interest rate swaps 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 input used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Amount due to non-controlling 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 13(d).

Investment properties held directly or through joint venture

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

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

In determining the fair values, the valuers have used valuation methods including direct comparison method, capitalisation approach and discounted cash flows method 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.

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13. Fair value measurement (cont'd)

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

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

The 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 and capitalisation approach	<ul style="list-style-type: none"> • Market rental growth ranges from 1.8% to 8.1% (2022: 3.0% to 7.0%) per annum. • Adjusted price (psm) of S\$1,756 (2022: S\$1,834) • Discount rates of 3.90% to 10.50% (2022: 4.00% to 9.50%) • Capitalisation rates of 4.10% to 7.50% (2022: 4.20% to 7.50%) • Terminal yield rates of 4.20% to 7.75% (2022: 4.30% to 7.50%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • expected market rental growth were higher/(lower); • the adjusted price psm were higher/(lower); • the risk-adjusted discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the terminal yield rates were lower/(higher)

Key unobservable inputs correspond to:

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

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

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13. Fair value measurement (cont'd)

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

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"> • Risk-adjusted discount rates of 6.50% to 7.50% (2022: 5.50% to 7.00%) • Capitalisation rates from 4.50% to 8.00% (2022: 3.60% to 6.25%) • Terminal yield rates from 4.75% to 8.25% (2022: 3.85% to 7.25%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the risk-adjusted discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the terminal yield rates were lower/(higher).

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13. Fair value measurement (cont'd)

(e) Classification of financial instruments

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

	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
Group						
As at 31 December 2023						
Investments at fair value through profit or loss	4	–	300,347	–	300,347	300,347
Trade and other receivables*		23,549	–	–	23,549	23,549
Cash and bank balances		41,985	–	–	41,985	41,985
Derivative financial instruments (net)		–	5,645	–	5,645	5,645
Loans and borrowings	5	–	–	(1,555,887)	(1,555,887)	(1,546,672)
Trade and other payables^		–	–	(102,198)	(102,198)	(102,198)
Amount due to non-controlling interest		–	(70,928)	–	(70,928)	(70,928)
		65,534	235,064	(1,658,085)	(1,357,487)	(1,348,272)
As at 31 December 2022						
Investments at fair value through profit or loss	4	–	342,665	–	342,665	342,665
Trade and other receivables*		20,713	–	–	20,713	20,713
Cash and bank balances		45,579	–	–	45,579	45,579
Derivative financial instruments (net)		–	22,095	–	22,095	22,095
Loans and borrowings	5	–	–	(2,076,056)	(2,076,056)	(2,064,557)
Trade and other payables^		–	–	(103,466)	(103,466)	(103,466)
Amount due to non-controlling interest		–	(63,316)	–	(63,316)	(63,316)
		66,292	301,444	(2,179,522)	(1,811,786)	(1,800,287)

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13. Fair value measurement (cont'd)

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

	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
Trust						
As at 31 December 2023						
Loans to subsidiaries		702,586	–	–	702,586	702,586
Investment at fair value through profit or loss	4	–	75,910	–	75,910	75,910
Trade and other receivables*		14,009	–	–	14,009	14,009
Cash and bank balances		10,131	–	–	10,131	10,131
Derivative financial instruments (net)		–	404	–	404	404
Loans and borrowings	5	–	–	(1,147,253)	(1,147,253)	(1,138,038)
Trade and other payables^		–	–	(46,059)	(46,059)	(46,059)
		726,726	76,314	(1,193,312)	(390,272)	(381,057)
As at 31 December 2022						
Loans to subsidiaries		725,755	–	–	725,755	725,755
Investment at fair value through profit or loss	4	–	77,320	–	77,320	77,320
Trade and other receivables*		52,059	–	–	52,059	52,059
Cash and bank balances		9,539	–	–	9,539	9,539
Derivative financial instruments (net)		–	12,897	–	12,897	12,897
Loans and borrowings	5	–	–	(1,639,736)	(1,639,736)	(1,628,237)
Trade and other payables^		–	–	(44,563)	(44,563)	(44,563)
		787,353	90,217	(1,684,299)	(806,729)	(795,230)

* Excludes prepayments, GST receivable and capitalised cost.

^ Excludes rent received in advance and GST payable.

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14. Segment reporting

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

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

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

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2023				
Gross revenue	323,760	54,983	7,607	386,350
Property expenses	(100,348)	(11,466)	(1,377)	(113,191)
Net property income	223,412	43,517	6,230	273,159
Share of results of joint venture	3,876	–	–	3,876
Income from investments at fair value through profit or loss	–	9,215	–	9,215
Change in fair value of investments at fair value through profit or loss	–	(39,839)	–	(39,839)
Change in fair value of financial derivatives	(12,495)	(3,851)	–	(16,346)
Change in fair value of investment properties	(186,268)	13,891	5,559	(166,818)
Change in fair value of right-of-use of leasehold land	710	7,975	–	8,685
Finance costs on lease liabilities for leasehold land	(12,636)	(19,540)	–	(32,176)
Unallocated amounts:				
- Interest income				15,651
- Borrowing costs				(91,664)
- Foreign exchange loss				(1,240)
- Management fees				(21,924)
- Trust expenses				(6,348)
Total loss for the year before tax				(65,769)
Tax expense				2,104
Total loss for the year after tax				(63,665)
Segment Assets and Liabilities				
As at 31 December 2023				
<u>Segment assets</u>				
Investment properties (including right-of-use assets)	3,489,570	1,023,970	173,445	4,686,985
Investment in joint venture	41,233	–	–	41,233
Investments at fair value through profit or loss	–	300,347	–	300,347
Derivative financial assets	3,260	5,241	–	8,501
Others	49,137	9,480	10,626	69,243
Consolidated total assets	<u>3,583,200</u>	<u>1,339,038</u>	<u>184,071</u>	<u>5,106,309</u>
<u>Segment liabilities</u>				
Derivative financial liabilities	2,856	–	–	2,856
Others	419,852	358,335	4,101	782,288
Unallocated liabilities ⁽¹⁾				1,555,887
Consolidated total liabilities				<u>2,341,031</u>

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14. Segment reporting (cont'd)

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2022				
Gross revenue	303,300	38,702	1,230	343,232
Property expenses	(90,925)	(7,861)	(203)	(98,989)
Net property income	212,375	30,841	1,027	244,243
Share of results of joint venture	5,343	–	–	5,343
Income from investments at fair value through profit or loss	–	11,129	–	11,129
Change in fair value of investment at fair value through profit or loss	–	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)
Total loss for the year before tax				(261,947)
Tax expense				(9,492)
Total loss for the year after tax				(271,439)
Segment Assets and Liabilities				
As at 31 December 2022				
<u>Segment assets</u>				
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 fair value through profit of loss	–	342,665	–	342,665
Derivative financial assets	14,858	9,144	–	24,002
Others	45,398	16,125	24,740	86,263
Consolidated total assets	4,144,314	1,302,881	206,963	5,654,158
<u>Segment liabilities</u>				
Derivative financial liabilities	1,907	–	–	1,907
Others	449,160	274,647	3,301	727,108
Unallocated liabilities ⁽¹⁾				2,076,056
Consolidated total liabilities				2,805,071

⁽¹⁾ Unallocated liabilities consist of interest-bearing borrowings.

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15. Financial ratios

	31.12.2023	31.12.2022
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- including performance component of management fees	0.99	1.04
- excluding performance component of management fees	0.99	1.03
Portfolio turnover rate ⁽²⁾	15.37	4.40

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

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

16. Commitments

(a) Commitments

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

(b) Capital commitments

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

- S\$33.4 million (31 December 2022: S\$104.2 million) of capital commitments in respect of redevelopment works, asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements. These projects are targeted to complete in 2024.
- A\$7.05 million (31 December 2022: A\$7.05 million) of capital commitments in respect of the 10.0% interest in EALP, which may be called upon by EALP to finance its activities.

(c) Guarantees

- The Trust has provided unsecured corporate guarantees to banks in respect of interest rate swap contracts entered into by certain subsidiaries with total notional amount of S\$269.7 million (31 December 2022: S\$272.0 million).
- The Trust has provided unsecured corporate guarantees of S\$9.3 million (31 December 2022: S\$6.9 million) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

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17. Subsequent events

Subsequent to the reporting date, the following significant events occurred:

- On 17 January 2024, ESR-LOGOS REIT obtained the TOP status for the phase 2 of the redevelopment project at 21B Senoko Loop.
- On 24 January 2024, ESR-LOGOS REIT incorporated ESR-LOGOS REIT INV3 Pte. Ltd., an indirect wholly-owned subsidiary in Singapore. The subsidiary is nominally capitalised and its incorporation is not expected to have any material impact on the earnings per Unit or the net tangible assets per Unit of the Group.

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

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

BY ORDER OF THE BOARD

ESR-LOGOS Funds Management (S) Limited

As Manager of ESR-LOGOS REIT

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

Adrian Chui

Chief Executive Officer and Executive Director

1 February 2024

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