

PROPOSED DIVESTMENT OF PORTFOLIO OF EIGHT (8) INDUSTRIAL PROPERTIES LOCATED IN SINGAPORE

1. INTRODUCTION

ESR-REIT Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), wishes to announce that Perpetual (Asia) Limited, in its capacity as trustee of ESR-REIT (the "**Vendor**"), has on 14 December 2025 entered into put and call option agreements (the "**PCOAs**" and each, a "**PCOA**") with unrelated third-party purchasers, who are managed by affiliates of Brookfield Asset Management (the "**Purchasers**" and each, a "**Purchaser**"), in relation to the proposed divestment of a portfolio comprising eight (8) industrial properties located in Singapore (inclusive of the plant and equipment owned by the Vendor which are located in or on, or which otherwise exclusively relate to, these properties) (the "**Proposed Divestment**"), namely:

- (a) 46A Tanjong Penjuru, Singapore 609040 (the "**46ATP Property**");
- (b) 86 & 88 International Road, Singapore 629176/629177;
- (c) 120 Pioneer Road, Singapore 639597;
- (d) 21 & 23 Ubi Road 1, Singapore 408724/408725;
- (e) 24 Jurong Port Road, Singapore 619097;
- (f) 13 Jalan Terusan, Singapore 619293;
- (g) 60 Tuas South Street 1, Singapore 639925; and
- (h) 43 Tuas View Circuit, Singapore 637360,

(collectively, the "**Divestment Properties**" and each, a "**Divestment Property**") for an aggregate sale consideration of S\$338.1 million (the "**Divestment Consideration**").

Subject to the valid exercise by the respective Purchasers of the Call Option or the Vendor of the Put Option (each as defined in paragraph 3.2(a) of this announcement) in accordance with the terms and conditions of the respective PCOAs, completion of the sale and purchase of the Divestment Properties (other than the 46ATP Property) is expected to occur by second quarter of 2026. Completion of the sale and purchase of the 46ATP Property is expected to occur separately by third quarter of 2026.

2. **INFORMATION ON THE DIVESTMENT PROPERTIES**

All the Divestment Properties are located in Singapore and are sited on leasehold land with a weighted average remaining land lease of 22.4 years¹ as at 30 September 2025. The Divestment Properties have a total gross floor area and net lettable area of 226,815 square meters ("**sqm**") and 208,592 sqm respectively.

Further details in respect of the Divestment Properties are set out in the Appendix to this announcement.

3. **PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT**

3.1 **Divestment Consideration and Valuation**

The Divestment Consideration of an aggregate of S\$338.1 million was negotiated on a willing-buyer and willing-seller basis after taking into account the independent valuation of the Divestment Properties of S\$331.6 million as at 30 November 2025. In this respect, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield VHS Pte Limited, Edmund Tie & Company (SEA) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd (the "**Independent Valuers**") were commissioned by the Manager and the Vendor to provide an independent valuation of each Divestment Property and the Independent Valuers used the income capitalisation method, discounted cash flow analysis method and direct comparison method in their valuation.

The Divestment Consideration represents a premium of 2.0% to the independent valuation of the Divestment Properties as at 30 November 2025, and an excess of S\$11.0 million over the book value of the Divestment Properties as at 30 June 2025, which is S\$327.1 million.

Under the respective PCOAs, a deposit equivalent to 5% of the sale consideration of each Divestment Property (the "**Deposit**") shall be payable by each Purchaser to the Vendor's solicitors (as stakeholders) within five (5) business days of the signing of the respective PCOAs. Upon completion under the respective PCOAs, the Deposit shall be released to the Vendor, and the balance of the sale consideration for each Divestment Property shall be paid by each Purchaser to the Vendor by way of cashier's order or telegraphic transfer (or such other mode of payment as agreed by the respective Purchasers and the Vendor).

3.2 **Principal Terms of the PCOAs**

The Proposed Divestment is governed by the terms and conditions of the respective PCOAs. The principal terms of the PCOAs include, among others, the following:

- (a) the Vendor has agreed to grant to the respective Purchasers a call option (the "**Call Option**"), and the respective Purchasers have agreed to grant to the Vendor a put

¹ Calculation of average remaining land lease is as at 30 September 2025.

option (the "**Put Option**") relating to the sale and purchase of the Divestment Properties;

- (b) the entitlement of the respective Purchasers to exercise the Call Option or the Vendor to exercise the Put Option in respect of each Divestment Property is subject to and conditional upon fulfilment of certain conditions (the "**Conditions Precedent**"), including the approval of JTC Corporation ("**JTC**") in connection with the sale of the relevant Divestment Property;
- (c) each of the PCOAs may be rescinded or terminated by the Vendor or the respective Purchaser if any of the Conditions Precedent are not fulfilled or waived by the Long Stop Date²;
- (d) the PCOAs contain customary provisions relating to the Proposed Divestment, including representations and warranties, indemnities, pre-completion covenants and termination provisions;
- (e) subject to the express terms of the respective PCOAs, the Divestment Properties will be sold to the respective Purchasers on an "as-is, where-is" basis; and
- (f) completion of the sale and purchase of each Divestment Property is conditional on the concurrent completion of the sale and purchase of the other Divestment Properties (other than the 46ATP Property).

4. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED DIVESTMENT

The Proposed Divestment is part of the Manager's ongoing strategy to divest non-core assets in the portfolio, to minimise the impact of land lease decay and reduce the decline in net asset value ("**NAV**") while balancing the needs of stable, growing distributions and having a future-ready asset portfolio, with the aim of delivering sustainable returns to the unitholders of ESR-REIT (the "**Unitholders**"). The Proposed Divestment forms a key component of ESR-REIT's portfolio rejuvenation and capital recycling strategy, and aligns with ESR-REIT's proactive asset management approach, providing financial flexibility to redeploy sale proceeds into new, value-accretive New Economy investment opportunities as they arise.

Reduction in Aggregate Leverage and Enhanced Financial Flexibility

Following the Proposed Divestment, and assuming that all net proceeds are used to repay existing debt, ESR-REIT's *pro forma* aggregate leverage as at 31 December 2024, will decrease from 42.8% to 39.2%. Please refer to paragraph 6 below for further details on the *pro forma* financial effects. With an aggregate leverage of 39.2%, ESR-REIT's *pro forma* debt headroom as at 31 December 2024 will increase significantly from approximately S\$790.2 million to approximately S\$1,114.0 million. Furthermore, ESR-REIT's *pro forma* interest coverage ratio

² "**Long Stop Date**" means 30 September 2026 in respect of the Divestment Properties (other than the 46ATP Property), and 31 March 2027 in respect of the 46ATP Property (or such other date as the respective Purchasers and the Vendor may agree in writing).

(ICR) for the trailing 12 months as at 31 December 2024 would improve from 2.5x to 2.6x, strengthening the capital structure of ESR-REIT to enhance its financial flexibility.

Decrease Short Land Lease Assets in Portfolio, Reduce NAV Erosion

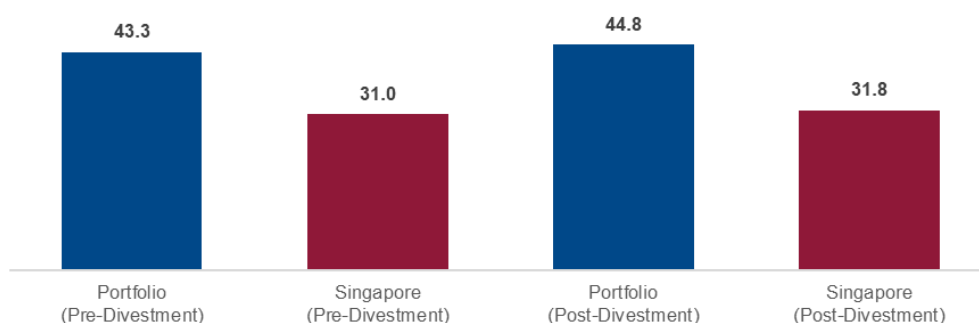
As at 30 September 2025, 13.2% of ESR-REIT's portfolio comprises assets with a remaining land lease of less than 15 years. Post completion of the Proposed Divestment (on a *pro forma* basis), this percentage is expected to decrease to 11.8%³, in line with ESR-REIT's strategy to minimise the impact of land lease decay and reduce the decline in NAV. Given that four (4) properties within the Proposed Divestment have short land leases of approximately 13 years or less remaining, the Proposed Divestment will also help to reduce future erosion of ESR-REIT's NAV.

Improvement in ESR-REIT Portfolio Quality

In addition, the Proposed Divestment is expected to enhance the overall quality of ESR-REIT's portfolio metrics. The *pro forma* weighted average remaining land lease of the portfolio as at 30 September 2025 will improve from 43.3 years to 44.8 years. For ESR-REIT's Singapore portfolio, the *pro forma* weighted average remaining land lease as at 30 September 2025 will improve from 31.0 years to 31.8 years. ESR-REIT's *pro forma* weighted average lease expiry as at 30 September 2025 will also increase from 4.1 years to 4.3 years.

Land Lease Expiry

Improved Land Lease expiry from 43.3 years to 44.8 years on a portfolio basis with Singapore portfolio improving from 31.0 years to 31.8 years



Portfolio Weighted Average Lease Expiry (WALE)

Improved WALE from 4.1 years to 4.3 years on a portfolio basis



5. USE OF DIVESTMENT PROCEEDS

After taking into account the divestment costs and applicable goods and services tax, if any, the net proceeds from the Proposed Divestment are approximately S\$329.3 million. The resulting net gain from the Proposed Divestment is approximately S\$2.2 million⁴.

The net proceeds of the Proposed Divestment will be used at the Manager's discretion for working capital purposes, funding capital expenditure, repaying debt and/or perpetual securities, funding unit buybacks and/or deploying towards future potential redevelopments, major asset enhancement initiatives and acquisitions.

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Divestment on the distribution per unit of ESR-REIT ("Unit" and the distribution per Unit, the "DPU"), ESR-REIT's NAV per Unit and ESR-REIT's aggregate leverage presented below are strictly for illustrative purposes only and were prepared based on the consolidated audited financial statements of ESR-REIT for the financial year ended 31 December 2024 ("FY2024").

6.1 *Pro Forma DPU*

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Divestment on ESR-REIT's DPU for FY2024, as if the Proposed Divestment was completed on 1 January 2024, are as follows:

	Effects of the Proposed Divestment	
	Before the Proposed Divestment ⁽¹⁾	After the Proposed Divestment
Amount available for distribution to Unitholders (S\$'000)	164,064	157,260

⁴ The estimated net gain from the Proposed Divestment is calculated by subtracting the net proceeds of the Proposed Divestment from the book value of the Divestment Properties of S\$327.1 million as at 30 June 2025.

Applicable number of Units ('000)	774,252	773,824 ⁽²⁾
DPU (Singapore cents)	21.190	20.323
DPU effect (%)	-	-4.1

Notes:

- (1) Units and DPU figures have been adjusted for the 10:1 Unit consolidation completed on 5 May 2025.
(2) Adjusted for the base management fees and the property management fees paid in Units in FY2024 attributed to the Proposed Divestment.

6.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Divestment on ESR-REIT's NAV per Unit for FY2024, as if the Proposed Divestment was completed on 31 December 2024, are as follows:

	Effects of the Proposed Divestment	
	Before the Proposed Divestment⁽¹⁾	After the Proposed Divestment
NAV (S\$'000)	2,213,895	2,210,111
Number of Units in issue ('000)	805,053	804,625 ⁽²⁾
NAV per Unit (S\$)	2.75	2.75

Notes:

- (1) Units and NAV figures have been adjusted for the 10:1 Unit consolidation completed on 5 May 2025.
(2) Adjusted for the base management fees and the property management fees paid in Units in FY2024 attributed to the Proposed Divestment.

6.3 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Divestment on ESR-REIT's aggregate leverage for FY2024, as if the Proposed Divestment was completed on 31 December 2024, are as follows:

	Effects of the Proposed Divestment	
	Before the Proposed Divestment	After the Proposed Divestment
Aggregate leverage (%)	42.8	39.2

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Chapter 10 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs the continuing listing obligations of ESR-REIT in respect of the acquisition or divestment of assets. Such transactions are classified into: (a) non-discloseable transactions; (b) discloseable transactions; (c) major transactions; and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures

computed on, among others, the following applicable bases of comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual⁵:

- (i) the NAV of the assets to be disposed of, compared with ESR-REIT's NAV;
- (ii) the net profits attributable to the assets disposed of, compared with ESR-REIT's net profits; and
- (iii) the aggregate value of the consideration received, compared with ESR-REIT's market capitalisation.

The relative figures for the Proposed Divestment computed on the bases set out above, are as follows:

Comparison of:	Proposed Divestment (S\$ million)	ESR-REIT (S\$ million)	Relative Figure (%)
<u>Rule 1006(a)</u> NAV of the Divestment Properties compared with ESR-REIT's NAV	331.6 ⁽¹⁾	2,135.5 ⁽²⁾	15.5
<u>Rule 1006(b)</u> Net property income (" <u>NPI</u> ") ⁽³⁾ attributable to the Divestment Properties, compared with the NPI of ESR-REIT	11.4 ⁽²⁾	166.3 ⁽²⁾	6.9
<u>Rule 1006(c)</u> Aggregate value of the sale consideration to be received for the Divestment Properties, being the Divestment Consideration, compared with ESR-REIT's market capitalisation	338.1	2,189.9 ⁽⁴⁾	15.4

Notes:

- (1) Based on the aggregate of the independent valuations of each of the Divestment Properties by the Independent Valuers as at 30 November 2025.
- (2) Based on the unaudited condensed interim financial statements of ESR-REIT for the six (6) months ended 30 June 2025.

5 Rule 1006(d) of the Listing Manual does not apply to the Proposed Divestment as the Proposed Divestment relates to the disposal rather than acquisition of assets and does not involve any issue of equity securities by ESR-REIT as consideration. Rule 1006(e) of the Listing Manual does not apply to the Proposed Divestment as the Proposed Divestment does not relate to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

- (3) In the case of real estate investment trusts ("**REITs**"), the NPI is a close proxy to the net profits attributable to its assets.
- (4) Based on 803,677,185 units in issue and the weighted average price of S\$2.7249 per unit transacted on the SGX-ST on 12 December 2025, being the market day immediately prior to the date the PCOAs were entered into.

Pursuant to Rule 1014(3) of the Listing Manual, in the case of REITs and property trusts, a disposal of properties is considered to be in its ordinary course of business, provided that the relative figures computed on the bases set out in Rule 1006 do not exceed 50% based on the aggregate value of all disposals in the last 12 months. In the event any of the relative figures calculated under Rule 1006 on an aggregated basis is 50% or more, the REIT/property trust must seek unitholders' approval. Notwithstanding that the disposal of property may be considered in the ordinary course of business, the REIT/property trust will have to comply with Rule 1010 of the Listing Manual.

Based on the aggregate value of all disposals by ESR-REIT in the last 12 months, the relative figures computed on the bases set out in Rule 1006 do not exceed 50% and hence, the Proposed Divestment is in the ordinary course of ESR-REIT's business pursuant to Rule 1014(3) of the Listing Manual and does not require unitholders' approval under Chapter 10 of the Listing Manual, but will have to comply with Rule 1010 of the Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement and based on the information available to the Manager as at the date of this announcement, save for the unitholding interests in ESR-REIT held by certain directors of the Manager and the controlling unitholders of ESR-REIT, none of the directors of the Manager or the controlling unitholders of ESR-REIT has an interest, direct or indirect, in the Proposed Divestment.

9. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Divestment or any other transactions contemplated in relation to the Proposed Divestment.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager⁶ at 5 Temasek Boulevard, #12-09, Suntec Tower Five, Singapore 038985 from the date of this announcement up to and including the date falling three (3) months thereafter:

- (a) the PCOAs; and

6 Prior appointment will be appreciated. Please contact the ESR-REIT Investor Relations team at +65 6222 3339.

- (b) the independent valuation reports on the Divestment Properties issued by the Independent Valuers.

The trust deed of ESR-REIT will also be available for inspection at the registered office of the Manager for so long as ESR-REIT is in existence.

BY ORDER OF THE BOARD

ESR-REIT Management (S) Limited

As Manager of ESR-REIT

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

Adrian Chui

Chief Executive Officer and Executive Director

15 December 2025

APPENDIX

Property Name	46A Tanjong Penjuru	86 & 88 International Road	120 Pioneer Road	21 & 23 Ubi Road 1	24 Jurong Port Road	13 Jalan Terusan	60 Tuas South Street 1	43 Tuas View Circuit	Total⁽⁴⁾
Asset Type	Logistics	General Industrial	General Industrial	High-Specifications Industrial	Logistics	General Industrial	General Industrial	General Industrial	-
Gross Floor Area (sqm)	48,652	22,039	23,043	18,838	75,904	22,777	4,150	11,412	226,815
Net Lettable Area (sqm)	48,136	22,039	20,064	13,778	67,647	21,366	4,150	11,412	208,592
Remaining Land Lease (years)⁽¹⁾	24.6	29.2	29.4	31.3	11.4	9.5	9.5	12.3	22.4 ⁽²⁾
Valuation (S\$ million)⁽³⁾	109.5	42.2	34.1	42.5	68.0	16.7	3.5	15.1	331.6
Sale Consideration (S\$ million)	113.5	42.2	34.1	45.0	68.0	16.7	3.5	15.1	338.1

Notes:

- (1) The remaining land lease is calculated as at 30 September 2025.
- (2) This refers to the weighted average remaining land lease of the Divestment Properties as at 30 September 2025.
- (3) Based on the independent valuation of each of the Divestment Properties by the Independent Valuers as at 30 November 2025. Please refer to paragraph 3.1 of this announcement for further details.
- (4) Any discrepancies in the total figures are due to rounding.

ESR-REIT

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

**About ESR-REIT**

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

As at 30 June 2025, ESR-REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S\$5.9 billion. Its portfolio comprises 70 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (50 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.5 million sqm, as well as investments in three property funds in Australia. ESR-REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

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

For further information on ESR-REIT, please visit www.esr-reit.com.sg.

About the Sponsor, ESR

ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure that power the digital economy and supply chain for investors, customers, and communities. Through our fully integrated real asset fund management and development platform, we strive to create value and growth opportunities for our global portfolio of investors. We offer our customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities we serve to thrive for generations to come. Visit www.esr.com for more information.

Important Notice

The value of units in ESR-REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR-REIT Management (S) Limited ("**Manager**"), Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This announcement is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this announcement is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.