STRENGTH IN SYNERGY

Annual Report 2023

ABOUT US

Vision

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

Mission

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

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

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

About ESR-LOGOS REIT

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

As at 31 December 2023, ESR-LOGOS REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$5.1 billion. Its portfolio comprises 72 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (19 assets) and Japan (1 asset), with a total gross floor area of approximately 2.1 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

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

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

CONTENTS

The figures in this report may be subject to rounding differences.

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

NUMBER OF PROPERTIES
72
ACROSS SINGAPORE, AUSTRALIA AND JAPAN

Amidst the prevailing global challenges and macroeconomic uncertainties, ESR-LOGOS REIT has persistently forged ahead with its strategic initiatives to strengthen its position as a prominent Asia Pacific S-REIT focused on the New Economy and future-ready sectors. Our focused commitment to our "***4R Strategy***" — (i) portfolio ***Rejuvenation***; (ii) capital ***Recycling***; (iii) ***Recapitalising*** balance sheet; and (iv) ***Reinforcing*** sponsor support, has not only fortified our financial fundamentals but also strategically positioned us to navigate through these challenges with resilience and confidence.

7002 Ang Mo Kio Avenue 5, Singapore

62.2%
NEW ECONOMY EXPOSURE

TOTAL ASSETS
S$5.1 BILLION[1]

[1] as at 31 December 2023

COMPLETED

2

ASSET ENHANCEMENTS

- 7002 ANG MO KIO AVENUE 5, SINGAPORE
- BUILT-TO-SUIT REDEVELOPMENT OF 21B SENOKO LOOP, SINGAPORE

COMPLETED

10

DIVESTMENTS OF NON-CORE ASSETS AGGREGATING S$440.6 MILLION AS PART OF CAPITAL RECYCLING STRATEGY

Guided by our portfolio ***Rejuvenation*** strategy aimed at developing a resilient and well-balanced portfolio, we attained the Temporary Occupancy Permit (TOP) for the asset enhancement initiative at 7002 Ang Mo Kio Avenue 5 in FY2023 and the Built-to-Suit redevelopment at 21B Senoko Loop in 1Q2024. Furthermore, we strategically optimised our portfolio by divesting 10 non-core assets, utilising the proceeds to fortify our balance sheet, positioning ESR-LOGOS REIT favourably to reduce existing debt and strategically deploy funds into promising New Economy assets in the future.

ENHANCED AND OPTIMISED PORTFOLIO

OCCUPANCY RATE
92.8%

RENTAL REVERSION
+11.1%

ESR Sakura Distribution Centre, Japan

SOLIDIFYING FINANCIAL AND CAPITAL FOOTHOLD

DPU
2.564 CENTS

GROSS REVENUE
S$386.4 MILLION
+12.6% Y-O-Y

NET PROPERTY INCOME
S$273.2 MILLION
+11.8% Y-O-Y

67 – 93 National Boulevard, Australia

At ESR-LOGOS REIT, our commitment is anchored in delivering value for Unitholders and investors by consistently achieving robust financial performance and employing capital management strategies. Through these strategies, we are poised to navigate the dynamic global business landscape with confidence, ensuring the delivery of stable performance and long-term value for our Unitholders.

FIXED INTEREST RATE EXPOSURE

81.6%

WEIGHTED AVERAGE FIXED DEBT EXPIRY

1.3 YEARS

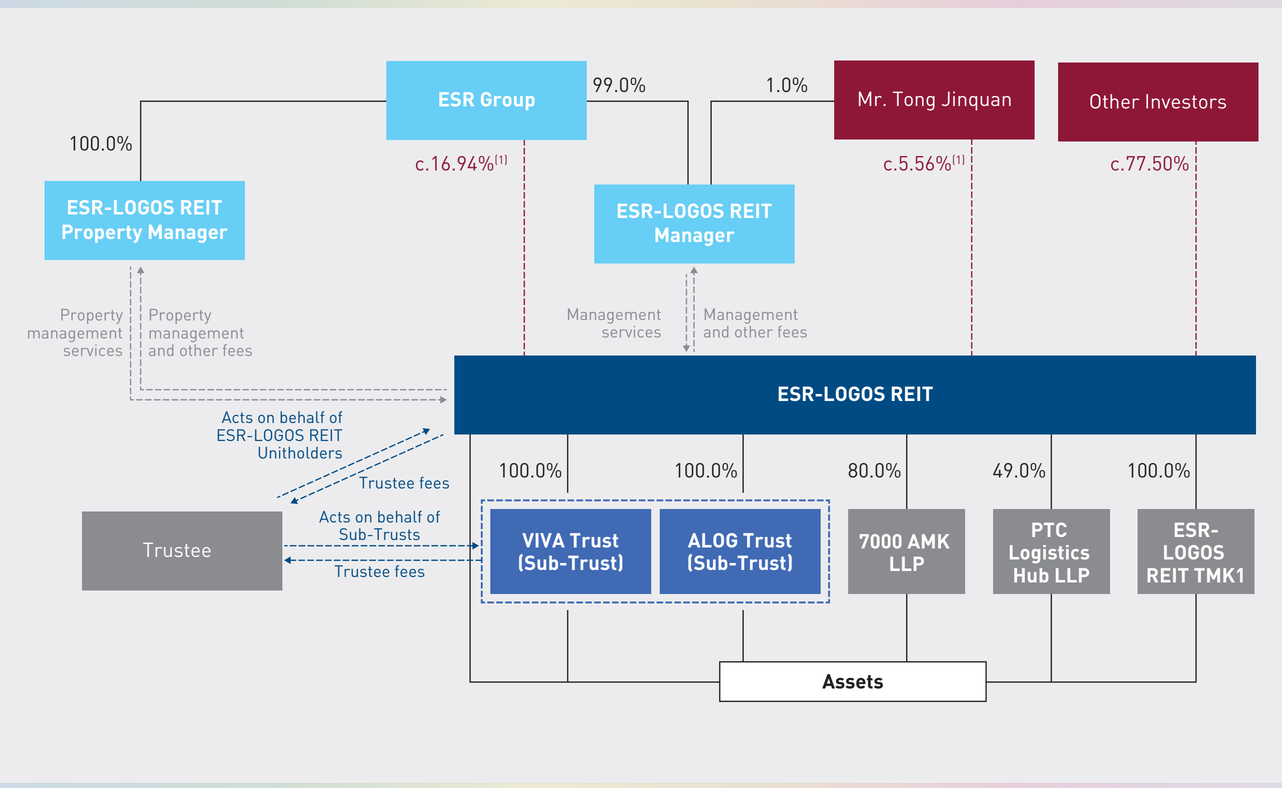
COMMITTED UNDRAWN REVOLVING CREDIT FACILITY AVAILABLE

S$280.9 MILLION

WELL SUPPORTED BY

9 LENDING BANKS

TRUST STRUCTURE



Note: (1) Includes direct interests and/or deemed interests through holding entities in ESR-LOGOS REIT. Figures as at 29 February 2024.

ORGANISATION STRUCTURE

ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED

BOARD OF DIRECTORS

Ms. Stefanie Yuen Thio
Independent Non-Executive Chairperson

Mr. Ronald Lim
Independent Non-Executive Director

Mr. Nagaraj Sivaram
Independent Non-Executive Director

Dr. Julie Lo Lai Wan
Independent Non-Executive Director

Mr. Loi Pok Yen
Independent Non-Executive Director

Mr. George Agethen
Non-Executive Director

Mr. Trent Iliffe
Non-Executive Director

Mr. Stuart Gibson
Non-Executive Director

Mr. Shen Jinchu, Jeffrey
Non-Executive Director

Mr. Adrian Chui
Chief Executive Officer and Executive Director

AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE ("ARCC")

Mr. Nagaraj Sivaram (Chairperson)
Ms. Stefanie Yuen Thio
Mr. Loi Pok Yen

NOMINATING AND REMUNERATION COMMITTEE ("NRC")

Mr. Ronald Lim (Chairperson)
Ms. Stefanie Yuen Thio
Mr. Shen Jinchu, Jeffrey
Mr. Stuart Gibson

INVESTMENT COMMITTEE ("IC")

Mr. Loi Pok Yen (Chairperson)
Mr. Ronald Lim
Dr. Julie Lo Lai Wan
Mr. Shen Jinchu, Jeffrey
Mr. Stuart Gibson
Mr. Trent Iliffe

COMPANY SECRETARY

Ms. Angeline Chiang

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Adrian Chui

ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED MANAGEMENT TEAM

ABOUT OUR SPONSOR

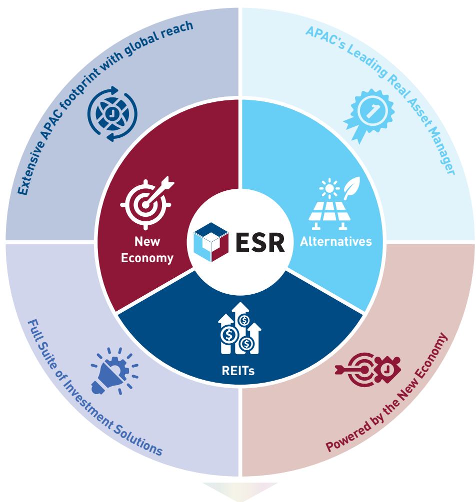
ESR Group ("ESR") is Asia-Pacific's ("APAC") leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With US$81 billion in fee-related assets under management ("AUM"), ESR's fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia and India, with a presence in Europe and the U.S. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.

Visit www.esr.com for more information.

FUND MANAGEMENT
ESR manages a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for its capital partners.

NEW ECONOMY DEVELOPMENT
ESR's New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing.

INVESTMENT
ESR's investments comprise co-investments into its funds and REITs under management, investments in listed/privately held real estate investment vehicles, as well as investment properties (completed and under development).



Asset-light and Scalable Business Model

ESR is the fourth largest listed real estate investment manager globally and ranked as top fund manager in Asia Pacific by fee-related AUM[1].

ESR is a leader in New Economy that delivers both quality and scale in logistics, data centres and in new emerging areas of growth such as life sciences and high-tech industrials.

ESR's fully-integrated fund management and development platform and business model generates recurring fees throughout the real asset value chain comprising asset management fees, development fees, acquisition and divestment fees, as well as promote fees.

ESR's unique platform extends key APAC markets of which about 95% of fee income contribution is from APAC, grounded with a strong local team presence, brand premium and stakeholder relationships in each of its operating markets.

1 Based on the ANREV Fund Manager Survey published on 29 May 2023.

ESR-LOGOS REIT enjoys a distinct competitive advantage through its affiliation with ESR Group as a Sponsor. This partnership grants us access to their extensive pipeline of New Economy assets and provides crucial financial support for fundraising initiatives. A testament to this advantage is our successful acquisition of ESR Sakura Distribution Centre in Japan in FY2022. Additionally, the S$150 million Preferential Offering which was part of our S$300 million Equity Fund Raising exercise in FY2023 was also fully backstopped by ESR Group, furnishing ESR-LOGOS REIT with the financial backing necessary to execute our growth strategies effectively.

MESSAGE TO UNITHOLDERS

From left to right:

MR. ADRIAN CHUI
Chief Executive Officer and Executive Director

MS. STEFANIE YUEN THIO
Independent Non-Executive Chairperson

Dear Unitholders,

As we look back at FY2023 and the rapidly rising inflationary and interest rate environment prevalent then, we are pleased to report a set of robust operational and financial results which showcases the resilience and strength of our portfolio, reflecting the proactive measures we took early to reinforce our balance sheet and to fortify ESR-LOGOS REIT as a leading New Economy and future-ready Asia Pacific S-REIT.

As FY2023 unfolded against a backdrop of global challenges, we found ourselves navigating choppy waters of soaring inflation, with global central banks imposing high interest rates to tackle it. Geopolitical uncertainties also continued to weigh on global supply chains. These challenges had notable impact on the overall REIT industry.

Our performance in FY2023 was intricately connected to the execution of our "***4R Strategy***": ***Recapitalising*** balance sheet, portfolio ***Rejuvenation***, capital ***Recycling***, and ***Reinforcing*** Sponsor support. Through these pillars, we undertook proactive measures early in anticipation of the near term impact of soaring inflation and runaway interest rate increases which would have profound repercussions on our portfolio performance, valuation and gearing. We conducted an equity fund raising and divested non-core assets early in the year to ***Recapitalise*** our balance sheet. With a stronger balance sheet mitigating expensive financing costs, ESR-LOGOS REIT was able to continue focusing our resources on portfolio ***Rejuvenation*** by completing our Asset Enhancement Initiatives ("AEIs") and redevelopment on time and on budget.

FY2023 Financial Performance

Our financial performance for FY2023 underscores our commitment to provide stability to our earnings and we are pleased to have delivered a set of resilient results amidst the inflationary uncertainties that continue to plague the wider market.

FY2023 Gross Revenue recorded a robust 12.6% increase to S$386.4 million from S$343.2 million in FY2022. This growth was predominantly driven by the full-year contribution from ALOG Trust after the Merger in April 2022 and the acquisition of ESR Sakura Distribution Centre in Japan in October 2022. However, the loss of income resulting from the divestments of non-core assets throughout the year, executed as part of our portfolio ***Rejuvenation*** strategy, partially offset this positive trajectory. Net Property Income increased by 11.8% to S$273.2 million from S$244.2 million in FY2022, in tandem with the higher Gross Revenue. The amount available for distribution to Unitholders, S$192.7 million, is an 8.8% increase from the previous year.

The Distribution per Unit ("DPU") for FY2023 however experienced a 14.5% dip to 2.564 Singapore cents. This decline was primarily attributable to the 27.3% increase in the applicable number of Units, stemming mainly from the issuance of new Units as part of the pre-emptive equity fund raising exercise that we conducted in early FY2023, which accounted for 13.6% of the total outstanding units as at 31 December 2022.

Resilient Portfolio Performance

As at 31 December 2023, ESR-LOGOS REIT's portfolio consisted of 72 quality and diversified assets (excluding 48 Pandan Road held through a joint venture) across key gateway markets, comprising 52 assets in Singapore, 19 assets in Australia, and 1 asset in Japan, with a total gross floor area ("GFA") of 2.1 million square metres ("sqm"), as well as investments in three property funds in Australia.

As at 31 December 2023, we maintained a high occupancy rate of 92.8%, reflecting the resilience of our portfolio as well as the limited supply of modern quality warehouse space in our markets. Leasing activities remained robust, with E-LOG securing 645,841 sqm of total leases in FY2023, comprising 469,864 sqm of renewals and 175,977 sqm of new leases.

The portfolio's positive rental reversion of 11.1%, marking the second consecutive year of positive rental reversions, is a testament to the quality of our leasing team. The New Economy segments of Logistics (+12.4%) and High-Specs Industrial (+19.6%) were pivotal in driving rental upside, showcasing the diversified strength of our portfolio and expertise of the team.

Portfolio Rejuvenation through Divestments, Redevelopments and AEIs

We continue our portfolio ***Rejuvenation*** strategy which centres around: (i) divestments of non-core assets; (ii) redevelopment of older specification assets into modern and future-ready properties; and (iii) AEIs to repurpose and rejuvenate dated assets to suit the demands of the New Economy.

Divestments of Non-Core Assets

In FY2023, in alignment with the strategy, ESR-LOGOS REIT successfully divested 10 non-core assets in Singapore and Australia aggregating S$440.6 million. The divested properties are characterised by (i) short underlying land leases; (ii) small sizes; (iii) limited AEI or redevelopment potential; and/or (iv) dated property specifications. They comprise:

In Singapore
- 49 Pandan Road
- 3 Pioneer Sector 3
- 4 & 6 Clementi Loop
- 6 Chin Bee Avenue
- 21 Changi North Way
- 30 Toh Guan Road
- 22 Chin Bee Drive
- 2 Tuas South Avenue 2
- 70 Seletar Aerospace View

In Australia
- 51 Musgrave Road

Recognising early the accelerated decline in the valuation of assets with short land leases, limited AEI or redevelopment potential, anticipated increase in capitalisation and discount rates, as well as more expensive funding costs which may negatively impact sale prices, this early move aligns with our commitment to improving the quality of our portfolio and maximising Unitholder value.

As at 31 December 2023, New Economy assets of Logistics and High-Specs Industrial spaces accounted for nearly two-thirds or 62.2% of our total portfolio, aligning with the evolving needs of modern industrialists.

MESSAGE TO UNITHOLDERS

Asset Enhancement Initiatives and Redevelopments
In FY2023, we completed and attained Temporary Occupation Permit ("TOP") status for the AEI at 7002 Ang Mo Kio Avenue 5 in September 2023. The AEI involved the development of a multi-tenanted high-specifications building with a GFA of approximately 25,000 sqm suitable for advanced manufacturing, info-comm and data centre tenants, and provided a yield on cost of approximately 7.1%.

Within two months of achieving its TOP status, 7002 Ang Mo Kio Avenue 5 achieved occupancy of approximately 62%, which exemplifies how future-ready industrial spaces remain relevant to cater to the evolving needs of industrialists and validates our commitment to modernising our portfolio.

Post FY2023, we continued to maintain significant momentum in advancing our AEIs and Redevelopments, which are pivotal to our portfolio ***Rejuvenation*** strategy aimed at transforming assets into modern, sought-after, and scalable properties.

In 1Q2024, we announced the successful attainment of TOP for the Build-to-Suit redevelopment project at 21B Senoko Loop, tailored for NTS Singapore. This transformation has elevated the property from a dated General Industrial facility to a Green Mark Gold certified High-Specifications property, which is in line with our ESG strategy to achieve Green Mark certifications for 80% of Singapore buildings by 2030. This redevelopment was also done on budget and on time and provided a yield on cost of approximately 6.6%.

Simultaneously, the progress on our ongoing AEI at 16 Tai Seng Street is noteworthy, and currently stands at approximately 31% completion. This AEI is poised to contribute an additional 2,793 sqm of new GFA with an estimated yield on cost of approximately 6.0%. Notably, during 2Q2023, we successfully secured the lease renewal of an incumbent tenant in the pharmaceutical industry, achieving a positive rental reversion of approximately 40%. The AEI is on track for completion in 1Q2025, adding value and modernising the property to meet the evolving demands of the market.

Recapitalised Balance Sheet Well Poised to Tap on Future Opportunities
ESR-LOGOS REIT's proactive response to the evolving financial landscape was demonstrated with an equity fund raising exercise in FY2023. The swift and timely execution of the S$300 million equity fund raising exercise, executed just before investor sentiments and uncertainties battered the financial markets with the collapse and near implosion of several banks globally, ***Recapitalised*** our balance sheet and allowed ESR-LOGOS REIT to focus our resources on operations to continue ***Rejuvenating*** our portfolio.

Anticipating the impact of a rapidly rising interest rate environment, the proceeds from the equity fund raising and the S$440.6 million divestment proceeds not only strengthened ESR-LOGOS REIT's balance sheet but also served as a proactive measure for us to reduce gearing in light of potential capitalisation rate and discount rate increases which would adversely affect asset valuations. With the proceeds used to pare down debt, ESR-LOGOS REIT reported a lower gearing of 35.7% for FY2023.

We have maintained a healthy level of financial flexibility with debt headroom of approximately S$775.5 million to fund potential growth aspirations and continue our asset ***Rejuvenations***. ESR-LOGOS REIT also has access to approximately S$280.9 million of committed undrawn revolving credit facilities at attractive margins available for working capital, AEIs or for refinancing expiring debt. Furthermore, in early FY2024, ESR-LOGOS REIT obtained commitment from a panel of lending banks for its first sustainability-linked loan facility, which will be used to refinance all FY2024 expiring debt, thus ensuring no refinancing risks for the rest of FY2024. With 81.6% of interest rate exposure fixed with 1.3 years of hedge tenor and a well spread out debt expiry profile, ESR-LOGOS REIT is expected to be able to withstand the "higher-for-longer" interest rate environment and is well positioned to enjoy lower funding costs when interest rates pivot downwards.

Recycling Capital Towards Quality Modern New Economy Assets with Longer Land Leases via Reinforcing Sponsor Support for Quality Growth and Expansion
Entering 2024 with a stronger balance sheet and lower gearing amidst stabilising interest rates and rate cut expectations, ESR-LOGOS REIT's focus will be on ***Recycling*** our capital towards quality, modern New Economy assets.

Apart from undertaking AEIs and redevelopments of our assets, we will continue to seek out opportunities to ***Rejuvenate*** our portfolio by tapping onto our Sponsor, ESR Group's network, footprint, and local expertise with a focus on New Economy assets that have longer land leases, with specifications that are modern and future-ready for industrialists. ESR Group's fee-related AUM of over US$81 billion across APAC provides ESR-LOGOS REIT with a significant competitive advantage via a visible executable pipeline.

ESR Group's support for ESR-LOGOS REIT to grow into its flagship New Economy REIT was exemplified by our acquisition of ESR Sakura Distribution Centre in Japan in FY2022, as well as the full backstop of the S$150 million Preferential Offering that was part of the S$300 million equity fund raising exercise, providing ESR-LOGOS REIT with the financial backing to execute its growth plans.

In early FY2024, we also announced the strategic investment of US$70 million in the ESR Japan Income Fund ("JIF"). This opportunity was made possible as ESR-LOGOS REIT is a part of the ESR Group, demonstrating the support from our Sponsor and providing us unique access to our Sponsor's pipeline of assets which would not be available to other third-party listed REITs. With five freehold assets currently in its portfolio, the +1.8% DPU accretive investment into JIF will pivot ESR-LOGOS REIT's portfolio towards freehold New Economy and future-ready assets in Japan, which aligns with our portfolio ***Rejuvenation*** strategy to enhance our portfolio and bring long-term growth to Unitholders.

Our ESG Commitments

Over the past two years, ESR-LOGOS REIT has undergone significant transformation and expansion into other geographies. Building on this portfolio change, we have deepened the foundation to our sustainability ambitions through baselining our environmental targets and assessing climate risk and opportunities against the TCFD framework. To further integrate sustainability considerations into the REIT's strategy and enhance Board oversight, the Manager established its inaugural Board Sustainability Committee, to provide strategic oversight of ESG policies and implementation. This Board Sustainability Committee will be chaired by Mr. Trent Iliffe, a Non-Executive Director of the Board, and includes Mr. George Agethen, a Non-Executive Director of the Board. We also plan to enhance the diversity of views within the Board Sustainability Committee by including an independent third-party member who is neither from the Board nor affiliated with ESR Group. This addition aims to bring in fresh insights and advice on ESG best practices.

In line with our environmental commitments, we conducted a strategic review of our Singapore portfolio and developed a comprehensive Decarbonisation roadmap with Savills (Singapore) Pte Ltd that encompasses concrete implementation steps and focused yearly targets for the various business units. We will be leveraging on implementing infrastructure for electric vehicles, sustainable supply chain management, green leases and green fit-out plans, solar panel installations, and more streamlined ESG data management to achieve operational efficiencies and cost reductions for the REIT. To further support our ESG commitments, we will also be looking to develop a green financing framework to leverage on green financing instruments in our capital management strategies.

On the social front, ESR-LOGOS REIT remains dedicated to making thoughtful contributions to the communities we serve and contribute to a healthier planet. To encourage making lasting impact collectively as a company, we set a staff volunteerism target of 500 hours for FY2023 and have exceeded our target with 528.5 hours of staff volunteerism.

We continue to uphold high corporate governance and transparency standards to safeguard stakeholders. The REIT ensures compliance with local laws and regulations in our markets and adopts a zero-tolerance approach towards corruption and bribery. The REIT conducts regular bite-sized compliance training for all employees, and we are pleased to share that there were zero lapses in corporate governance in FY2023. We remain committed to providing enhanced disclosures to our investors on our ESG efforts through our Sustainability Report and GRESB assessment.

More details on the REIT's ESG journey can be found in our Sustainability Report on page 161 to 219.

Outlook

Despite entering FY2024 with a stronger balance sheet, we will remain vigilant in monitoring the emerging trends in the global economic and business landscape, given the ongoing volatility, global uncertainties and the lingering impact of the high inflation and interest rate environment.

Globally, persistently high inflation continues to put pressure on property expenses, particularly maintenance and utilities expenses. While approximately 90% of our utilities expenses are being structured on a pass-through basis, which insulates ESR-LOGOS REIT from rises in utilities costs, inflation continues to pose a risk especially to maintenance costs.

While interest rates have stabilised, the timing and magnitude of rate cuts will be crucial to the overall profitability of ESR-LOGOS REIT. With 81.6% of our interest costs on a fixed rate basis with a hedge tenor of 1.3 years and having already obtained commitment from a panel of lending banks to refinance all debt that is expiring in FY2024, we believe that ESR-LOGOS REIT has sufficient cushion for "higher-for-longer" interest rate levels in the near term, while still being well-positioned to benefit from interest rate cuts.

MESSAGE TO UNITHOLDERS

As global economies await signs of easing inflation and anticipate the initiation of the first interest rate cut by central banks, the early execution of the ***Recapitalisation*** and ***Rejuvenation*** aspects of our "***4R Strategy***" in FY2023 has allowed ESR-LOGOS REIT to maintain a robust balance sheet that lays the foundation for future prospects. Additionally, ongoing geopolitical tensions causing disruption to supply chains and trading lines are expected to persist, supporting continued market demand for logistics and high-specs industrial space. Combined with the gradual recovery in the manufacturing and electronics sector, these factors create favorable conditions for ESR-LOGOS REIT with nearly two thirds of our portfolio exposed to the New Economy sectors. Consequently, ESR-LOGOS REIT is now strategically positioned to seize and tap on growth opportunities as they materialise and we look forward to bolstering our asset quality to enhance and grow our earnings quality with our commitment to our "***4R Strategy***".

A Word of Appreciation

In FY2023, we announced that the following Directors had stepped down from our Board of Directors:

- Stepping down of Dr. Leong Horn Kee as Independent Non-Executive Director, effective 15 May 2023;
- Stepping down of Mr. Wilson Ang as Non-Executive Director, effective 15 May 2023;
- Stepping down of Mr. Jeffrey Perlman as Non-Executive Director, effective 30 August 2023; and
- Stepping down of Mr. Philip Pearce as Alternative Director to Mr. Jeffrey Perlman, effective 30 August 2023

On behalf of the Board, we would like to express our gratitude for their service. Their contributions have set the foundation for the continued success of ESR-LOGOS REIT.

While we celebrate the contributions that these members brought, we are pleased to also welcome the new members of the Board in FY2023:

- Appointment of Mr. Loi Pok Yen as Independent Non-Executive Director, effective 15 May 2023;
- Appointment of Mr. George Agethen as Non-Executive Director, effective 15 May 2023;
- Appointment of Mr. Stuart Gibson as Non-Executive Director, effective 30 August 2023; and
- Appointment of Mr. Shen Jinchu, Jeffrey, as Non-Executive Director, effective 8 November 2023

Mr. Loi was most recently the Group CEO of CWT Pte. Limited ("CWT"), an integrated logistics service provider that provides integrated logistics services and supply chain solutions to various industries through the CWT group of companies, before he retired from his position on 31 March 2023.

Mr. Agethen is currently the Co-Head of Asia-Pacific of Ivanhoé Cambridge, a real estate subsidiary of CDPQ that develops and invests in high-quality real estate properties, projects and companies that are shaping the urban fabric in dynamic cities around the world.

Mr. Gibson is currently the Executive Director, Group Co-Founder & Co-CEO of ESR Group Limited, the Sponsor of ESR-LOGOS REIT. Mr. Gibson has been the Co-CEO of ESR Group since January 2016 and he was also the Co-Founder and CEO of the Redwood group from July 2006 until 2016. Mr. Gibson is responsible for overseeing ESR's overall operations and business development. Mr. Gibson has over 27 years of real estate development and investment experience in Asia, which includes 15 years in the Japanese industrial real estate sector.

Mr. Shen is currently the Executive Director, Group Co-Founder and Co-CEO of ESR Group, ESR-LOGOS REIT's sponsor, and is responsible for overseeing ESR Group's overall operations and business development, leading regional growth strategies, and expanding ESR Group's asset and fund management platforms. Mr. Shen has over 23 years of industrial real estate experience in logistics development and investments in China.

As we embark on this new chapter, we look forward to the diverse perspectives and collective expertise that these new members bring to ESR-LOGOS REIT. Together, we aim to build on our past successes and foster innovation for a promising future.

On behalf of the Board and Management team, we express our sincere gratitude to our valued Unitholders, Sponsor, tenants and partners for their trust and consistent support. Additionally, we extend our thanks to our dedicated employees whose resilience and tenacity have been instrumental in effectively implementing our strategic initiatives to provide long-term value to our Unitholders.

Sincerely yours,

STEFANIE YUEN THIO
Independent Non-Executive Chairperson

ADRIAN CHUI
Chief Executive Officer and Executive Director

YEAR IN BRIEF

January

- Announced results for the financial year ended 31 December 2022: Distribution per Unit ("DPU") grew 0.4% to 3.000 cents

February

- Launched a S$300 million equity fund raising exercise comprising:
  - S$150 million private placement to institutional investors which was approximately three times subscribed; and
  - S$150 million preferential offering to existing Unitholders, which was 100% subscribed and backstopped by Sponsor, ESR Group
- Redemption and cancellation of the outstanding S$100 million 5.50% subordinated perpetual securities issued under the S$1 billion multicurrency debt issuance programme of ALOG Trust
- Termination of the S$1 billion multicurrency debt issuance programme established by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG Trust)
- Completed divestment of 49 Pandan Road in Singapore at 15.1% premium to valuation
- Participated in SIAS-ESR-LOGOS REIT Corporate Connect Webinar

March

- Held first physical Extraordinary General Meeting after lifting of COVID-19 restrictions on 28 March 2023 and received 98.9% approval from Unitholders in relation to the proposed preferential offering, as part of ESR-LOGOS REIT's S$300 million equity fund raising exercise announced in February 2023

April

- Co-organised with SIAS a Pre-AGM Unitholder dialogue as part of ESR-LOGOS REIT's regular retail investor engagement initiative
- Announced that CEVA Logistics renewed lease at 15 Greenwich Drive at 20.0% positive rental reversion
- 14th Annual General Meeting held on 26 April 2023 and all resolutions were approved by Unitholders
- Announced interim business update for the financial quarter ended 31 March 2023

May

- Announced the following changes to the Board of Directors with effect from 15 May 2023:
  - Appointment of Mr. Loi Pok Yen as Independent Non-Executive Director
  - Appointment of Mr. George Agethen as Non-Executive Director
  - Stepping down of Dr. Leong Horn Kee as Independent Non-Executive Director
  - Stepping down of Mr. Wilson Ang as Non-Executive Director
- Held Agent Award Event to celebrate and honour the best performing agents for FY2022
- Participated in the annual REITs Symposium 2023 jointly organised by ShareInvestor, InvestingNote and REITAS
- Participated as a panellist in DBS-REITAS Private Banking Luncheon panel discussion titled — *Capturing Opportunities in a New World Order*
- Featured in SGX Kopi-C: the Company brew column titled — *kopi-C with ESR-LOGOS REIT's CEO: "Logistics assets are not an alternative asset class"*

June

- Announced divestment of 22 Chin Bee Drive in Singapore and 51 Musgrave Road in Australia at 6.2% and 2.4% premium to valuation respectively
- Announced divestment of seven non-core assets aggregating S$337.0 million — a significant milestone in capital ***Recycling*** and portfolio ***Rejuvenation*** strategy
- Participated in ESR Group Sponsor & REITs Day investor conference

July

- Announced results for the financial period from 1 January 2023 to 30 June 2023: DPU dipped 5.6% y-o-y to 1.378 cents mainly due to enlarged unit base from equity fund raising exercise
- Completed divestment of 51 Musgrave Road in Australia at 2.4% premium to valuation

August

- Completed divestment of 3 Pioneer Sector 3, 21 Changi North Way and 30 Toh Guan Road in Singapore
- Sponsored and participated as panellist at the REITs Investment Forum 2023 organised by The Edge Singapore
- Announced the following changes to the Board of Directors with effect from 30 August 2023:
    - Announced the appointment of Mr. Stuart Gibson as Non-Executive Director
    - Announced the stepping down of Mr. Jeffrey Perlman as Non-Executive Director
    - Announced the stepping down of Mr. Philip Pearce as Alternative Director to Mr. Jeffrey Perlman

September

- Completed divestment of 22 Chin Bee Drive in Singapore at 6.2% premium to valuation
- Participated in Beach Cleanup Initiative at East Coast Park, organised by East Coast GRC, together with Deputy Prime Minister Mr. Heng Swee Keat, Senior Minister of State Mr. Tan Kiat How, and Deputy Speaker of Parliament Ms. Jessica Tan

October

- Announced divestment of 2 Tuas South Avenue 2 in Singapore at 35.2% premium to valuation
- Announced 7002 Ang Mo Kio Avenue 5, Singapore AEI attained TOP and achieved 50% occupancy
- Completed divestment of 4 & 6 Clementi Loop and 6 Chin Bee Avenue in Singapore
- Announced interim business update for the financial quarter ended 30 September 2023
- Announced ESR Sakura Distribution Centre, Japan achieved 100% occupancy and newly completed 7002 Ang Mo Kio Avenue 5, Singapore increased occupancy to 62%
- Participated in Children's Day Party organised by Greenville Residents' Committee, and sponsored 10 refurbished laptops for underprivileged children in the Ubi estate
- Awarded APAC Business Awards 2023 — Best Real Estate Investment Practice 2023 — Singapore

November

- Completed divestment of 70 Seletar Aerospace View and 2 Tuas South Avenue 2 in Singapore at 4.8% and 35.2% premium to valuation, respectively
- Announced the following changes to the Board of Directors and changes to composition of board sub-committees with effect from 8 November 2023:
    - Announced the appointment of Mr. Shen Jinchu, Jeffrey as Non-Executive Director
    - Formation of Investment Committee led by committee chairperson Mr. Loi Pok Yen, and members Mr. Ronald Lim; Dr. Julie Lo Lai Wan; Mr. Shen Jinchu, Jeffrey; Mr. Stuart Gibson; and Mr. Trent Iliffe
- Participated as a panellist at the 2023 Business and Philanthropy Forum by invitation extended by SIAS President, Mr. David Gerald
- Participated in the Marine Parade Cluster Ecofest, an event organised by the People's Association and Kampung Kembangan Community Club to create awareness on sustainability initiatives. Management planted trees and engaged with students from various primary schools alongside ministers Mr. Edwin Tong and Dr. Tan See Leng, as well as Members of Parliament Ms. Tin Pei Ling; Mr. Fahmi Aliman and Mr. Lim Biow Chuan
- Shortlisted Top 5 Finalist for IR Magazine Awards — South East Asia — Best Annual Report (Mid-Cap)

December

- Awarded The Asset ESG Corporate Awards — Gold Award

FY2023 KEY HIGHLIGHTS

RESILIENT PORTFOLIO PERFORMANCE AMIDST MACROECONOMIC UNCERTAINTIES

Amount available for distribution to Unitholders

+8.8%
to
S$192.7 million

Distribution per Unit
of
2.564 cents
for FY2023

Rental Reversion

+11.1%
2nd consecutive year of positive double-digit rental reversions

High rental collection

c.99%
of total receivables

Occupancy

92.8%
consistently above market average

REJUVENATION OF PORTFOLIO

Completed Asset Enhancement Initiative
7002 Ang Mo Kio Avenue 5
Achieved 62% occupancy within two months of TOP

Completed Built-to-Suit Redevelopment (1Q2024)
21B Senoko Loop
15-year lease secured with NTS Singapore with built-in annual rental escalations

Ongoing Asset Enhancement Initiative
16 Tai Seng Street

RECYCLING CAPITAL TO UNLOCK VALUE

Completed divestment of 10 non-core assets totalling

S$440.6 million

Singapore
- 49 Pandan Road
- 3 Pioneer Sector 3
- 4 & 6 Clementi Loop
- 6 Chin Bee Avenue
- 21 Changi North Way
- 30 Toh Guan Road
- 22 Chin Bee Drive
- 2 Tuas South Avenue 2
- 70 Seletar Aerospace View

Australia
- 51 Musgrave Road

Identified up to

S$200–300 million
of non-core assets to be divested over next 12 months

RECAPITALISE BALANCE SHEET FOR FUTURE GROWTH CATALYSTS

Gearing

35.7%

High fixed rate hedge of

81.6% for 1.3 years

Cost of debt

3.91%
per annum

S$280.9 million
of committed undrawn RCF available for refinancing

Portfolio 95.8% unencumbered

Well supported by

9 lending banks

Debt headroom of

S$775.5 million

CONTINUED ESG COMMITMENTS

Environmental
- Decarbonisation Roadmap to be implemented in FY2024 with clear steps, targets, and timeline to ensure a climate resilient portfolio covering EV implementation, supply chain management, green lease and green fit-out plans and automate ESG data collection

Solar Harvesting Programme:
- Target set to achieve 50% increase in solar power generation by 2025 (from base year 2019)
- Generated 10,978,749 kWh in FY2023
- 5 properties installed with solar panels

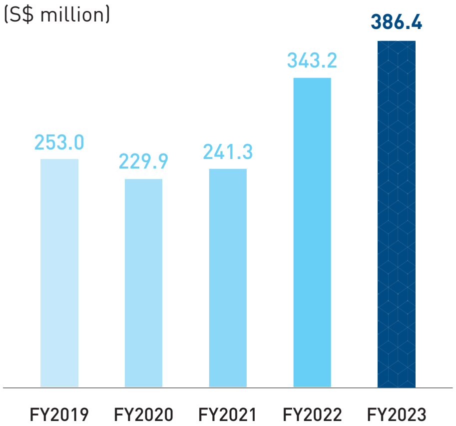
Green Building Certifications
- Green Mark: 7 properties
- LEED: 2 properties
- CASBEE: 1 property

Social
- Participated in Beach Cleanup Initiative at East Coast Park, organised by East Coast GRC, together with Deputy Prime Minister Mr. Heng Swee Keat, Senior Minister of State Mr. Tan Kiat How, and Deputy Speaker of Parliament Ms. Jessica Tan
- Participated in the Marine Parade Cluster Ecofest, an event organised by the People's Association and Kampung Kembangan Community Club to create awareness on sustainability initiatives. Management planted trees and engaged with students from various primary schools alongside ministers Mr. Edwin Tong and Dr. Tan See Leng, as well as Members of Parliament Ms. Tin Pei Ling, Mr. Fahmi Aliman and Mr. Lim Biow Chuan
- Achieved 528.5 hours of staff volunteerism hours in FY2023 — continued bi-weekly lunchtime vegetable distribution initiative
- Achieved 80.5% employee satisfaction rate
- Enhanced Tenant Engagement with a Responder Plus Programme for tenants in conjunction with SCDF in November 2023 to raise awareness on First-Aid and Emergency Preparedness

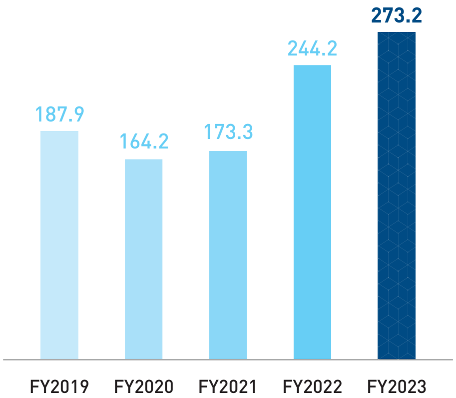
Governance
- Inauguration of Board Sustainability Committee to provide strategic oversight on ESG policies and implementation
- Achieved GRESB score of 2 Star (66 points)
- Zero material incidents of non-compliance with socio-economic or environmental laws

FIVE-YEAR FINANCIAL HIGHLIGHTS

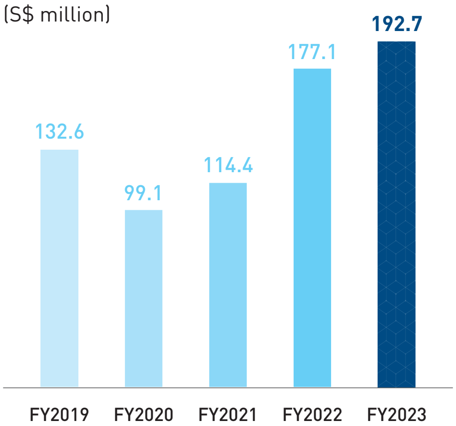
Gross Revenue
(S$ million)



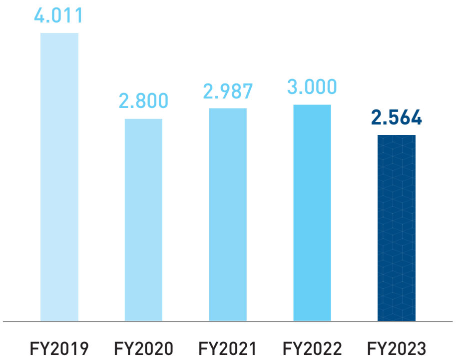
Net Property Income
(S$ million)



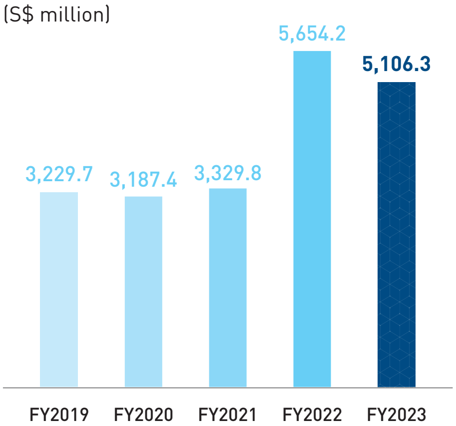
Amount Available for Distribution to Unitholders
(S$ million)



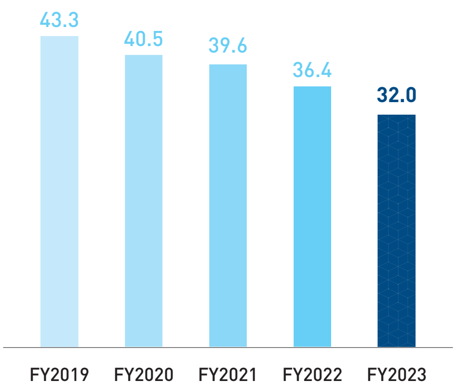
DPU
(cents)



Total Assets
(S$ million)



Net Asset Value per Unit
(cents)



	FY2019	FY2020	FY2021	FY2022	FY2023
For the Financial Year					
Gross Revenue (S$ million)	253.0	229.9	241.3	343.2	**386.4**
Net Property Income (S$ million)	187.9	164.2	173.3	244.2	**273.2**
Total Assets (S$ million)	3,229.7	3,187.4	3,329.8	5,654.2	**5,106.3**
Amount Available for Distribution to Unitholders (S$ million)	132.6	99.1	114.4	177.1	**192.7**
DPU (cents)	4.011	2.800	2.987	3.000	**2.564**
Net Assets Value per Unit (cents)	43.3	40.5	39.6	36.4	**32.0**
Financial Position					
Total Assets (S$ million)	3,229.7	3,187.4	3,329.8	5,654.2	**5,106.3**
Total Net Borrowings (S$ million)	1,191.1	1,178.6	1,190.9	2,076.1	**1,555.9**
Unitholders' Funds (S$ million)	1,508.6	1,447.0	1,598.0	2,444.7	**2,463.2**
Key Financial Ratios					
Debt to Total Assets (%)	41.4	41.5	40.0	41.8	**35.7**
Weighted Average All-in Cost of Debt (p.a.) (%)	3.9	3.5	3.3	3.7	**3.9**
Interest Coverage Ratio (times)[1]	2.8	2.6	3.0	2.8	**2.5**
Capital Management					
Total Loan Facilities Available (S$ million)	1,290.0	1,305.0	1,462.4	2,413.4	**1,847.1**
Gross Borrowings (S$ million)	1,200.0	1,186.0	1,199.5	2,093.0	**1,566.2**
Perpetual Securities Issued (S$ million)	150.0	150.0	150.0	400.0	**300.0**
Units in Issue (million)	3,487.3	3,576.4	4,030.3	6,719.2	**7,689.2**
Market Capitalisation (S$ million)[2]	1,848.3	1,412.7	1,934.5	2,486.1	**2,460.5**
Trading Statistics for Financial Year					
Opening Price (S$)	0.505	0.535	0.405	0.480	**0.370**
Highest Price (S$)	0.565	0.560	0.510	0.485	**0.385**
Lowest Price (S$)	0.500	0.240	0.375	0.320	**0.250**
Closing Price (S$)	0.530	0.395	0.480	0.370	**0.320**
Volume Weighted Average Price (S$)	0.530	0.372	0.446	0.397	**0.318**
Total Volume Traded (million Units)	1,520.1	3,588.4	2,461.1	2,543.8	**2,696.1**
Average Volume per Day (million Units)	6.1	14.4	9.8	10.2	**10.9**
Total Return (%)[3]	12.06	-19.81	30.00	-16.85	**-6.49**

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

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

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

UNIT PRICE PERFORMANCE

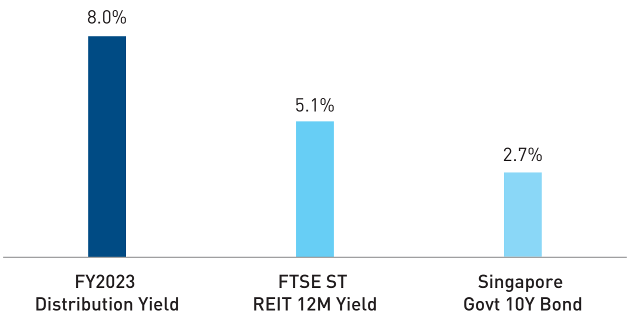
TRADING PERFORMANCE IN FY2023

In FY2023, global economies encountered numerous challenges, including rising inflation, persistent effects of the COVID-19 pandemic, and ongoing geopolitical tensions worldwide. Central banks aiming to control inflation responded by tightening monetary policies, resulting in a rampant increase in interest rates with significant implications for the Singapore REIT industry. According to the Ministry of Trade and Industry, the Singapore economy expanded by 1.1% in 2023 and is forecasted to grow at 1.0–3.0% in 2024[1].

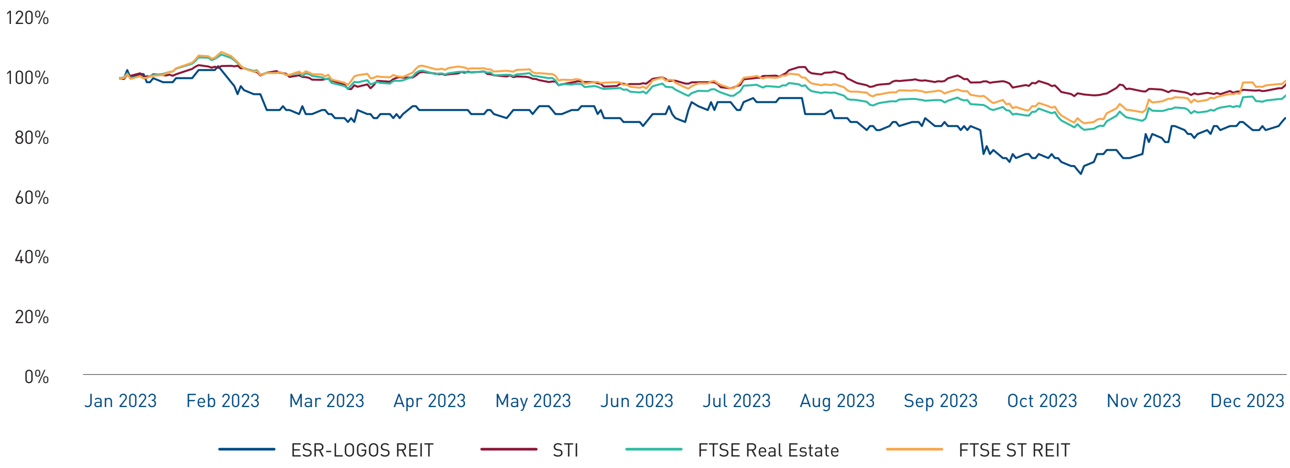
ESR-LOGOS REIT's closing unit price was S$0.320 as at 31 December 2023, with one year volume weighted average price of S$0.318 as at 31 December 2023. ESR-LOGOS REIT's market capitalisation was approximately S$2.4 billion as at 31 December 2023, this was relatively stable as compared with the S$2.5 billion as at 31 December 2022. Additionally, average daily traded volume for FY2023 increased slightly to 10.9 million from 10.2 million in FY2022.

Distribution per Unit ("DPU") for FY2023 was 2.564 cents, translating to a distribution yield of approximately 8.0% based on the closing unit price of S$0.320 as at 31 December 2023.

Attractive Yield (%)
(As at 31 December 2023)



Comparative Trading Performance FY2023

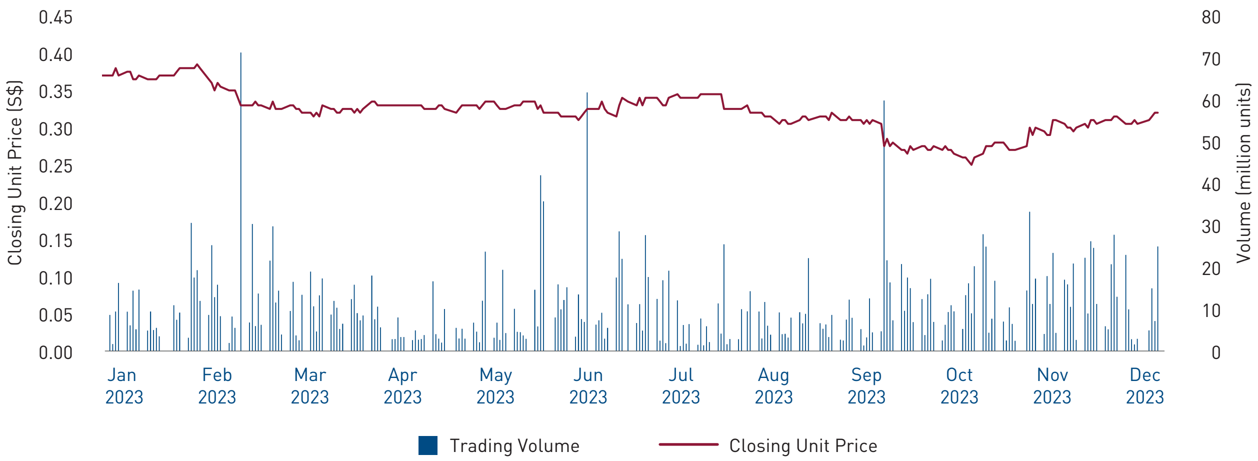


Trading Data Across Five Years

	2023	2022	2021	2020	2019
Opening (S$)	**0.370**	0.485	0.405	0.535	0.505
Closing (S$)	**0.320**	0.370	0.480	0.395	0.530
Highest (S$)	**0.385**	0.485	0.510	0.560	0.565
Lowest (S$)	**0.250**	0.320	0.375	0.240	0.500
Volume Weighted Average Price (S$)	**0.318**	0.397	0.446	0.372	0.530
Total Trading Volume (million units)	**2,696.1**	2,543.8	2,461.1	3,588.4	1,520.1
Average Daily Trading Volume (million units)	**10.9**	10.2	9.8	14.5	6.1

1 Ministry of Trade and Industry Singapore. 15 February 2024, MTI Maintains 2024 GDP Growth Forecast at '1.0 to 3.0 Per Cent", https://www.mti.gov.sg/Newsroom/Press-Releases/2024/02/MTI-Maintains-2024-GDPGrowth-Forecast-at-1_0-to-3_0-Per-Cent

Monthly Trading Performance in FY2023



5-Year Trading Performance

Constituent of Key Indices (weightage in descending order)

- iEdge S-REIT Index
- iEdge S-REIT Index (Net Total Return)
- iEdge S-REIT Leaders SGD Index (Price Return)
- iEdge S-REIT Leaders USD Index (Price Return)
- Solactive Logistics REIT Index GTR
- Solactive Logistics REIT Index PR
- Solactive Global SuperDividend Index
- Solactive Global SuperDividend v2 Index
- Bloomberg Asia Real Estate Investment Trust Index
- Bloomberg Singapore Large, Mid & Small Cap Price Return Index USD
- iEdge SG ESG Transparency Index
- WisdomTree Global ex-US Real Estate Index
- EPRA NAREIT Asia Total Return Index USD
- Solactive ISS ESG Asia ex Japan Small Cap Index NTR
- iEdge SG ESG Transparency Index (Total Return)
- FTSE ASEAN All-Share Index
- Morningstar Developed Markets REIT Select 150 Hedged NR AUD
- Bloomberg Dev Mkts L/M/S Cap REIT ex Timber & Infrastructure Price Ret Index USD
- Solactive GBS Developed Markets Real Estate CAD Index CA NTR
- FTSE EPRA Nareit Global REITs TR Index
- FTSE EPRA Nareit Developed 100% Hedged to USD Total Return Index
- FTSE EPRA Nareit Developed Rental Index UnHedged in AUD Net
- Invesco FTSE RAFI DevMrkts ex-U.S. S-M ETF INAV Index
- Morningstar Global Markets REIT GR GBP
- Bloomberg World ex US Small Cap Value Price Total Return Index USD

BOARD OF DIRECTORS

MS. STEFANIE YUEN THIO
Independent Non-Executive Chairperson

MR. RONALD LIM
Independent Non-Executive Director

MR. NAGARAJ SIVARAM
Independent Non-Executive Director

DR. JULIE LO LAI WAN
Independent Non-Executive Director

MR. LOI POK YEN
Independent Non-Executive Director

MR. GEORGE AGETHEN
Non-Executive Director

MR. TRENT ILIFFE
Non-Executive Director

MR. STUART GIBSON
Non-Executive Director

MR. SHEN JINCHU, JEFFREY
Non-Executive Director

MR. ADRIAN CHUI
Chief Executive Officer and
Executive Director

Ms. Stefanie Yuen Thio, 54

Independent Non-Executive Chairperson

Date of first appointment as a Director: **29 March 2019**
Date of appointment as Chairperson: **1 July 2021**
Length of service as a Director (as at 29 February 2024):
4 years 11 months

Board Committees Served On:

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

Description:

Ms. Stefanie Yuen Thio is the Joint Managing Partner of TSMP Law Corporation and heads its corporate practice. Admitted to the Singapore Bar in 1994, she has over 30 years of legal experience in mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients range from listed corporates to international companies, including in the logistics industry and REITs. She is regularly named by legal journals as a leading practitioner in her areas of specialisation.

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

Academic & Professional Qualifications:

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

Present Directorships/Chairmanships in Listed Companies[1]:

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

Present Principal Commitments[2]:

- TSMP Law Corporation

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:

- Singapore Medical Group Limited

Mr. Ronald Lim, 77

Independent Non-Executive Director

Date of first appointment as a Director: **8 January 2019**
Length of service as a Director (as at 29 February 2024):
5 years 1 month

Board Committees Served On:

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

Description:

Mr. Ronald Lim has more than 36 years of experience in the banking and finance industry. Mr. Lim was with United Overseas Bank Ltd (UOB) from March 1973 to November 2009 where he last held the appointment of Executive Director and Division Head of Commercial Banking in which the Bank is a leader in the SMEs market. Prior to the above and during his tenure with UOB, Mr. Lim had also held leadership appointments as Head of Human Resource and Head of Branches Division where he was involved in the management and development of human capital, its delivery channels and banking services. From November 2009 to October 2011, Mr. Lim was an Adviser to RGE Pte Ltd, a resource-based manufacturing group in the paper and pulp, palm oil and the oil and gas industries.

Academic & Professional Qualifications:

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

Present Directorships/Chairmanships in Listed Companies[1]:

- Nil

Present Principal Commitments[2]:

- The HEAD Foundation Limited

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:

- Hiap Hoe Limited

1 Present (as at 31 December 2023) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2021 to 31 December 2023).
2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

BOARD OF DIRECTORS

Mr. Nagaraj Sivaram, 64

Independent Non-Executive Director

Date of first appointment as a Director : **3 June 2022**
Length of service as a Director (as at 29 February 2024):
1 year 8 months

Board Committees Served On:
- Audit, Risk Management and Compliance Committee (Chairman)

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

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

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

Present Directorships/Chairmanships in Listed Companies[1]:
- British and Malayan Holdings Limited
- Frasers Hospitality Asset Management Pte. Ltd. and Frasers Hospitality Trust Management Pte. Ltd., the managers of Frasers Hospitality Real Estate Investment Trust
- Thakral Corporation Ltd

Present Principal Commitments[2]:
- Nil

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- G. K. Goh Holdings Limited

Dr. Julie Lo Lai Wan, 62

Independent Non-Executive Director

Date of first appointment as a Director: **1 November 2022**
Length of service as a Director (as at 29 February 2024):
1 year 3 months

Board Committees Served On:
- Investment Committee (Member)

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

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

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

Present Directorships/Chairmanships in Listed Companies[1]:
- Nil

Present Principal Commitments[2]:
- National Healthcare Group — General Counsel
- The Singapore Scout Association

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- Nil

1 Present (as at 31 December 2023) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2021 to 31 December 2023).
2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

Mr. Loi Pok Yen, 54

Independent Non-Executive Director

Date of first appointment as a Director: **15 May 2023**
Length of service as a Director (as at 29 February 2024): **9 months**

Board Committees Served On:
- Investment Committee (Chairman)
- Audit, Risk Management and Compliance Committee (Member)

Description:
Mr. Loi Pok Yen was the Group CEO of CWT Limited ("CWT"), an SGX listed integrated logistics service provider that provides supply chain solutions to various industries, before he retired from his position on 31 March 2023. In 2017, CWT was acquired by the HNA Group for approximately S$1.4bn via a general offer and was subsequently delisted from the SGX and is now known as CWT Pte. Limited.

Prior to joining CWT, Mr. Loi was responsible for the warehouse and logistics businesses at C&P Holdings Pte Ltd. From 1995 to 1997, he helped oversee and build Myanmar International Terminals Thilawa (MITT), Myanmar's largest port. Mr. Loi has been instrumental in transforming the CWT Group into a global enterprise. In 2013, he was named EY Entrepreneur of the Year — Logistics Winner.

Academic & Professional Qualifications:
- Bachelor's degree in Business Administration (Hons), National University of Singapore

Present Directorships/Chairmanships in Listed Companies[1]:
- Nil

Present Principal Commitments[2]:
- C&P Holdings Pte Ltd (and subsidiaries)
- Penjuru Capital Pte Ltd (and subsidiaries)
- Cache Family Pte Ltd (a single family office)

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- Nil

Mr. George Agethen, 47

Non-Executive Director

Date of first appointment as a Director: **15 May 2023**
Length of service as a Director (as at 29 February 2024): **9 months**

Board Committees Served On:
Nil

Description:
Mr. Agethen is the Co-Head of Asia Pacific of Ivanhoé Cambridge, a real estate investor with over CAD77 billion of real estate assets globally and a real estate subsidiary of CDPQ, a global investment group. He is a member of the Executive Committee of Ivanhoé Cambridge and oversees the company's investment and asset management strategies in the APAC region. He has over 20 years of experience in real estate, portfolio management and investment banking and has held senior positions in leading organisations in Australia, Hong Kong, China and Singapore.

Academic & Professional Qualifications:
- Bachelor of Commerce, University of New South Wales
- Bachelor of Laws, University of New South Wales
- Master of Commerce, University of New South Wales
- Legal Practitioner of the Supreme Court of New South Wales

Present Directorships/Chairmanships in Listed Companies[1]:
- Nil

Present Principal Commitments[2]:
- Ivanhoé Cambridge Inc. (and various subsidiaries of this entity)

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- Nil

1 Present (as at 31 December 2023) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2021 to 31 December 2023).
2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

BOARD OF DIRECTORS

Mr. Trent Iliffe, 57

Non-Executive Director

Date of first appointment as a Director: **1 July 2022**
Length of service as a Director (as at 29 February 2024):
1 year 7 months

Board Committees Served On:

- Investment Committee (Member)

Description:
Mr. Iliffe is currently the Managing Director & Co-CEO of LOGOS Property Group Limited. He is one of the members in ESR Group Limited's Management Business Leadership Team and has a broad depth of experience in the Asia market and has extensive experience in Australia. He has an extensive property industry career spanning over 30 years including 14 years as a co-founder of LOGOS. Prior to joining LOGOS, as the Regional Director with LaSalle Investment Management, Mr. Iliffe was responsible for Industrial real estate investment in China where he negotiated Joint Ventures, Development Management, Asset Management and Sale and Purchase Agreements. He also established JLL's China Industrial Business leading 60 staff in seven offices around China. Mr. Iliffe's career includes a highly successful span as the National Transaction Leader at Colliers International.

Academic & Professional Qualifications:

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

Present Directorships/Chairmanships in Listed Companies[1]:

- Nil

Present Principal Commitments[2]:

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

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:

- Nil

Mr. Stuart Gibson, 60

Non-Executive Director

Date of first appointment as a Director: **30 August 2023**
Length of service as a Director (as at 29 February 2024):
5 months

Board Committees Served On:

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

Description:
Mr. Stuart Gibson is currently the Executive Director, Group Co-Founder and Co-CEO of ESR Group Limited ("ESR"), the Sponsor of ESR-LOGOS REIT. Mr. Gibson has been the Co-CEO of ESR since January 2016 and he was also the Co-Founder and CEO of the Redwood group from July 2006 until 2016. Mr. Gibson is responsible for overseeing ESR's overall operations and business development.

Mr. Gibson was also a Director of various subsidiaries of ESR. He has been an Independent Director of SYLA Technologies Co., Ltd. since July 2023.

Mr. Gibson has over 28 years of real estate development and investment experience in Asia, which includes 15 years in the Japanese industrial real estate sector. Mr. Gibson joined Prologis B.V. (formerly known as LogiStar B.V.) in 1998 as the development associate, and was subsequently seconded from Prologis B.V. to Prologis Japan as a Vice President from 2000, and was later promoted to the country head of Prologis Japan. He was the former Co-Founder and Co-CEO of AMB BlackPine from 2003 to 2006, which was subsequently incorporated into Prologis. He was also the Chairman of AMB Property Corporation Japan Advisory Committee from July 2006 to December 2007.

Academic & Professional Qualifications:

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

Present Directorships/Chairmanships in Listed Companies[1]:

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

Present Principal Commitments[2]:

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

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:

- Nil

1 Present (as at 31 December 2023) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2021 to 31 December 2023).

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

Mr. Shen Jinchu, Jeffrey, 51

Non-Executive Director

Date of first appointment as a Director: **8 November 2023**
Length of service as a Director (as at 29 February 2024):
3 months

Board Committees Served On:
- Nominating and Remuneration Committee (Member)
- Investment Committee (Member)

Description:
Mr. Shen is the Group Co-founder, and currently the Executive Director & Co-CEO of ESR Group Limited ("ESR"), the Sponsor of ESR-LOGOS REIT. Mr. Shen has been the Co-CEO of ESR since June 2011 and was also a Co-founder of e-Shang Cayman Limited. Mr. Shen is responsible for overseeing ESR's overall operations and business development, leading regional growth strategies, and expanding ESR's asset and fund management platforms.

Mr. Shen was also a Director of various subsidiaries of ESR. He was appointed as a Non-Executive Director of ARA Trust Management (Suntec) Limited (manager of Suntec Real Estate Investment Trust) since November 2023.

Mr. Shen has over 24 years of industrial real estate experience in China. Prior to co-founding ESR in June 2011, he held a variety of roles, including Senior Vice President, at GLP Investment Management (China) Co., Ltd. (formerly known as Prologis China) from January 2004 to September 2010, overseeing the Eastern China area. Mr. Shen was the Deputy Director of DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003. Previously, he was the assistant general manager of marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd from July 1995 to November 2000.

Academic & Professional Qualifications:
- Bachelor of Technical Economics, Shanghai Jiaotong University in China
- Master of Business Administration, Donghua University in China

Present Directorships/Chairmanships in Listed Companies[1]:
- ESR Group Limited
- ARA Trust Management (Suntec) Limited, manager of Suntec Real Estate Investment Trust

Present Principal Commitments[2]:
- ESR Group Limited (and various subsidiaries of this entity)

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- Nil

Mr. Adrian Chui, 48

Chief Executive Officer and Executive Director

Date of first appointment as a Director: **24 March 2017**
Length of service as a Director (as at 29 February 2024):
6 years 11 months

Board Committees Served On:
Nil

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

Academic & Professional Qualifications:
- Bachelor of Business, Nanyang Technological University, Singapore

Present Directorships/Chairmanships in Listed Companies[1]:
- Nil

Present Principal Commitments[2]:
- 7000 AMK LLP
- PTC Logistics Hub LLP

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years[1]:
- Nil

1 Present (as at 31 December 2023) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2021 to 31 December 2023).
2 The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not be normally be considered principal commitments.

MANAGEMENT TEAM

From left to right:

Mr. Carlvin Chia
Head of Asset Management

Ms. Irene Phua
Head of Human Resources and Corporate Services

Ms. Nancy Tan
Head of Investment

Ms. Karen Lee
Deputy Chief Executive Officer

Mr. Adrian Chui
Chief Executive Officer and Executive Director

Mr. Don Kok
Chief Financial Officer

Ms. Charlene-Jayne Chang
Head of Capital Markets and Investor Relations

Mr. Chan Wei Chie
General Manager

Mr. Adrian Chui

Chief Executive Officer ("CEO") and Executive Director

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

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

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

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

Ms. Karen Lee

Deputy Chief Executive Officer

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

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

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

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

MANAGEMENT TEAM

Mr. Don Kok

Chief Financial Officer ("CFO")

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

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

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

Ms. Charlene-Jayne Chang

Head of Capital Markets and Investor Relations

Ms. Chang joined the Manager in April 2017 as Head of Capital Markets and Investor Relations. She reports to the CEO and manages the capital markets, fundraising, treasury, investor relations and corporate communications functions of the Manager to execute the REIT's strategic initiatives. In her role, Ms. Chang is responsible for originating and executing strategic opportunities, mergers and acquisitions and drives fundraising for the REIT across equity and debt capital markets, loan markets, and alternative capital sources as well as treasury strategies. In addition, Ms. Chang is also responsible for investor, media and stakeholder engagement, corporate marketing and communications.

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

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

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

Mr. Carlvin Chia

Head of Asset Management

Mr. Chia joined the Manager in May 2022. He is responsible for developing and executing asset management strategies to drive income performance and returns of ESR-LOGOS REIT's portfolio. He has more than 20 years of experience in the real estate industry, covering portfolio and asset management, development, marketing, leasing, and property management.

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

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

Ms. Nancy Tan

Head of Investment

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

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

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

Ms. Irene Phua

Head of Human Resources and Corporate Services

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

Ms. Phua has more than 22 years of experience providing human capital insight to management, developing talent to enhance skills and productivity as well as cultivating leaders for business continuity. Prior to joining Manager, Ms. Phua was the Associate Director of a real estate consultancy firm and was responsible for formulating human resource strategies for the company.

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

Mr. Chan Wei Chie

General Manager

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

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

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

VALUE CREATION

ESR-LOGOS REIT strategically leverages its competitive advantage to cultivate a robust and well-balanced portfolio comprising high-quality assets that align with prevailing market trends and demands. ESR-LOGOS REIT is dedicated to delivering substantial value to its key stakeholders by continually enhancing and fortifying its portfolio. Beyond this commitment, ESR-LOGOS REIT actively seeks fresh opportunities to amplify its value creation initiatives, expanding and ***Rejuvenating*** its diversified portfolio. This commitment underscores ESR-LOGOS REIT's proactive approach in staying attuned to market dynamics and its pursuit of avenues that augment both resilience and value for its stakeholders.

OUR COMPETITIVE STRENGTHS

Resilient and Balanced Portfolio

A balanced portfolio with 72 quality income-producing industrial properties with total assets amounting to S$5.1 billion across four sub-asset classes in key industrial zones across Singapore, Australia and Japan, together with three investment funds. We have reduced diversification risks to our portfolio by sub-sector type, tenants and geography.

Diversified Tenant Network

An extensive tenant base of 365 tenants create a tenant network that reduces exposure to any one particular sector.

Prudent and Balanced Capital and Risk Management

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

Active Asset Management

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

Experienced and Professional Management Teams

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

Backed by Strong and Committed Sponsor

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

Continued Commitment Towards Sustainability

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

OUR LONG-TERM STRATEGY

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

Active Acquisition and Development Growth

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

Achieving Organic Growth

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

Exercising Prudent Capital Management

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

OUR ASSETS

Business Parks

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

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

Read more on pages 112 to 113

High-Specs Industrial

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

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

Read more on pages 114 to 115

Logistics

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

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

Read more on pages 116 to 117

General Industrial

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

Tenant Profile:
Companies that engage in general manufacturing activities.

Read more on pages 118 to 121

OUR ACHIEVEMENTS IN 2023

Operational Highlights

- Achieved positive rental reversion of 11.1% in FY2023, marking second consecutive year of double-digit rental reversion
- Achieved high occupancy of 92.8%, consistently above market average
- Completed asset enhancement initiative of 7002 Ang Mo Kio Avenue 5 and achieved 62% occupancy within two months of TOP
- Completed Built-to-Suit Redevelopment of 21B Senoko Loop in 1Q2024 and secured 15-year lease with NTS Singapore with built-in annual rental escalations
- Ongoing asset enhancement initiative at 16 Tai Seng Street
- Divestment of 10 non-core assets totalling S$440.6 million
    - 49 Pandan Road, Singapore
    - 3 Pioneer Sector 3, Singapore
    - 4 & 6 Clementi Loop, Singapore
    - 6 Chin Bee Avenue, Singapore
    - 21 Changi North Way, Singapore
    - 30 Toh Guan Road, Singapore
    - 22 Chin Bee Drive, Singapore
    - 2 Tuas South Avenue 2, Singapore
    - 70 Seletar Aerospace View, Singapore
    - 51 Musgrave Road, Australia
- Identified between S$200–300 million of non-core assets to be divested over next 12 months

Read more on pages 45 to 53

Financial Highlights

- Gross Revenue increased 12.6% year-on-year to S$386.4 million
- Net Property Income increased 11.8% year-on-year to S$273.2 million
- Amount available for distribution to Unitholders increased 8.8% to S$192.7 million
- Distribution per Unit of 2.564 Singapore cents for FY2023

Read more on pages 54 to 57

Capital Management

- Launched a S$300 million equity fund raising exercise comprising:
    - S$150 million private placement to institutional investors which was approximately three times subscribed; and
    - S$150 million preferential offering to existing Unitholders, which was 100% subscribed and backstopped by the Sponsor, ESR Group
- Redemption and cancellation of the outstanding S$100 million 5.50% subordinated perpetual securities issued under the S$1 billion multicurrency debt issuance programme of ALOG Trust
- Termination of the S$1 billion multicurrency debt issuance programme established by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG Trust)
- Achieved lean gearing of 35.7% amidst rising interest rate environment
- High fixed rate hedge of 81.6% for 1.3 years
- Substantial debt headroom of S$775.5 million available

Read more on pages 58 to 59

Investor Engagement

- Awarded APAC Business Awards 2023 — Best Estate Investment Practice 2023 — Singapore
- Shortlisted Top 5 Finalist for IR Magazine Awards — South East Asia — Best Annual Report (Mid-Cap)
- Awarded The Asset ESG Corporate Awards — Gold Award
- Actively engaged with Securities Investors Association (Singapore) to co-organise multiple webinars and dialogues to engage with Unitholders

Read more on pages 40 to 44

ESG

- Developed Decarbonisation Roadmap
- Total of 10 properties with green certifications in portfolio
- Achieved 525.5 hours of staff volunteerism hours
- Achieved GRESB score of 2 Star (66 points)

Read more on pages 161 to 219

OUR PRIORITIES FOR 2024

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

FY2023 KEY TRENDS UNDERPINNING OUR STRATEGY

EVOLVING NEEDS OF INDUSTRIALISTS AND END-USERS

The pandemic and increasing global geopolitical tension has amplified disruptions to companies with lean supply chains. With the closure of certain trade routes, such as The Suez and Panama Canals and Red Sea, supply chain disruptions have been created and that has affected the operations of many industrialists. This has forced business models to evolve into a "Just in Case" model to buffer against supply chain disruptions and diversify into alternative sources of supply chain, thereby holding a higher level of inventory. There has since been an increase in demand for space to hold this higher level of inventory, and this phenomenon is be continued over the next two years due to the tight supply of quality warehouses.

Strategies / Opportunities for Growth

ESR-LOGOS REIT has been working on recalibration efforts to shift its focus on the new economy sectors of logistics and high-specs, riding on the growing demand for logistics and cold storage space arising from the evolving needs of end-users.

We will continue to pursue asset enhancement initiatives to upgrade our assets to meet the evolving demands of industrialists.

MANAGING ECONOMIC UNCERTAINTIES

Global markets will continue to be challenged by persistently high interest rates, fluctuating energy prices, natural disasters, geopolitical conflicts, and international trade disputes. The knock-on effects of these macro challenges will affect global economic growth, economic sentiments, trade, financial and economic activities.

While companies have been planning ahead with new strategies to curb headwinds, there is a need to continually adapt to the ever-changing market dynamics. Further, the move to invest in technology solutions to streamline operations and reduce costs have been an increasing requirement for many firms.

Strategies / Opportunities for Growth

ESR-LOGOS REIT has consistently demonstrated active leasing strategies and tenant management to drive value with a strong focus on maintaining stable levels of occupancy above the industrial average. We have forged strong and productive relationships with tenants, enabling us to consistently engage them well ahead of expiries to manage vacancy risks and to grow with their requirements.

Having a robust balance sheet has also allowed us to better manage our risks. As at 31 December 2023, our aggregate leverage stands at 35.7%. Active steps have been taken to safeguard against interest rate volatility, resulting in 81.6% of the REIT's interest rate exposure being fixed with a weighted average fixed debt expiry of 1.3 years. Furthermore, in early FY2024, ESR-LOGOS REIT had also obtained a commitment letter for its first sustainability-linked loan facility, which will be used to refinance all 2024 expiring debt, thus ensuring no refinancing risks remain for the rest of FY2024. This robust balance sheet allows us to maintain financial flexibility to optimise investment opportunities as and when they arise and leverage opportunities to further create value for our investors.

MANUFACTURING 2030

As part of the journey towards Industry 4.0 (I4.0), firms in the manufacturing sector have started to incorporate new technology and automation in their processes, improving production efficiency for the export of high-value goods. This helps firms to balance efficiency and flexibility such that factories can now transform from the previous mass production of parts to mass customisation when responding to new requirements of the market.

In addition, the government initiated a comprehensive effort to transform the manufacturing ecosystem by strengthening collaboration with more partners in the industry. The new ecosystem will also introduce new sites that allow manufacturing companies to house all their functions including production, supply chain and research and development (R&D) in one centralised location. Firms such as Infineon, Micron and HP have set up such advanced manufacturing facilities in Singapore.

Strategies / Opportunities for Growth

With the expansion in the Singapore's Purchasing Manager's index, the manufacturing sector saw a growth in most clusters, save for the precision engineering cluster. 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 output.

Ongoing asset enhancement works to ESR LOGOS REIT's high-specs properties, such as 16 Tai Seng Street and the completed 7002 Ang Mo Kio Avenue 5, will see these buildings being equipped with better and higher specifications and be future-ready to meet the manufacturing sector's growth and requirements.

SUSTAINABILITY AND CLIMATE CHANGE

The need to address climate change had accelerated rapidly over the last few years. Governments have announced or revised net zero carbon targets and/or policy changes. Businesses, consumers and financial regulators are becoming increasingly sophisticated with regard to climate action. The logistics and industrial real estate sector had traditionally been slow to transition. However, over the last 12 months this has changed markedly with both developers and occupiers recognising the net zero carbon impact of their buildings.

Strategies / Opportunities for Growth

ESR-LOGOS REIT has been working on ESG initiatives with a refreshed focus.

The current portfolio has 5 buildings installed with rooftop solar panels with a combined capacity of approximately 15.3 MWp by 2024. The portfolio also has 10 buildings with green building certifications.

The Manager has implemented the Decarbonisation Roadmap in FY2023 to move towards the long-term sustainability goals set out for the REIT to ensure a climate resilient portfolio.

INVESTOR ENGAGEMENT

ESR-LOGOS REIT places great emphasis on fortifying communication channels and upholding a continuous dialogue with both existing and potential investors, analysts, media, and various stakeholders (collectively, the "Investment Community"). The REIT is dedicated to promptly addressing enquiries and providing the Investment Community with timely, transparent, and precise information concerning its business strategy, operational updates, and financial performance.

The Manager adheres to strong governance practices, including having an Investor Relations and Corporate Communications ("IRCC") Policy which articulates its core communication values.

As ESR-LOGOS REIT continues to grow, the practice of transparent communication serves as a cornerstone to its communications policy, allowing the Investment Community to gain a comprehensive understanding of the REIT's strategic directions and how it continuously generates value for its Unitholders. To ensure effective communication, the Manager has a dedicated IRCC team, which proactively engages with the Investment Community. Regular access to the senior management team is facilitated through a variety of means, including one-on-one meetings, presentations, property tours, conferences, investor roadshows, conference calls, and dialogues. This proactive engagement strategy underscores the commitment to fostering strong relationships and facilitating a comprehensive understanding of ESR-LOGOS REIT's operations and growth trajectory.

PRINCIPLES UNDERPINNING THE IRCC FRAMEWORK

EFFICIENCY	TRANSPARENCY	CLARITY
Adopts various communication avenues to convey its messages to the investment community. The Manager is committed to disseminate all material information that would reasonably be required for stakeholders to make an informed decision about an investment in ESR-LOGOS REIT's securities in a fair, timely and cost-efficient manner.	Committed to open and transparent communication with the investment community. Promotes investor confidence by ensuring that trades in its securities take place in an informed market.	Committed to communicate with the investment community in a clear language that avoids unnecessary jargon and provides maximum clarity of its messages.

FOSTERING STRONG AND SUSTAINABLE RELATIONSHIPS WITH THE INVESTMENT COMMUNITY

ESR-LOGOS REIT conducts briefings and meetings with members of the Investment Community regularly following the release of its 1H and 2H/FY financial results, providing a platform for the Manager to discuss, showcase and share insights on ESR-LOGOS REIT's operational and financial performance and long-term strategy, thus reaffirming its commitment to deliver value to Unitholders. The IRCC team plays a pivotal role in explaining how the REIT cultivates sustainable competitive advantages against its peers. This is achieved through strategic initiatives such as its portfolio ***Rejuvenation*** strategy via asset enhancements initiatives, accretive acquisitions, divestments of non-core assets, and the ***Recycling*** of capital.

The Investor Relations ("IR") website is the primary source of corporate information, financial data, distribution information and significant business developments for the Investment Community.

ESR-LOGOS REIT follows a strict disclosure schedule, releasing financial results semi-annually and providing business updates in the interim quarters (1Q and 3Q). ESR-LOGOS REIT releases its half year results and full year results no more than 45 days and 60 days, respectively, from the end of the respective financial period. Financial results and material information are promptly disseminated on the IR website upon release to the SGXNET, ensuring timely and transparent disclosure. The IRCC team is readily accessible through its designated IR email and hotline, reinforcing a commitment to provide open communication.

Beyond traditional channels, ESR-LOGOS REIT leverages social media platforms to communicate with the public. Investors, media, and other stakeholders are encouraged to review information shared on the REIT's social media channels, which are listed on the IR website. As part of its continuous efforts to enhance investor relations, the REIT will continue to evaluate its disclosure practices regularly, aligning them with global best practices and incorporating relevant benchmarks such as the 2018 Code of Corporate Governance. This commitment underscores ESR-LOGOS REIT's dedication to maintaining transparent and effective communication with its stakeholders.

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

Analysts Engagement

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

The REIT is currently covered by 10 research houses.

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

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

Institutional Investors Engagement

In FY2023, the IRCC team kept up its institutional engagement via participation in roadshows, one-on-one meetings with institutional investors and also organised property site visits. These meetings provided investors timely updates on our portfolio and allowed management to communicate ESR-LOGOS REIT's strategy, especially in light of the volatile market conditions and the "higher-for-longer" interest rate environment and its consequent impact on the REIT.

These on-going engagements resulted in increased visibility for the REIT within the investment community and strong support during the equity fund raising exercise announced in February 2023. This equity fund raising comprised a S$150.0 million private placement which was 3.0 times subscribed and a S$150.0 million preferential offering which was fully backstopped by ESR Group.

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

Retail Investors Engagement

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

INVESTOR ENGAGEMENT

In FY2023, ESR-LOGOS REIT strengthened its collaboration with SIAS, hosting several joint events to foster regular engagement with retail investors and Unitholders. The collaboration kicked off with ESR-LOGOS REIT's participation in the SIAS-ESR-LOGOS REIT Corporate Connect Webinar, where we discussed and showcased the FY2022 full-year financial results and performance, along with future strategies.

Throughout the year, we continued our collaboration with SIAS by hosting two physical Unitholder dialogues in April 2023 and November 2023, respectively. These dialogues served as valuable platforms for ESR-LOGOS REIT to connect with Unitholders, providing updates on the REIT and its developments, and the live Q&A sessions allowed management to address questions directly. The Unitholder dialogues have been well-received, enabling us to engage with nearly 100 Unitholders in an interactive manner. Moving forward, we are committed to sustaining our collaboration with SIAS to ensure ongoing engagements with retail investors and Unitholders.

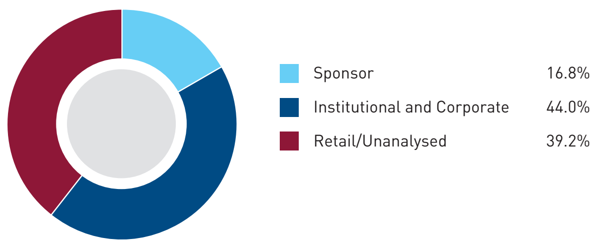
On 28 March 2023, ESR-LOGOS REIT held its first physical Extraordinary General Meeting ("EGM") after the lifting of COVID-19 restrictions and received 98.9% approval from Unitholders in relation to the proposed preferential offering, as part of ESR-LOGOS REIT's S$300 million equity fund raising exercise announced in February 2023. Following the EGM, ESR-LOGOS REIT held its 14th Annual General Meeting on 26 April 2023 under a physical setting, and obtained approvals from Unitholders on all resolutions presented.

In FY2023, ESR-LOGOS REIT further enhanced its outreach to retail investors by actively participating in various conferences and its management team also played a pivotal role as key opinion leaders in panel discussions during these events. This approach provided investors with enhanced access to valuable insights and a comprehensive understanding of the REIT's operational performance, business strategies, and outlook within the industrial property markets where it operates, namely Singapore, Australia, and Japan.

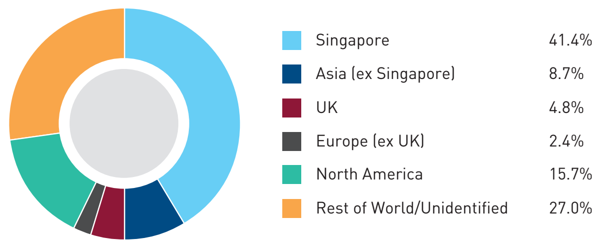
Amongst many events, the Manager participated in the annual REITs Symposium 2023 event, which was jointly organised by Shareinvestor, InvestingNote and REITAS in May 2023. ESR-LOGOS REIT participated in the event as part of an ESR Group initiative alongside Suntec REIT and ARA US Hospitality Trust. At the event, our CEO, Deputy CEO and members of the IRCC team were present at the ESR-LOGOS REIT booth to engage with the participants as well as showcase and highlight ESR-LOGOS REIT's value proposition. The event was attended by over 900 participants.

In August 2023, the Manager also collaborated with The Edge Singapore with its sponsorship and participation as a presenter and panellist at the REITs Investment Forum. At the Investment Forum, the Manager's CEO, Mr. Adrian Chui, gave a presentation on the topic of "Managing Costs in REITs Investments" and took part in the panel discussion amongst other industry experts. The Investment Forum was attended by more than 170 participants.

Unitholders by Type



Unitholders by Geography



ACCOLADES

In FY2023, ESR-LOGOS REIT achieved significant recognition, receiving the APAC Business Awards 2023 for Best Real Estate Investment Practice in Singapore. Additionally, the REIT also earned the Gold Award at The Asset ESG Corporate Awards. Notably, our commitment to providing comprehensive and transparent information to investors was acknowledged as ESR-LOGOS REIT emerged as a top-five finalist for the IR Magazine Awards – South East Asia – in the Best Annual Report (Mid-Cap) category.

APAC Insider
Business Awards 2023
Winner
ESR-LOGOS REIT
Best Real Estate Investment Practice 2023 - Singapore

THE ASSET CORPORATE AWARDS 2023
ESG
The Asset

IR magazine
Award nominee
South East Asia 2023

FY2023 INVESTOR RELATIONS CALENDAR

	Activity	Dates
1st Quarter	FY2022 Post-Results Analyst and Media Briefing	30 January 2023
	DBS Bangkok NDR	1 February 2023
	Citibank NDR	6 February 2023
	SIAS-ESR-LOGOS REIT Corporate Connect Webinar	7 February 2023
	Investor Presentations to Remisiers	15 February 2023
	2023 Citibank Global Property CEO Conference — Florida	6 March 2023
	CITIC CLSA ASEAN Forum — Hong Kong	8 March 2023
	SGX-NHIS-DBS SREITs Corporate Day	14 March 2023
	Extraordinary General Meeting	28 March 2023
2nd Quarter	SIAS-ESR-LOGOS REIT Unitholders Dialogue	13 April 2023
	1Q2023 Interim Business Update	26 April 2023
	14th Annual General Meeting	26 April 2023
	Maybank Kuala Lumpur NDR	9 May 2023
	DBS PB-REITAS Luncheon	18 May 2023
	REITs Symposium 2023	20 May 2023
	HSBC 7th Annual Credit Conference	14 June 2023
	ESR Group Sponsor & REITs Day	27 June 2023
3rd Quarter	1H2023 Post-Results Analyst and Media Briefing	26 July 2023
	HSBC Hong Kong NDR	1 August 2023
	Maybank-REITAS SREITS Day — Kuala Lumpur	17 August 2023
	The Edge Singapore REITs Investment Forum 2023	26 August 2023
	BofA 2023 Global Real Estate Conference	12 September 2023
4th Quarter	3Q2023 Interim Business Update	26 October 2023
	2023 Business and Philanthropy Forum	9–10 November 2023
	SIAS-ESR-LOGOS REIT Unitholders Dialogue	23 November 2023

INVESTOR ENGAGEMENT

FINANCIAL CALENDAR

Activity	FY2023	FY2024[1]
Announcement of Full Year Financial Results	30 January 2023	1 February 2024
Extraordinary General Meeting	28 March 2023	—
Payment of Second Half Distribution to Unitholders	29 March 2023	27 March 2024
Payment of Advanced Distribution (1 January 2023–26 February 2023)	14 April 2023	—
Announcement of First Quarter Interim Business Update	26 April 2023	23 April 2024
Annual General Meeting	26 April 2023	30 April 2024
Announcement of Half Year Financial Results	26 July 2023	31 July 2024
Payment of First Half Distribution to Unitholders	27 September 2023	27 September 2024
Announcement of Third Quarter Interim Business Update	26 October 2023	30 October 2024

INVESTOR COMMUNICATIONS

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

- **ESR-LOGOS REIT's Investor Relations website** — https://esr-logosreit.listedcompany.com/home.html
- **Online enquiry** — https://esr-logosreit.listedcompany.com/ir_contact.html
- **Subscription to email alerts** — https://esr-logosreit.listedcompany.com/email_alerts.html

For further enquiries, please contact:

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

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

OPERATIONS REVIEW

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

CREATING VALUE FOR UNITHOLDERS

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

To create a leading New Economy and future-ready Asia Pacific S-REIT, and to ride on the changes in economic structural trends and continued supply chain disruptions, there are continued recalibration efforts by the Manager to shift its focus to the New Economy sectors of Logistics and High-Specs Industrial. As a result, we have achieved strong rental reversions and stable occupancy in our portfolio.

Over the medium to long term, the Manager expects acquisition opportunities across its S$5.1 billion[1] portfolio of 72 properties and three property funds. This includes the conversion of properties to New Economy assets such as high-specs industrials and ramp-up logistics facilities as well as the optimisation of the overall portfolio via the divestment of non-core assets to meet industrialists' evolving business needs.

Divestment Activity

In FY2023, the Manager has achieved another key milestone to the portfolio ***Rejuvenation*** aspect of our "***4R Strategy***" by successfully completing the divestment of 10 non-core assets aggregating S$440.6 million, as part of its continued efforts to enhance income resilience and re-deploy the sale proceeds to pare down debt and to fund AEIs and future asset acquisitions.

In FY2023, the Manager completed the divestments of 10 non-core assets in both Singapore and Australia, namely:

- 49 Pandan Road, Singapore — a 5-storey ramp up warehouse;
- 51 Musgrave Road, Australia — two single storey adjoining warehouses with an additional single storey standalone warehouse;
- 3 Pioneer Sector 3, Singapore — two warehouse blocks comprising a part 2-storey/part 3-storey warehouse and a 4-storey warehouse with ancillary offices;
- 21 Changi North Way, Singapore — a 2-storey ramp-up warehouse with a 4-storey ancillary office;
- 30 Toh Guan Road, Singapore — a part 6-storey/ part 8-storey industrial building with ancillary offices and an adjoining 2-storey warehouse building;
- 22 Chin Bee Drive, Singapore — a 4-storey single user warehouse building with 6-storey ancillary office and 5-storey annex building with workers' dormitory;
- 4 & 6 Clementi Loop, Singapore — two 3-storey warehouse blocks with ancillary office blocks of 4 levels;
- 6 Chin Bee Avenue, Singapore — a 5-storey warehouse partially fitted with air-conditioning and cold storage facilities and ancillary offices;
- 2 Tuas South Avenue 2, Singapore — a part 4-storey production block and part 6-storey ancillary office block; and
- 70 Seletar Aerospace View, Singapore — a single-storey hangar with a 3-storey office building.

1. As at 31 December 2023

OPERATIONS REVIEW

Real Estate Transactions Completed in FY2023

Property	City/Country	Asset Class	Sale Consideration	Valuation	Buyer	Completion Date
Divestments						
49 Pandan Road	Singapore	Logistics	S$43.5 million	S$37.8 million[a]	ST Logistics Pte. Ltd.	21 February 2023
51 Musgrave Road, Cooper Plains	Queensland, Australia	Logistics	A$10.8 million	A$10.5 million[b]	Centuria Property Funds No. 2 Limited, in its capacity as custodian for Centuria Institutional Investment No. 3 Pty Ltd ATF CIP Sub Trust No. 22	26 July 2023
3 Pioneer Sector 3	Singapore	Logistics	S$95.0 million	S$100.0 million[c]	Intertrust (Singapore) Ltd. as Trustee relating to 3 Pioneer Sub-Trust	23 August 2023
21 Changi North Way	Singapore	Logistics	S$30.1 million	S$31.7 million[d]	Intertrust (Singapore) Ltd. as Trustee relating to 21 Changi North Way Trust	23 August 2023
30 Toh Guan Road	Singapore	General Industrial	S$57.8 million	S$60.8 million[e]	Intertrust (Singapore) Ltd. as Trustee relating to 30 Toh Guan Road Trust	23 August 2023
22 Chin Bee Drive	Singapore	General Industrial	S$13.8 million	S$13.0 million[f]	Sanli M&E Engineering Pte Ltd	15 September 2023
4 & 6 Clementi Loop	Singapore	Logistics	S$37.6 million	S$39.6 million[g]	Intertrust (Singapore) Ltd. as Trustee relating to 4&6 Clementi Loop Trust	16 October 2023
6 Chin Bee Avenue	Singapore	Logistics	S$93.0 million	S$98.3 million[h]	Intertrust (Singapore) Ltd. as Trustee relating to 6 Chin Bee Trust	16 October 2023
2 Tuas South Avenue 2	Singapore	General Industrial	S$53.0 million	S$39.2 million[i]	SB (2TS) Investment Pte Ltd	31 October 2023
70 Seletar Aerospace View	Singapore	General Industrial	S$7.1 million	S$6.8 million[j]	Air 7 Asia Pte. Ltd	1 November 2023

a Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2022 using the income capitalisation method, discounted cash flow method and direct comparison method.

b Based on independent valuation conducted by CBRE Valuations Pty Limited as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

c Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

d Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

e Based on independent valuation conducted by CBRE Pte. Ltd. as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

f Based on independent valuation conducted by Knight Frank Pte Ltd as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

g Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2022 using the income capitalisation method and discounted cash flow method.

h Based on independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 31 May 2023 using the income capitalisation method and discounted cash flow method.

i Based on independent valuation conducted by CBRE Pte. Ltd. as at 31 December 2022 using the income capitalisation method, discounted cash flow method and direct comparison method.

j Based on independent valuation conducted by Knight Frank Pte Ltd as at 1 December 2022 using the income capitalisation method and discounted cash flow method.

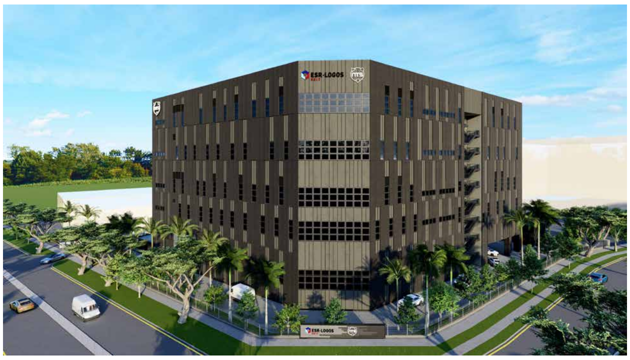
Completed Asset Enhancement Initiatives and Redevelopment

The AEI works at 7002 Ang Mo Kio Avenue 5 and the redevelopment of 21B Senoko Loop were fully completed in 3Q2023 and 1Q2024 respectively, with both completed on schedule and below expected cost. The AEIs and redevelopment reflect our focus to ***Rejuvenate*** our assets and to unlock value within our existing portfolio to strengthen our recurring income.

The development of the multi-tenanted high-specs building at 7002 Ang Mo Kio Avenue 5 has created additional gross floor area ("GFA") of approximately 25,000 sqm, within the budgeted cost of S$53.3 million. Since the successful completion of this AEI in September 2023, the Manager has secured an occupancy rate of approximately 62% from three well-established companies which are global multimodal manufacturers and technology-driven providers of logistics solutions for the electronics, airline, wellness and healthcare industries. This AEI is expected to deliver an estimated yield-on-cost of approximately 7.1% on a stabilised basis.

On the other hand, the redevelopment of 21B Senoko Loop into a built-to-suit, high-specs facility for an existing master tenant, NTS Singapore was carried out in two phases. Phase 1 was completed in November 2023 and Phase 2 was completed in January 2024, with the total cost spent within the budgeted S$38.5 million. The property is leased to NTS Singapore on a triple net basis for 15 years with annual rental escalations and is expected to deliver a yield-on-cost of approximately 6.6%. NTS Singapore will be fully responsible for the payment of utilities, maintenance expense, property tax and land rent.

AEI works at 7002 Ang Mo Kio Avenue 5, completed in September 2023.



Artist Impression of redevelopment at 21B Senoko Loop, Phase 1 completed in November 2023 and Phase 2 completed in January 2024.

Ongoing Asset Enhancement Initiative

The AEI at 16 Tai Seng Street is currently underway and is expected to complete by 1Q2025 with an additional GFA of about 2,793 sqm for approximately S$32.0 million. The ***Rejuvenation*** works which include façade upgrading, improvement of drop-off points and lift lobbies, addition of new lifts, toilet upgrading and a new covered external linkway connected to Tai Seng MRT station are expected to elevate tenants' experience and attract new high value tenants. The AEI is expected to deliver an estimated yield on cost of up to 6.0% on a stabilised basis.

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

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

Artist impression of AEI works at 16 Tai Seng Street, expected to complete in 1Q2025.

OPERATIONS REVIEW

PORTFOLIO VALUATION

ESR-LOGOS REIT conducted independent valuations of its portfolio in FY2023. These independent valuations were conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., Cushman & Wakefield (Valuations) Pty Ltd and Colliers International Japan KK.

In determining the valuation figures, the valuers have applied the following methodologies including the direct comparison method, capitalisation approach and discounted cash flows method to arrive at the open market value.

As at 31 December 2023, the total valuation of ESR-LOGOS REIT's 72 properties was approximately S$4.09 billion[2], lower than the previous valuation of S$4.61 billion as at 31 December 2022. The overall decrease was mainly due to the divestment of non-core assets and shorter remaining land lease tenure for Singapore properties.

However, several existing properties within the portfolio registered uplift in valuations due to higher renewal rates, higher market rents assumed by valuers, and the ongoing and completed AEIs and redevelopment at 16 Tai Seng Street, 7002 Ang Mo Kio Avenue 5, and 21B Senoko Loop.

	Valuation as at 31 Dec 2022[2] (S$ million)	Valuation as at 31 Dec 2023[2] (S$ million)	Variance (31 Dec 2022 vs 31 Dec 2023) (%)
By Asset Class			
Business Parks	837.5	742.4	–11.4%
High-Specs Industrial	615.9	653.6	+6.1%
General Industrial	872.0	755.0	–13.4%
Logistics	2,285.0	1,943.9	–14.9%
By Country			
SG Portfolio	3,766.3	3,251.5	–13.7%
AU Portfolio	661.9	670.0	+1.2%
JP Portfolio	182.2	173.4	–4.8%
Total Portfolio	**4,610.4**	**4,094.9**	–11.2%

PORTFOLIO REVIEW

As at 31 December 2023, ESR-LOGOS REIT holds interests in 72 properties, each located in key industrial clusters across the three countries in Singapore, Australia and Japan, with an aggregate gross floor area of approximately 2.1 million sqm.

Key Portfolio Statistics

	As at 31 December 2022	As at 31 December 2023	Variance (%)
Number of Properties	82	72	–12.2%
Gross Floor Area (million sqm)	2.3	2.1	–8.7%
Net Lettable Area (million sqm)	2.2	2.1	–4.5%
Portfolio Valuation (S$ million)	4,610.4	4,094.9	–11.2%
Portfolio Occupancy (%)	92.7	92.8	+0.1%

2 Includes the valuation of 7000 & 7002 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-LOGOS REIT holds 80% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-LOGOS REIT holds 49.0% interest

Portfolio Occupancy

The portfolio occupancy remains stable at 92.8% with the Singapore portfolio and Australia portfolio occupancy above the JTC average and National Occupancy respectively. The Australia portfolio and Japan portfolio occupancy have both risen to 100.0% as at 31 December 2023.

	1Q2023	2Q2023	3Q2023	4Q2023
Singapore Occupancy (%)	89.7	90.6	86.7	89.9
JTC Average (%)	*88.8*	*89.1*	*88.9*	*89.0*
Australia Occupancy (%)	98.6	99.3	100.0	100.0
Australia National Occupancy (%)	*99.5*	*99.2*	*99.2*	*98.9*
Japan Occupancy (%)	100.0^	100.0^	100.0^	100.0
Portfolio Occupancy (%)	**92.1**	**92.9**	**90.3**	**92.8**

^ Based on Financial Occupancy

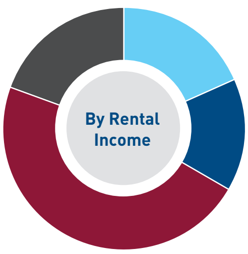
Well-Diversified Portfolio

ESR-LOGOS REIT manages a well-diversified portfolio of industrial properties, comprising Business Parks, High-Specs Industrial, Logistics and General Industrial properties. Collectively, New Economy assets of Logistics and High-Specs Industrial account for 62.2% of the portfolio by rental income and 63.5% by valuation. With limited potential supply in the near future, ESR-LOGOS REIT is well-positioned to capture growing demand in the High-Specs Industrial and Logistics sectors.

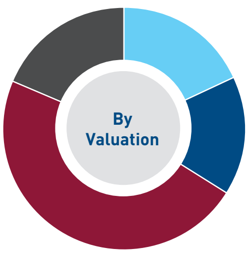
Breakdown of Single-tenanted and Multi-tenanted Buildings

The Manager aims to achieve a healthy mix of multi-tenanted buildings ("MTB") and single-tenanted buildings ("STB") in the portfolio through proactive asset and lease management. MTBs provide tenant diversification while STBs, with longer leases and built-in rental escalations, generate yield stability. Proactive portfolio conversion over the years have increased ESR-LOGOS REIT's exposure to MTBs and STBs, currently constituting 77.7% and 22.3% of the portfolio respectively based on rental income as at 31 December 2023, and 73.9% and 26.1% of the portfolio respectively based on valuation as at 31 December 2023. This provides potential upside for the contracted rents in MTBs to revert to market levels upon expiry.

Asset Class

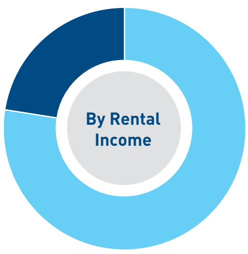


Business Parks	18.5%
High-Specs Industrial	15.1%
Logistics	47.1%
General Industrial	19.3%

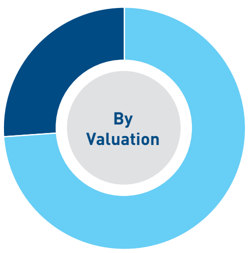


Business Parks	18.1%
High-Specs Industrial	16.0%
Logistics	47.5%
General Industrial	18.4%

Single-tenanted vs Multi-tenanted Buildings



Multi-Tenanted	77.7%
Single-Tenanted	22.3%



Multi-Tenanted	73.9%
Single-Tenanted	26.1%

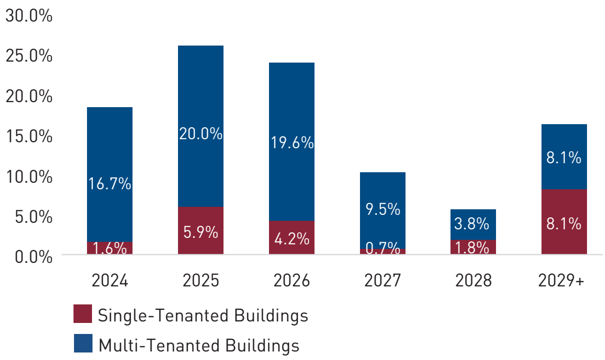
OPERATIONS REVIEW

Portfolio Lease Expiry Profile

In line with its proactive leasing strategy, the Manager engages its tenants ahead of their lease expiry to manage vacancy risk. As at 31 December 2023, the lease expiry profile for ESR-LOGOS REIT remained well-balanced with a portfolio weighted average lease expiry (by rental income) of 3.4 years. For new and renewed leases in FY2023, the weighted average lease expiry (by rental income) based on the date of commencement are 5.7 years for new leases and 2.2 years for renewed leases as at 31 December 2023 respectively. No more than 25.9% by rental income and 23.9% of the portfolio's total leases by net lettable area will expire in any one year over the next five years.

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

Weighted Average Lease Expiry
(% of Rental Income)



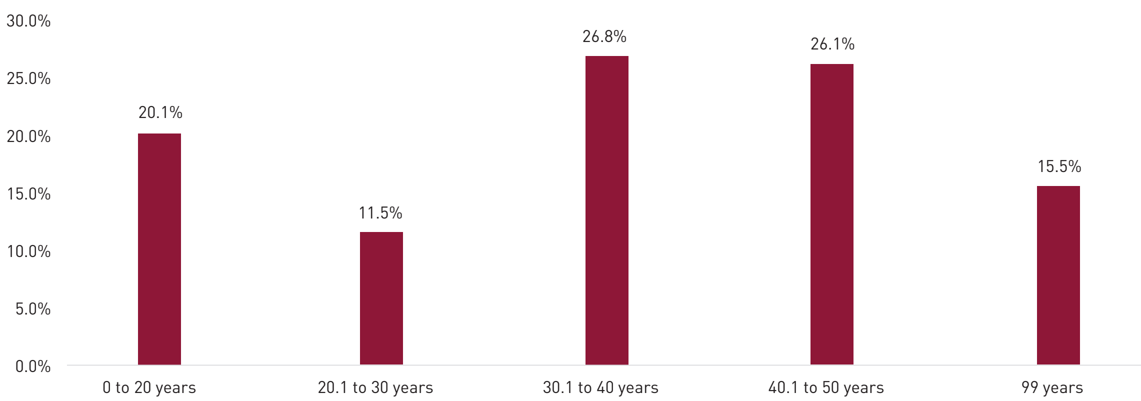
	% of Rental Income	% by Net Lettable Area ("NLA")
2024	18.3%	18.4%
2025	25.9%	23.9%
2026	23.8%	23.7%
2027	10.2%	7.0%
2028	5.6%	7.0%
2029 and beyond	16.2%	20.0%

Land Lease Expiry Profile

As at 31 December 2023, the weighted average land lease expiry of ESR-LOGOS REIT's portfolio was 40.6 years by valuation, up from 37.4 years a year ago mainly due to the divestment of non-core assets with shorter land leases remaining.

Land Tenure Expiry	Business Parks		High-Specs Industrial		Logistics		General Industrial		Total	
	No. of Properties	Asset Value (S$ m)	No. of Properties	Asset Value (S$ m)	No. of Properties	Asset Value (S$ m)	No. of Properties	Asset Value (S$ m)	No. of Properties	Asset Value (S$ m)
0 to 20 years	1	193.0	—	—	7	507.2	7	124.4	15	824.6
20.1 to 30 years	—	—	2	83.0	3	286.5	4	100.4	9	469.9
30.1 to 40 years	1	26.4	3	425.3	5	220.2	13	425.1	22	1,097.0
40.1 to 50 years	1	523.0	2	145.3	3	293.8	4	105.1	10	1,067.2
99 years^	—	—	—	—	16	636.2	—	—	16	636.2
Total	**3**	**742.4**	**7**	**653.6**	**34**	**1,943.9**	**28**	**755.0**	**72**	**4,094.9**

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



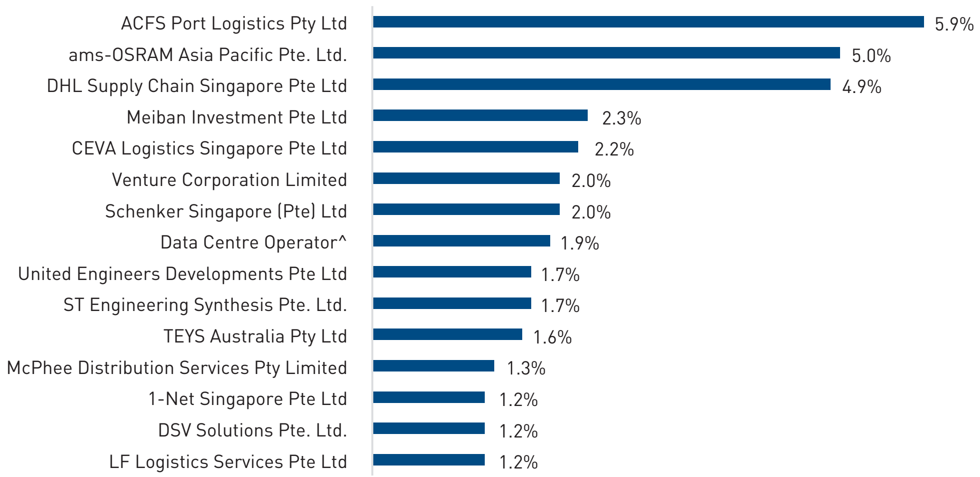
Portfolio Top 15 Tenants

ESR-LOGOS REIT's rental income is well-spread across its portfolio of 365 tenants. The top 15 tenants account for 35.9% by rental income and 36.3% by net lettable area. As at 31 December 2023, no single tenant contributed more than 5.9% of the portfolio's total rental income. The Manager will continue to diversify its tenant mix across trade sectors to mitigate concentration risk and enhance portfolio resilience.

Top 15 Tenants (% of Rental Income)

Tenant	Trade Sector	% of Rental Income
ACFS Port Logistics Pty Ltd	Logistics & Warehousing	5.9%
ams-OSRAM Asia Pacific Pte. Ltd.	Electronics	5.0%
DHL Supply Chain Singapore Pte Ltd	Logistics & Warehousing	4.9%
Meiban Investment Pte Ltd	Manufacturing	2.3%
CEVA Logistics Singapore Pte Ltd	Logistics & Warehousing	2.2%
Venture Corporation Limited	Logistics & Warehousing	2.0%
Schenker Singapore (Pte) Ltd	Logistics & Warehousing	2.0%
Data Centre Operator^	Data Centre	1.9%
United Engineers Developments Pte Ltd	Hotel	1.7%
ST Engineering Synthesis Pte. Ltd.	Logistics & Warehousing	1.7%
TEYS Australia Pty Ltd	Logistics & Warehousing	1.6%
McPhee Distribution Services Pty Limited	Logistics & Warehousing	1.3%
1-Net Singapore Pte Ltd	Info-Comm & Technology	1.2%
DSV Solutions Pte. Ltd.	Logistics & Warehousing	1.2%
LF Logistics Services Pte Ltd	Logistics & Warehousing	1.2%
Total		**35.9%**

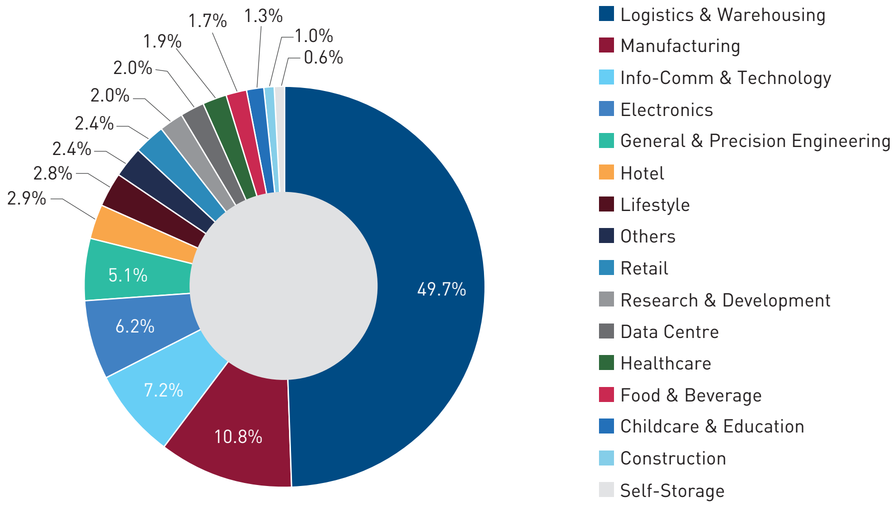
^ Tenant not named due to confidentiality obligations



OPERATIONS REVIEW

Portfolio Trade Sector Analysis

ESR-LOGOS REIT's portfolio is well-diversified across various industries including logistics & warehousing, manufacturing, info-comm & technology, electronics, general & precision engineering amongst others. As at 31 December 2023, logistics & warehousing remained the largest contributor to rental income at 49.7% of the total portfolio. Manufacturing remained the second largest contributor at 10.8% while info-comm & technology makes up about 7.2% of portfolio rental income. Collectively, the top three largest trade sectors made up roughly 67.7% of the portfolio.



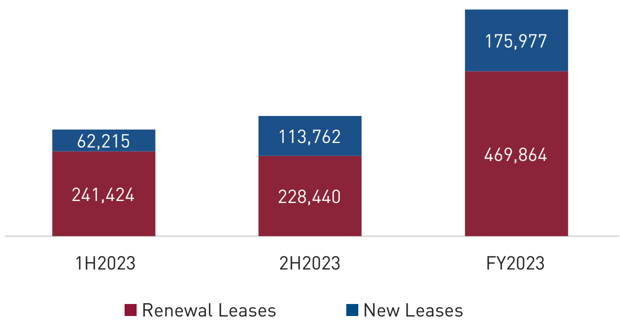
ACTIVE LEASING MANAGEMENT

We are always looking for new ways to help businesses grow. Working in tandem with our tenants, we seek out innovative solutions to fulfil their space needs. The diversity of our property portfolio allows us to provide a wide range of space options for new leases, lease expansion, and built-to-suit options.

Breakdown of Renewals and New Leases for FY2023

Despite the ongoing uncertainties in business environment and emerging headwinds in the financial markets, the Manager focused on renewals and attracting new tenants. Approximately 645,800 sqm of prime industrial space were leased out during FY2023, of which renewals amounted to 469,864 sqm while new leases accounted for about 175,977 sqm of space in the portfolio. A total of 173 leases were signed in FY2023. The Manager will focus on tenant retention to maintain a stable portfolio occupancy against the backdrop of uncertain macroeconomic conditions.

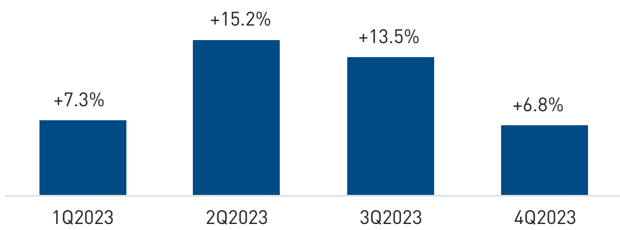
FY2023 Renewals and New Leases (sqm)



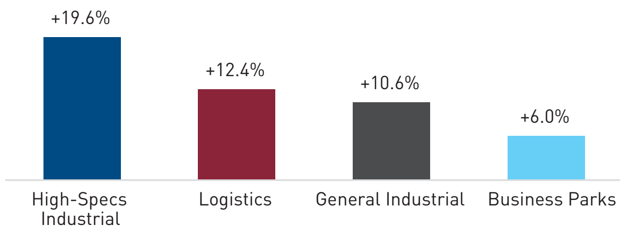
Rental Reversions for FY2023

Given the continued changes in economic structural trends, ESR-LOGOS REIT delivered strong portfolio rental reversions in FY2023 at +11.1%, the second consecutive year of double-digit positive rent reversions. The strong rental reversions were broad based across all four sub-sectors and driven primarily by the New Economy sectors of High-Specs Industrial (+19.6%) and Logistics (+12.4%).

Rental Reversion (by Quarters)



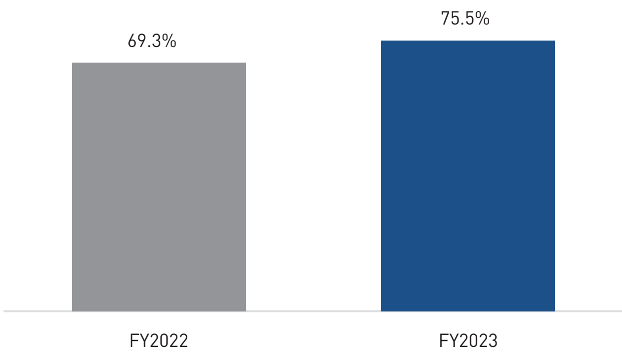
Rental Reversion (by Asset Class)



Tenant Retention Rate

ESR-LOGOS REIT achieved a stable tenant retention rate of 75.5% as at 31 December 2023 as compared to 69.3% over the same period last year. These include CEVA Logistics Singapore Pte Ltd and United Engineers Developments Pte Ltd. This is a testament to our strong relationship with our tenants as well as proactive lease management to produce income resilience across our portfolio.

Portfolio Tenant Retention Rates



FINANCIAL REVIEW

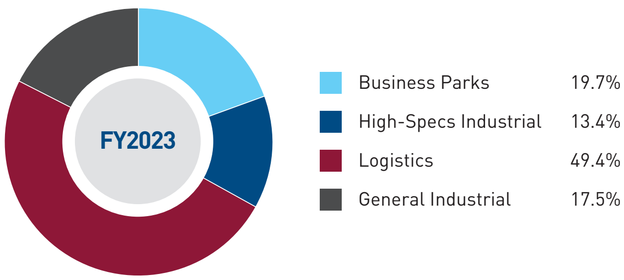
STATEMENT OF NET INCOME AND DISTRIBUTION	FY2023 S$'000	FY2022 S$'000	Fav/(Unfav) %
Gross revenue	**386,350**	343,232	**12.6**
Property expenses	(113,191)	(98,989)	(14.3)
Net property income ("NPI")	**273,159**	244,243	**11.8**
Income from investments at fair value through profit or loss	9,215	11,129	(17.2)
Management fees	(21,924)	(21,201)	(3.4)
Trust expenses	(6,348)	(5,172)	(22.7)
Borrowing costs, net	(76,013)	(62,247)	(22.1)
Finance costs on lease liabilities for leasehold land	(32,176)	(23,743)	(35.5)
Net income	**145,913**	143,009	**2.0**
Taxable income	158,291	147,561	7.3
Tax-exempt income	4,084	12,049	(66.1)
Capital distribution	30,323	17,487	73.4
Amount available for distribution to Unitholders	**192,698**	177,097	**8.8**
Distribution per Unit ("DPU") (cents)	**2.564**	3.000	**(14.5)**

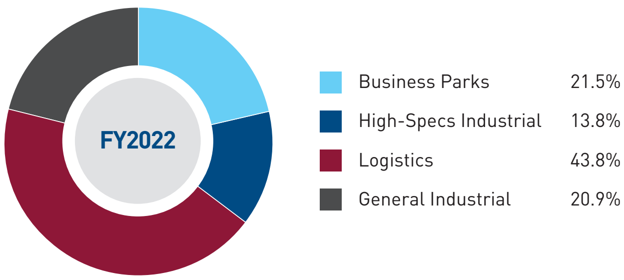
In 2023, ESR-LOGOS REIT completed several strategic initiatives including the ***Recapitalisation*** of its balance sheet through the execution of a S$300.0 million equity fund raising[1] (the "Equity Fund Raising"), the ***Recycling*** of capital through the divestment of 10 non-core assets amounting to S$440.6 million and the ***Rejuvenation*** of its portfolio through the completion of the asset enhancement initiatives at 7002 Ang Mo Kio Avenue 5. Amidst a challenging year dominated by inflation, rapidly rising interest rates and geopolitical tensions, ESR-LOGOS REIT delivered a robust performance for the financial year ended 31 December 2023 ("FY2023") as a result of the Manager's disciplined execution of its business strategy as well as prudent capital and risk management.

Gross Revenue

ESR-LOGOS REIT's gross revenue for FY2023 was S$386.4 million, an increase of S$43.1 million or 12.6% from FY2022. The increase was mainly due to the full-year contributions from the merger with ARA LOGOS Logistics Trust (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 in October 2022, partially offset by loss of income from the divestment of non-core assets.

Gross Revenue by Asset Class
(%)





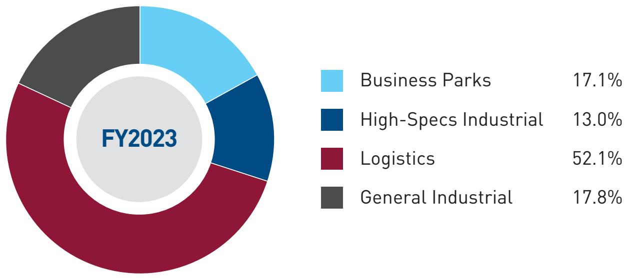
1 The equity fund raising exercise comprises a private placement of 454.5 million new Units and a preferential offering of 460.8 million new Units which were completed on 27 February 2023 and 28 April 2023, respectively.

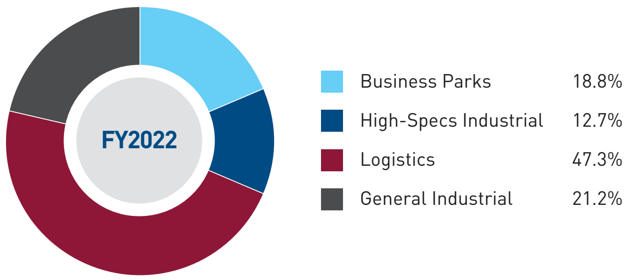
Net Property Income

NPI for FY2023 was S$273.2 million, an increase of S$28.9 million or 11.8% from FY2022, in tandem with the higher gross revenue.

Net Property Income Contribution by Asset Class

(%)





Net Income

Net Income for FY2023 was S$145.9 million, an increase of S$2.9 million or 2.0% from FY2022 on the back of higher NPI. The higher NPI was partially offset by higher borrowing costs due to higher base rates and borrowing costs for the debt drawn to partially fund the Merger and the acquisition of ESR Sakura Distribution Centre. The higher borrowing costs were mitigated by interest savings from the repayment of debt using the proceeds from the Equity Fund Raising and the divestment of non-core assets during FY2023.

The lower distribution income from the Australian property funds was mainly due to higher borrowing costs incurred due to higher base rates while the higher trust expenses for FY2023 was mainly due to the enlarged group subsequent to the Merger and the acquisition of ESR Sakura Distribution Centre.

Distributions Paid to Unitholders

The amount available for distribution to Unitholders for FY2023 amounted to S$192.7 million, an increase of S$15.6 million or 8.8% as compared to FY2022, which was mainly attributable to higher net income and distribution of capital gains from the sale of investment properties in prior years.

FY2023 DPU of 2.564 cents was however 14.5% lower than the FY2022 DPU of 3.000 cents due to an enlarged unit base. The increase in applicable number of units was mainly due to the issuance of new units as part of the scheme consideration paid for the Merger and the Equity Fund Raising. The new units issued for the Equity Fund Raising accounted for 13.6% of the total outstanding units as at 31 December 2022.

Included in the amount available for distribution to Unitholders was approximately S$1.8 million (DPU of 0.025 cents) of income support in relation to ESR Sakura Distribution Centre that was received and paid to Unitholders in FY2023.

A breakdown of the half yearly DPU from FY2021 to FY2023 is as follows:

HALF YEARLY DPU	1 Jan to 30 Jun (1H) cents	1 Jul to 31 Dec (2H) cents	Total DPU for the year cents
FY2021	1.554	1.433	2.987
FY2022	1.460	1.540	3.000
FY2023	1.378	1.186	2.564

ESR-LOGOS REIT's distribution yield as at 31 December 2023 was 8.0% per annum[2]. The REIT has consistently been delivering a yield higher than that of the Singapore Government 10-year SGD bond of 2.7%.

2 Based on closing price of S$0.320 as at 31 December 2023.

FINANCIAL REVIEW

Change in the Number of Issued Units

During FY2023, ESR-LOGOS REIT issued a total of 979,673,517 new units pursuant to the private placement, preferential offering, partial payment of management fees and distribution reinvestment plan. ESR-LOGOS REIT also repurchased a total of 9,697,500 units by way of market acquisitions pursuant to the unit buy-back mandate approved by unitholders in April 2023. All units repurchased have been cancelled as at 31 December 2023. A breakdown of the change in the number of issued units during FY2023 as compared to FY2022 is as follows:

	FY2023 Number of units	FY2022 Number of units
Issued units at beginning of the year	**6,719,187,987**	4,030,257,149
Issuance of new units pursuant to:		
— Management fees paid in units	49,534,207	29,931,841
— Distribution reinvestment plan	14,827,791	39,907,171
— Private placement	454,545,000	—
— Preferential offering	460,766,519	—
— Unit buy-back	(9,697,500)	—
— Partial consideration paid in units pursuant to the Merger	—	2,575,788,303
— Acquisition fees paid in units[3]	—	43,303,523
Issued units at end of the year	**7,689,164,004**	6,719,187,987

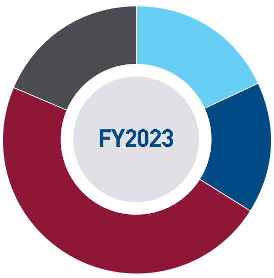
Valuation of Properties

As at 31 December 2023, the total carrying value of ESR-LOGOS REIT's investment properties was S$4.1 billion[4] based on independent external valuations.

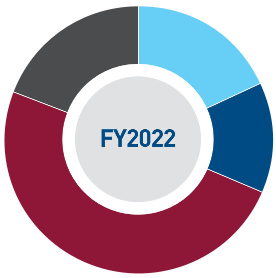
During the year, ESR-LOGOS REIT completed the divestment of 10 properties, namely 49 Pandan Road, 3 Pioneer Sector 3, 30 Toh Guan Road, 21 Changi North Way, 22 Chin Bee Drive, 4 & 6 Clementi Loop, 6 Chin Bee Avenue, 2 Tuas South Avenue 2 and 70 Seletar Aerospace View located in Singapore, as well as 51 Musgrave Road located in Australia.

Valuation of Properties

(%)



Business Parks	18.1%
High-Specs Industrial	16.0%
Logistics	47.5%
General Industrial	18.4%



Business Parks	18.2%
High-Specs Industrial	13.3%
Logistics	49.6%
General Industrial	18.9%

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

4 Includes the valuation of 7000 & 7002 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-LOGOS REIT holds 80% interest, but excludes the valuation of 48 Pandan Road which is held through a joint venture in which ESR-LOGOS REIT holds 49% interest.

Change in Fair Value of Investment Properties

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

As at 31 December 2023, independent valuations for investment properties were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., Cushman & Wakefield (Valuations) Pty Ltd and Colliers International Japan KK. In determining the fair value of ESR-LOGOS REIT's portfolio, the direct comparison method, capitalisation approach and the discounted cash flows were used. The valuation methods used are consistent with that used in prior years.

The change in fair value of investment properties of approximately S$166.8 million in FY2023 comprised the following:

- fair value loss of S$161.4 million based on the independent 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.

Net Assets Attributable to Unitholders

	31 December 2023 S$'000	31 December 2022 S$'000	Variance %
Total Assets	**5,106,309**	5,654,158	**(9.7)**
Total Liabilities	**2,341,031**	2,805,071	**(16.5)**
Net Assets Attributable to Unitholders	**2,463,150**	2,444,653	**0.8**
Net Asset Value ("NAV") per Unit (cents)	**32.0**	36.4	**(12.1)**

Total assets decreased by 9.7% from S$5.65 billion as at 31 December 2022 to S$5.11 billion as at 31 December 2023. The decrease was mainly due to the divestment of 10 non-core assets during the year and the fair valuation loss on the investment properties.

Total liabilities decreased by S$464.0 million, or 16.5%, to S$2.34 billion as at 31 December 2023 mainly attributable to the repayment of debts using the proceeds from the Equity Fund Raising and divestment of non-core assets.

Net assets attributable to Unitholders increased marginally by 0.8% to S$2.46 billion as at 31 December 2023 as compared to S$2.44 billion as at 31 December 2022. NAV per unit as at 31 December 2023 was 32.0 cents as compared to 36.4 cents as at 31 December 2022. The decrease in NAV per unit was mainly due to the fair valuation loss on investment properties.

Rental collection for FY2023 has remained healthy with approximately 99% of total receivables being collected.

Accounting Policies

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

CAPITAL MANAGEMENT

ESR-LOGOS REIT's capital management philosophy is grounded on the belief that cultivating diversified sources of capital and strengthening its credit profile to withstand unexpected changes is key to better manage risks for its Unitholders. We adopt a prudent and disciplined approach towards capital management and capital management metrics are regularly monitored to ensure they are within regulatory and internal risk thresholds. In FY2023, the Manager's proactive capital management approach was vital in mitigating risks resulting from the volatile rising interest rate environment, while providing financial flexibility and adequate liquidity to realise the REIT's growth objectives and meet its debt obligations.

KEY FINANCIAL INDICATORS

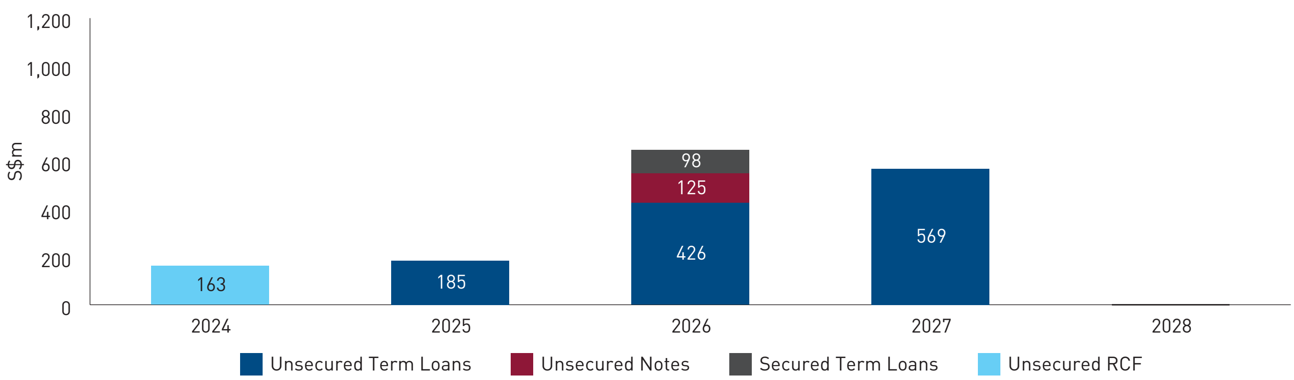
	As at 31 December 2023	As at 31 December 2022
Total Gross Debt (S$ million)	**1,566.2**	2,093.0
Debt to Total Assets (%)[1]	**35.7**	41.8
Weighted Average All-in Cost of Debt (%) p.a.	**3.91**	3.66
Weighted Average Debt Expiry ("WADE") (years)	**2.4**	2.9
MAS Adjusted Interest Coverage Ratio (times)[2]	**2.5**	2.8
Interest Rate Exposure Fixed (%)	**81.6**	72.0
Weighted Average Fixed Debt Expiry ("WAFDE") (years)	**1.3**	2.0
Proportion of Unencumbered Investment Properties (%)[3]	**95.8**	96.0
Debt Headroom (S$ million)[4]	**775.5**	305.0
Undrawn Available Committed Facilities (S$ million)	**280.9**	320.4

ESR-LOGOS REIT's capital structure remains healthy with debt to total assets of 35.7% as at 31 December 2023 compared to 41.8% a year ago. This translates to a debt headroom of S$775.5 million, providing ESR-LOGOS REIT with the financial flexibility to seize opportunities for growth via acquisitions, asset enhancements and redevelopments and to meet any refinancing requirements.

To minimise the impact from the volatility of interest rate movements, 81.6% of borrowings have fixed interest rate exposure for a weighted average tenor of 1.3 years.

ESR-LOGOS REIT maintains a well-staggered debt maturity profile, with no more than 41.4% of debt expiring in each year. The weighted average debt expiry is currently at 2.4 years as at 31 December 2023. As management continues to execute the REIT's growth plans, the intention is to take on longer dated financing when required to extend the weighted average debt expiry.

Debt Maturity Profile as at 31 December 2023



% of Debt Expiring	10.4	11.8	41.4	36.4	0

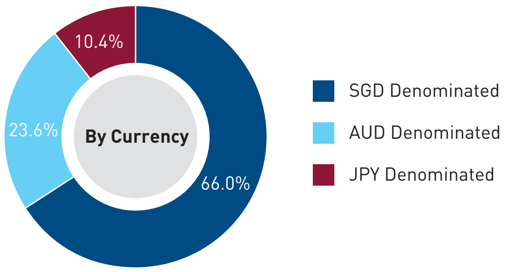
1 Includes ESR-LOGOS REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 Leases.
2 Interest expense includes amortisation of debt-related transaction costs and distributions on perpetual securities but excludes finance costs on lease liabilities under FRS 116.
3 Excludes ESR-LOGOS REIT's 49% interest in 48 Pandan Road.
4 Assumes gearing limit of 45%.

As at 31 December 2023, ESR-LOGOS REIT had S$163.0 million of debt expiring in FY2024 but has since obtained a committed Sustainability Linked Facility in January 2024 to fully refinance the expiring debt when it comes due. As such, the REIT has no refinancing risk till FY2025. The Manager will continue to increase our commitment to green financing where possible.

As at 31 December 2023, unsecured term loan facilities and revolving credit facilities make up 85.8% of total debt and secured term loans make up 6.2% of total debt, while MTNs make up the remaining 8.0% of total debt. Management will continue to proactively manage capital structure risks and explore alternative sources of funding across the debt and equity capital markets, where available.

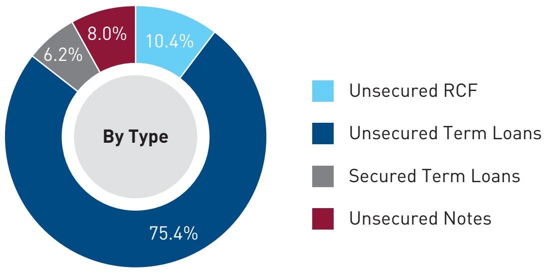
Debt Breakdown — By Currency

Total Debt of S$1,566.2 million



Debt Breakdown — By Type

Total Debt of S$1,566.2 million



DIVERSIFIED SOURCES OF FUNDING

In FY2023, ESR-LOGOS REIT announced an equity fund raising ("EFR") exercise to raise gross proceeds of not less than S$300m on 16 February 2023 via:

- a S$150.0m Private Placement and,
- a S$150.0m Preferential Offering

The EFR exercise was successful with the Private Placement 3.0 times subscribed with two-thirds allocated to quality long-only institutional investors, real estate specialists and existing investors, and the Preferential Offering fully backstopped by ESR Group, reinforcing the Sponsor's commitment to the REIT's growth trajectory.

CASH FLOWS AND HEDGING

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

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

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

OVERVIEW OF THE SINGAPORE ECONOMY

Singapore's Economic Performance in 2023

In 2023, Singapore's Gross Domestic Product ("GDP") grew 1.1%, with the more muted growth largely a result of weaker external demand coupled with an elevated interest rate environment. Nevertheless, GDP picked up in Q4, registering a 2.2% year-on-year ("y-o-y") expansion as most sectors posted improvement.

In 2023, economic growth was mainly led by the Service Producing Industries which rose 2.3%, only to be weighed down by the Goods Producing Industries which contracted 2.9%. Among the Service Producing Industries, the top three best performing sectors were Accommodation, Information & Communications and Real Estate which recorded a growth of 12.1%, 5.7% and 4.9%, respectively. The strong performance of these sectors was bolstered by the resumption of international flights and visitors that was a catalyst to the recovery of the retail and tourism sectors.

The construction sector expanded 5.2% in 2023, supported by public and private projects as well as the acceleration of construction activities which were previously delayed during the pandemic. However, the manufacturing sector declined 4.3% during the year as a result of contractions from Q1 to Q3 2023 only to post a 1.4% y-o-y growth in Q4 2023, due to the nascent return of electronics demand globally.

Singapore's Economic Performance (%)

GDP & Sector Growth Rates	2023	2022	
Overall GDP Growth	**1.1**	**3.8**	▼
Goods Producing Industries	–2.9	2.9	▼
Manufacturing	–4.3	2.7	▼
Construction	5.2	4.6	▲
Services Producing Industries	2.3	5.1	▼
Accommodation	12.1	2.2	▲
Information & Communications	5.7	8.1	▼
Real Estate	4.9	10.9	▼

Source: MTI, Knight Frank Research

Labour Market

Unemployment levels in Singapore fell 0.2 percentage points ("pp") to 1.9% in 2023*, from the 2.1% in 2022. This was also lower than the 3.0% and 2.7% recorded in 2020 and 2021 respectively during the pandemic when jobs in the tourism and hospitality sectors were disrupted. After most of the restrictions were lifted from April 2022, coupled with re-employment initiatives set in motion by the government, the unemployment rate fell to pre-pandemic levels.

* Figures are preliminary based on MOM released on 31 January 2024

Performance of Manufacturing Sector and Fixed Asset Investment

The Singapore Purchasing Managers Index ("PMI") was in contractionary mode throughout most of 2023 (above 50 representing expansion, and below 50 representing contraction), largely due to global economic headwinds and rising material costs, causing manufacturing activity to shrink. Nevertheless, the PMI turned positive and improved from September 2023, in part, supported by returning demand for electronics as the Electronics Sector PMI moved into expansionist territory of 50.1 from November 2023.

Singapore received a record S$22.5 billion in fixed asset investments ("FAI") in 2022, the most in the last 10 years since 2013. However, in 2023, the total FAI secured declined to S$12.7 billion, as global manufacturers turned cautious in their expansion plans, juggling between tight fiscal operating environments, stubborn inflation and geopolitical tensions. Despite these headwinds, Singapore continued to attract investment from globally mobile manufacturers. For example, Procter & Gamble (P&G) announced in June 2023 that it will invest more than $100 million to set up a new manufacturing facility in Singapore.

Economic Outlook for 2024

According to the Ministry of Trade and Industry ("MTI"), Singapore's GDP is projected to grow between 1.0% and 3.0% in 2024, improving from 2023, with inventory levels and demand for goods expected to normalise and rebalance from the second half of 2024. While the manufacturing sector was a key growth engine during the pandemic-led recession of 2020, output and the contribution of this sector declined in 2023. Even so, industrial real estate indicators such as rents, prices, and vacancy levels remained stable throughout the year, at times recording marginal increases.

Although the global economic outlook remains uncertain, there are indicators signalling better prospects for the manufacturing sector in 2024. Barring any unforeseen external shocks, such as an escalation of the Middle East conflict, the normalisation of inventory levels coupled with the rebalancing of global demand for goods is expected to generate growth in trade and manufacturing, particularly in the electronics and precision engineering clusters.

SINGAPORE INDUSTRIAL MARKET

Overview of Government Policies

Established in May 2020 by Deputy Prime Minister Heng Swee Kiat, the Emerging Stronger Taskforce ("EST") was set up under the Future Economy Council to spearhead a recovery path for the Singapore economy post-pandemic. The key thrusts of the EST include championing sustainability, reconfiguring supply chains, fostering technology, and digital transformation across various industries. These changes were adopted in the Industry Transformation Maps to ensure that the economy of Singapore remains competitive and relevant in the digital era.

Changes to Industry Trends

The pandemic created flexible ways of working in several types of job functions without having the need for an assigned workplace in an office setting, and this was also relevant in the industrial sector. While certain job functions in the manufacturing sector require the use of specific equipment housed in factories and laboratories, others do not require the operator to be in a fixed work location.

During the pandemic, industrial space users were compelled to apply hybrid work arrangements to administrative and corporate functions, so long as individuals could access networks and collective communication tools. Larger non-pollutive occupants have used these lessons to reduce their space footprints, with the space utilised becoming more versatile for diverse uses, promoting employee experience as part of staff retention and welfare.

As such, clean industrial occupiers are likely to take up smaller spaces, especially in developments that incorporate modern well-equipped facilities with easy access to transport nodes. Co-working facilities that flourished in the office market are also expanding their operations in industrial spaces. These spaces include business parks and high-specifications industrial complexes facilitating the geographical spread of flexible workforce, especially if these have convenient access to public transportation.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Industrial Government Land Sales ("IGLS") Programme for 1H2024

Nine industrial sites, spanning around 300,000 sqm in site area, will be made available in 2024. There are five and four industrial sites on the confirmed and reserved list respectively, all zoned B2 industrial, allowing for heavy work. Eight out of ten sites are in the west of Singapore, reflecting the government's intentions to further develop the west region as an advanced manufacturing hub of Singapore.

Confirmed and Reserved IGLS for 1H2024

Location	Planning Region	Site Area (ha)	Zoning	Gross Plot Ratio (GPR)	Maximum Gross Floor Area (GFA) (sqm)	Tenure (years)	Estimated Available Date
Confirmed List of Industrial Sites							
Plot 8 Jalan Papan	West	0.90	B2	1.4	12,580	20	January 2024
Plot 10 Tampines North Drive 5	East	0.50	B2	2.5	12,544	30	February 2024
Penjuru Lane	West	0.34	B2	2.5	8,500	20	April 2024
Penjuru Road	West	2.10	B2	2.5	52,500	30	May 2024
Kallang Way	Central	4.45	B2	2.5	111,250	32	June 2024
Total		**8.29**			**197,375**		
Reserve List of Industrial Sites							
Tuas Road	West	2.18	B2	1.4	30,485	30	Available
Plot 3 Jalan Papan	West	0.72	B2	1.4	10,079	20	Available
Lok Yang Way	West	1.86	B2	2.5	46,500	30	March 2024
Tukang Innovation Drive	West	0.70	B2	2.5	17,500	20	June 2024
Total		**5.46**			**104,564**		

Source: MTI, JTC, Knight Frank Research

Overview of Key Industrial Districts

Punggol Digital District ("PDD")

Decentralisation continues to be a key initiative for the government, positioning employment centres closer to residential areas in suburban areas to mitigate traffic congestion and reduce commutes. Located in Punggol Town, PDD was created to house an ecosystem that supports collaboration between firms and students in the innovation economy. Spanning 50 ha of space, the district would incorporate workspaces for firms in the digital, innovation and technology field as well as the new Singapore Institute of Technology's (SIT) campus.

In 2026, a new technology and innovation centre in PDD is expected to be completed. This new 27,871 sqm centre will have Singapore bank UOB as its main anchor tenant and is expected to create 28,000 new jobs.

Jurong Innovation District ("JID")

JID was established as part of I4.0, as a one-stop advanced manufacturing hub serving the industrial activities mainly in the West region of Singapore. This advanced manufacturing ecosystem supports manufacturing companies moving up the technology curve by investing in the most suitable advanced technology for their operations. JID would house businesses, training institutions and academic groups with partnerships that include Shimano, Hyundai Motor Group and Bosch Rexroth.

Tuas Mega Port Project

Tuas Mega Port commenced operations with five berths in 2022. In line with the Logistics Industry Transformation Map, the port is fully automated to increase efficiency and free up workers for more value-add jobs. Tuas Mega Port forms a linked interdependent network among industries located in JID, Jurong Lake District and the Tuas industrial areas to increase turnaround times for goods and materials to be imported from and exported to the global market.

Changi East Project

Spanning 1,080 ha in land area, the Changi East Project will incorporate a new and upcoming development of Changi Airport Terminal 5 as well as the Changi East Industrial Zone to create a mega aviation hub.

INVESTMENT SALES

The total investment sales of industrial properties in 2023 reached S$2.5 billion, with the majority (40.5%) of sales activity occurring in the second quarter of the year. Notably, The Shugart's sale to CapitaLand Ascendas REIT for S$218.2 million in May claimed the top spot, while other significant transactions included M&G Real Estate's acquisition of the Jardine C&C Regional HQ and Mercedes-Benz Centre in February for S$142.0 million and S$131.0 million respectively. A similar level of investment sales activity was witnessed in 2022 when S$2.5 billion was recorded.

Selected Major Investment Sales in 2022 and 2023

Name of Development	Location	Sale Price (S$ mil)	Area (sqm)	Unit Price (S$ psqm)	Tenure	Quarter Sold
Multiple-User Factory Developments						
BHL Factories	2A, 2B Mandai Estate	130.5	8,534**	15,292**	Freehold	3Q2022
Jardine C&C Regional HQ	239, 241 Alexandra Road	142.0	18,679*	7,602*	99 years from 19/03/1956	1Q2023
Sime Darby Business Centre	315 Alexandra Road	68.0	16,647*	4,085*	99 years from 02/03/1956	3Q2023
GS Building	16, 18, 20 Lorong Ampas	67.0	8,565*	7,823*	Freehold	1Q2023
Single-User Factory Developments						
Philips APAC Centre	622 Lorong 1 Toa Payoh	104.8	37,510*	2,794*	60+13 years from 01/06/1970	3Q2022
N.A.	10, 12 Mandai Estate	100.0	15,228*	6,567*	Freehold	4Q2022
Mercedes-Benz Centre	301 Alexandra Road	131.0	N.A.	N.A.	99 years from 01/07/1948	1Q2023
J'Forte Building	26 Tai Seng Street	98.8	17,931*	5,508*	30+30 years from 09/06/2007	1Q2023
Tuas Vista	2 Tuas South Avenue 2	53.0	20,193*	2,625*	60 years from 04/01/1999	3Q2023
Warehouse Developments						
1 Buroh Lane	1 Buroh Lane	191.9	59,971*	3,200*	30 years from 2015	3Q2022
Enterprise Logistics Centre	2 Tuas View Place	120.6	35,954*	3,354*	60 years from 20/11/1995	4Q2022
Jurong Districentre	3 Pioneer Sector 3	95.0	66,569*	1,427*	30+30 years from 16/12/1990	2Q2023
N.A.	6 Chin Bee Avenue	93.0	30,116*	3,088*	27.73+30 years from 22/01/1986	2Q2023
N.A.	30 Toh Guan Road	57.8	30,844*	1,873*	30+30 years from 16/08/1995	2Q2023
Business Park Developments						
The Shugart	26 Ayer Rajah Crescent	218.2	40,880*	5,338*	30 years	2Q2023

Source: Various sources, Knight Frank Research

* Refers to GFA, or the estimated maximum permissible GFA and corresponding reported price psqm ppr
** Strata area and corresponding price per strata area

Outlook

In 2024, investors of older developments may opt for value-adding works to mitigate risks and maintain revenue inflow during the period of upgrading. In addition, with the possibility of potential interest rate cuts, acquisition of core industrial properties may also pick up, bringing back institutional investment activity to the industrial market.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

FACTORY

Stock and Supply

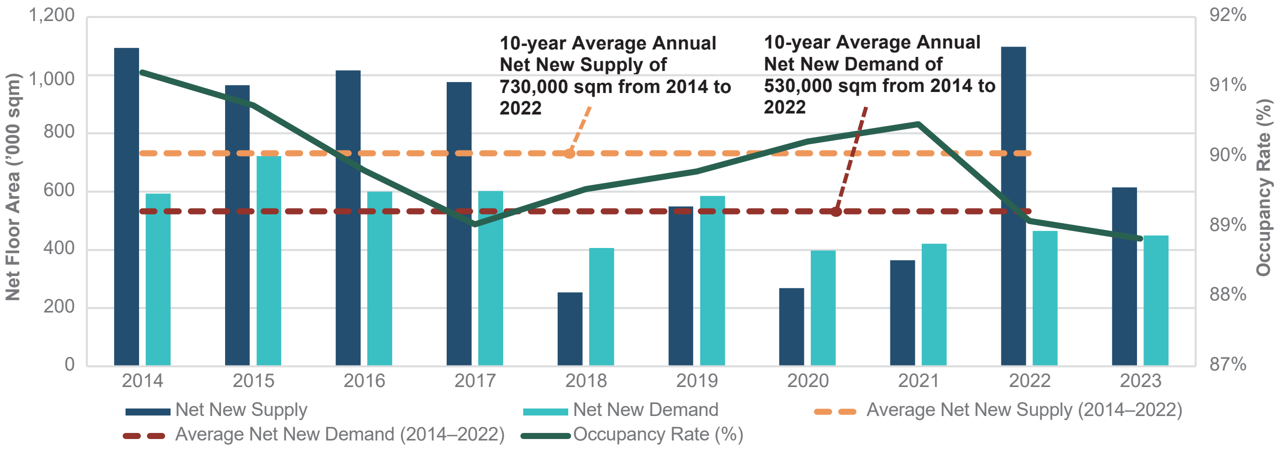
In 4Q2023, total factory stock in Singapore stood at 38.8 million sqm, a 1.6% growth from 38.2 million sqm in the year before. Single-user factories that are mostly purpose-built constituted 67.8% (26.3 million sqm), and multiple-user factory spaces made up 32.2% (12.5 million sqm).

Net new supply of factory space totaled 615,000 sqm in 2023, with the addition of 320,000 sqm of multiple-user factories and 300,000 sqm of single-user factory space. The largest project completed in 2023 was a single-user factory at 60 Woodlands Industrial Park D Street 2 developed by Global Foundries Singapore Pte Ltd with a gross floor area ("GFA") of 125,000 sqm.

Demand and Occupancy

Demand for factory space remained steady in 2023 as business sentiment in the manufacturing sector began improving from the second half of 2023. However, net new demand in 2023 decreased by 3.2% to 450,000 sqm despite the return of international travel and supply chains recovering to pre-pandemic levels, weighed down by the weak global demand, especially for electronics. The overall factory occupancy contracted 0.3 pp y-o-y to 88.8% in 4Q2023, due to the significant increase in new factory supply during the year.

Net New Supply, Net New Demand and Average Occupancy of Factory Space



Source: JTC J-Space, Knight Frank Research

Potential Supply

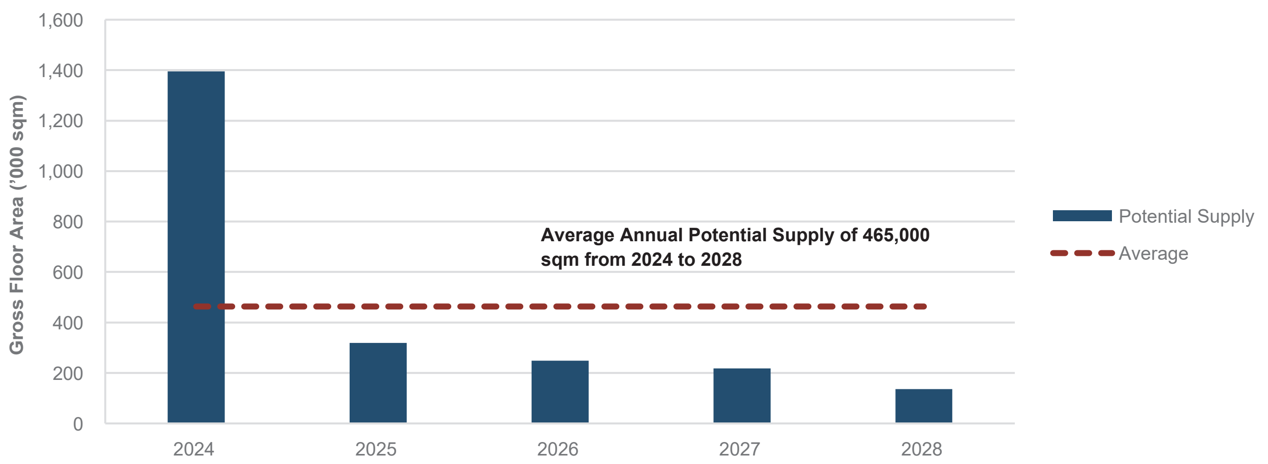
As at 4Q2023, 2.3 million sqm GFA of new factory space is anticipated to be added over the period between 2024 and 2028 progressively, with 1.4 million sqm to complete by the end of 2024. Bulim Square, a 160,000 sqm multiple-user factory located at Bulim Lane 1/2 will be developed by JTC Corporation, and is the largest project expected to be completed in 2024.

Upcoming Major Factory Developments in 2024

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sqm)
Single-User Factory Developments				
Greenphyto Innovation Centre	Tukang Innovation Drive	West	Greenphyto Pte Ltd	18,140
Single-User Factory	Jalan Papan	West	Kok Tong Transport and Engineering Works	13,930
Single-User Factory	Woodlands Industrial Park E2	North	Whye Wah Development & Construction Pte Ltd	12,350
Multiple-User Factory Developments				
Bulim Square	Bulim Lane 1/2	West	JTC Corporation	157,590
JTC Space @ AMK	Ang Mo Kio Street 64/65	North-East	JTC Corporation	117,230
One KA @ Macpherson	Kampong Ampat	Central	Woodlands Smartisan Pte Ltd	18,370

Source: JTC J-Space, Knight Frank Research

Potential Supply of Factory Space



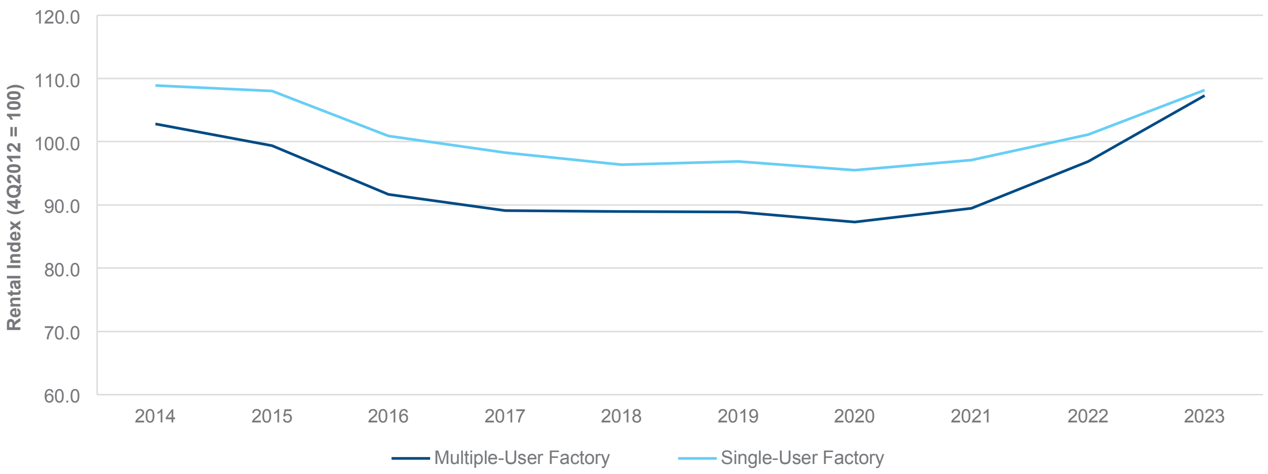
Source: JTC J-Space, Knight Frank Research

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Rents

In 4Q2023, both the JTC rental indices for multiple and single-user factory types recorded growth of 10.7% y-o-y and 7.0% y-o-y respectively. JTC rental data showed that rents for multiple-user factory spaces were S$20.45, S$25.00, and S$30.48 psqm per month in the 25th percentile, median, and 75th percentile bands, respectively, while rents for single-user factory spaces registered S$15.59, S$19.36, and S$23.90 psqm per month for the same corresponding percentile rents.

JTC Rental Indices of Factory Space by Types



Source: JTC J-Space, Knight Frank Research
Note: JTC rental indices are based on the last quarter of each respective year

Outlook

In 2023, despite manufacturing output contractions and diminished export volumes, factory indicators were resilient for most of the year. The manufacturing outlook, especially the electronics cluster, is expected to be more sanguine in 2024 alongside a rebound in global demand, with a pause in interest rate hikes as well as rate cuts expected in the year. The outlook for 2024 continues to be cautiously optimistic, with a potential return of demand and a resumption of growth in the business cycle.

WAREHOUSE

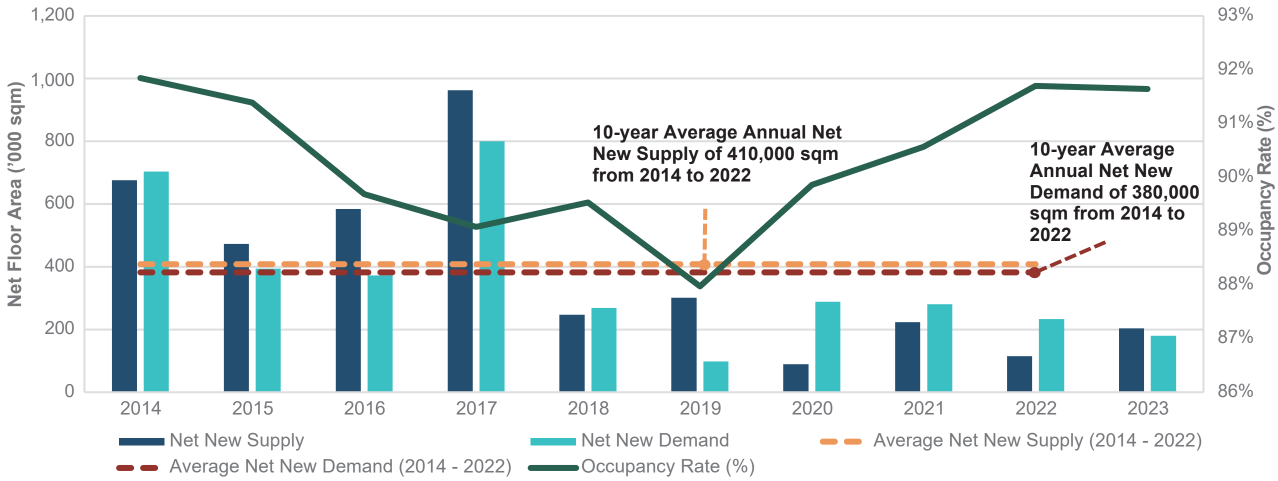
Stock and Supply

The total warehouse stock in Singapore was 11.6 million sqm in 4Q2023, with 11.2 million sqm comprising private stock and 385,000 sqm from the public sector. The net new supply of warehouse space surged 76.8% y-o-y to reach 205,000 sqm in 2023, as supply began to balance with heightened demand, with much needed quality warehouse space.

Demand and Occupancy

In 2023, 180,000 sqm of net new demand was recorded for warehouse space, an annual decrease of 22.9% from a year ago. As such, occupancy rates declined 0.1 pp from a year ago to 91.6% as at 4Q2023. Healthy demand characterised the warehouse sector throughout 2023, undergirded by third-party logistics ("3PLs") and end-users that included e-commerce companies and those requiring temperature-controlled facilities. Excess inventory was also stored by electronics and precision engineering firms in light of the poor global demand in the first half of the year. Retail companies entering the Singaporean market also utilised these spaces as new online and physical stores were established.

Net New Supply, Net New Demand and Average Occupancy of Warehouse Space



Source: JTC J-Space, Knight Frank Research

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Potential Supply

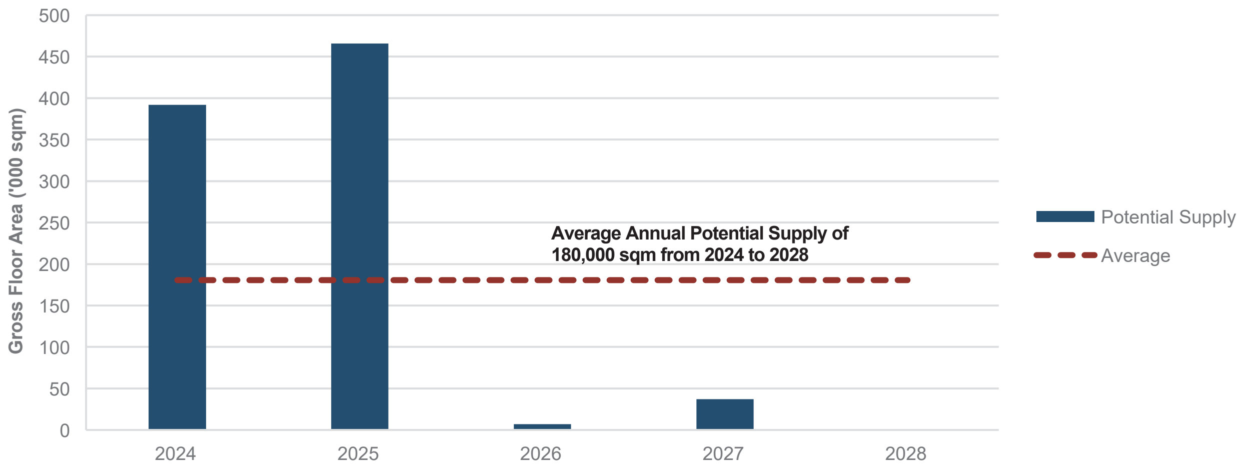
As at 4Q2023, 903,000 sqm of warehouse space is expected to be completed between 2024 and 2028, with the majority constituting private stock at 99.2% (896,000 sqm). In 2024, approximately 392,000 sqm of warehouse space will likely be added, with the bulk of upcoming supply expected during the two years of 2024 and 2025.

Upcoming Major Warehouse Developments in 2024

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sqm)
Warehouse Development	Senoko Loop	North	Tiong Nam Logistics (S) Pte Ltd	24,940
Single-User Industrial Development	Tuas Avenue 13	West	Peck Tiong Choon Pte Ltd	10,280

Source: JTC J-Space, Knight Frank Research

Potential Supply of Warehouse Space

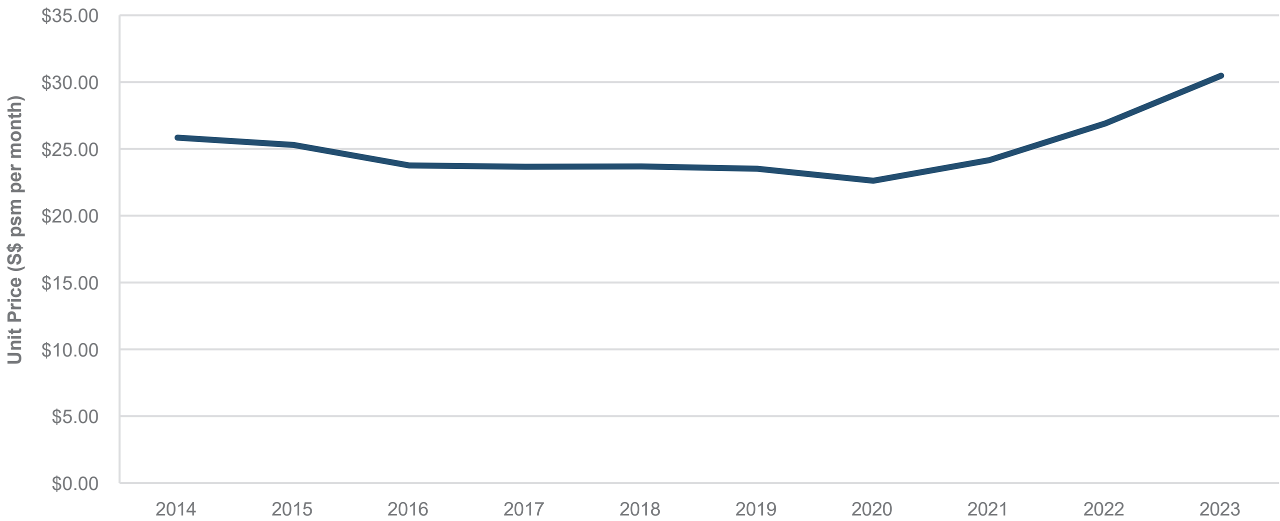


Source: JTC J-Space, Knight Frank Research

Rents

The JTC warehouse rental index increased 8.5% y-o-y in 4Q2023. The demand for warehouse space was resilient, storing excess inventory as well as goods from the recovering retail sector. Rents for warehouse spaces stood at S$17.82, S$22.60, and S$29.10 psqm per month in the 25th percentile, median and 75th percentile respectively in the last quarter 2023.

JTC Rental Index of Warehouse Space



Source: JTC J-Space, Knight Frank Research
Note: JTC rental indices are based on the last quarter of each respective year

OUTLOOK

Amid the tight occupancy levels in quality logistics space in 2023, there was an estimated addition of 205,000 sqm new warehouse space. Manufacturers also gradually reduced inventory held in existing facilities, and the tight supply conditions began to ease towards the end of the year, as the balance of demand and supply returned to the sector.

Although over 390,000 sqm of new warehouse space completions are expected in 2024, the normalisation of global supply chains is being threatened by attacks on commercial shipping through the Suez Canal and the Gulf of Aden. This could result in increased stockpiling of essential items, sustaining demand for storage space.

Combined with a recovering retail sector and new market entrants importing a diverse range of products, the demand for quality logistics space is expected to maintain in 2024, providing moderate upward momentum that will cause warehouse rents to grow by just over 5% in the coming year, notwithstanding the influx of new supply.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

HIGH-SPECIFICATIONS INDUSTRIAL SPACE

High-specifications industrial space ("high-specs") are factory buildings with office-like facades, lobbies with a sense of arrival, open spaces and amenities for retail, F&B and recreational purposes. They are usually used for light and clean businesses, such as data centres, research and development as well as other high value-add and knowledge-based industries. Depending on the usage, these high specs industrial spaces generally have higher floor to ceiling heights, floor loading, power supply and large capacity loading and unloading bays.

Stock and Supply

As of 4Q2023, there was a total of approximately 6.1 million sqm GFA of high-specs industrial stock (including data centres). Some of the more noteworthy projects that were completed in 2023 included Tai Seng Exchange (105,250 sqm GFA) located at 1, 3, 5, 7 Tai Seng Avenue developed by SB (Ipark) Investment Pte Ltd, and a high specs multiple-user factory situated at 161, 163, 165 Kallang Way (80,420 sqm) developed by Mapletree Industrial Trust.

Demand and Occupancy

The demand for high-specs industrial spaces remained steady in 2023. The trend toward quality-driven choices was sustained in 2023, with centrally located spaces that featured modern amenities and customised facilities being sought after. Additionally, more technology firms, such as Google and Amazon, also expanded data centre operations.

Potential Supply

As at 4Q2023, an estimated 545,000 sqm GFA of new high-specs industrial space will progressively be added to the total stock from 2024 to 2028, where the majority will be completed in 2024. High-specs industrial developments such as Bulim Square is expected to be completed in 2024.

Upcoming Major High-Specs Developments in 2024

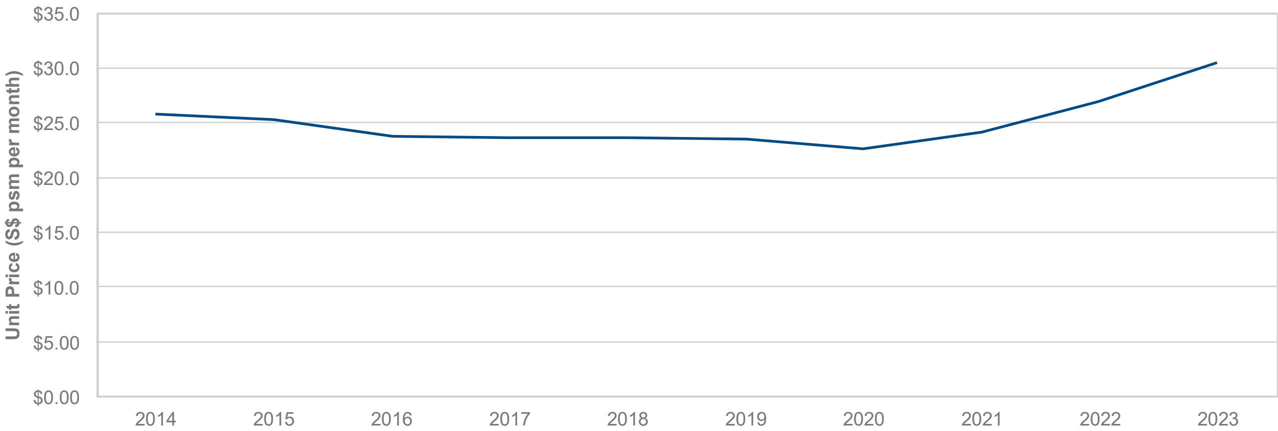
Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sqm)
High-specs Industrial Developments (Non-Data Centres)				
Bulim Square	Bulim Lane 1/2	West	JTC Corporation	157,590
One KA @ Macpherson	Kampong Ampat	Central	Woodlands Smartisan Pte Ltd	18,370
Data Centres				
Malkoha (Meta)	Sunview Way	West	Malkoha Pte Ltd	171,340
Google Asia Pacific	Lok Yang Way	West	Google Asia Pacific Pte Ltd	52,780
Amazon Asia-Pacific Resource	Loyang Drive	East	Amazon Asia-Pacific Resource Pte Ltd	8,880

Source: JTC J-Space, Knight Frank Research

Rents

Using the 75th percentile monthly rent of multiple-user factory as representative of high-specs industrial space, rents stood at S$30.48 psqm per month as at 4Q2023, showing a yearly growth of 13.2% from S$26.91 psqm per month as at 4Q2022.

Rents for High-Specs Industrial Space



Source: JTC J-Space, Knight Frank Research
Note: JTC rental indices are based on the last quarter of each respective year.

Outlook

There is cause for optimism in the outlook for 2024. As large global manufacturers begin operations from new or expansion spaces, especially from the electronics cluster, local enterprises supporting these larger firms will also benefit. Pent up demand for data centres after the moratorium was lifted in 2023 will also underpin the high-specifications industrial space. Even though economic uncertainty continues to prevail, impacted by geopolitical tensions and the possibility of escalation of military conflict in the Middle East, Knight Frank is sanguine about the growth of high-specs industrial, with rental growth forecasted to range from 3% to 5% in 2024.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

BUSINESS PARK

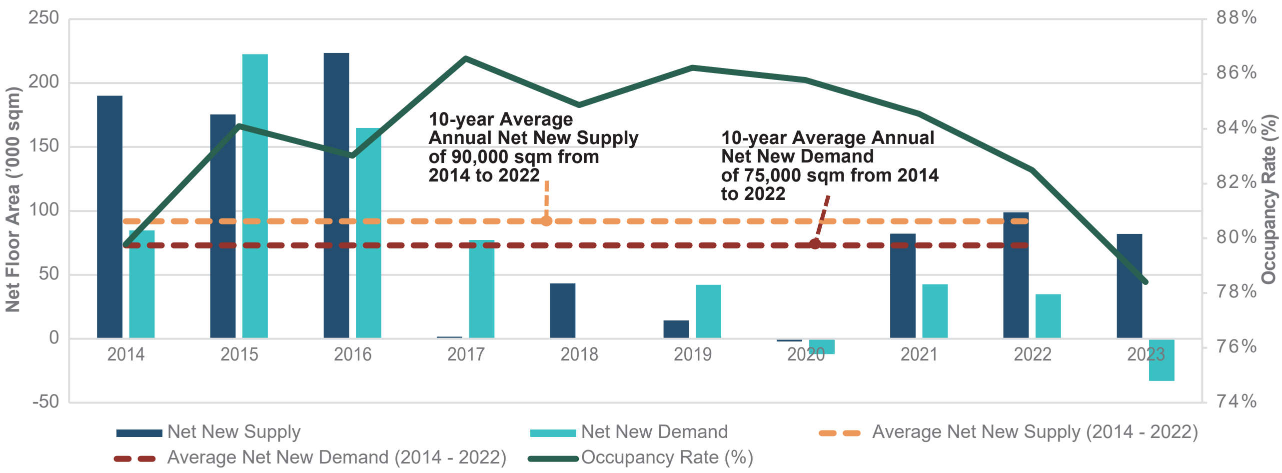
Stock and Supply

As of 4Q2023, the total business park stock in Singapore comprised 2.5 million sqm, reflecting a 3.5% y-o-y increase. Net new supply of business park space totaled 80,000 sqm in 2023. The completion of the Surbana Jurong Campus (70,000 sqm GFA) by Surbana Jurong Capital (JID) Pte Ltd was the largest project in 2023.

Demand and Occupancy

The overall occupancy rate for business parks decreased to 78.4% as at 4Q2023, marking a 4.1 pp decline with net new demand negative for the year. The demand for business park spaces has waned, as office occupiers chose to renew leases instead of incurring capital expenditure to relocate to business parks. Existing business park tenants have also been cost consciously reducing their footprints, requiring less space with the adoption of hybrid work arrangements.

Net New Supply, Net New Demand and Average Occupancy of Business Park Space



Source: JTC J-Space, Knight Frank Research

Potential Supply

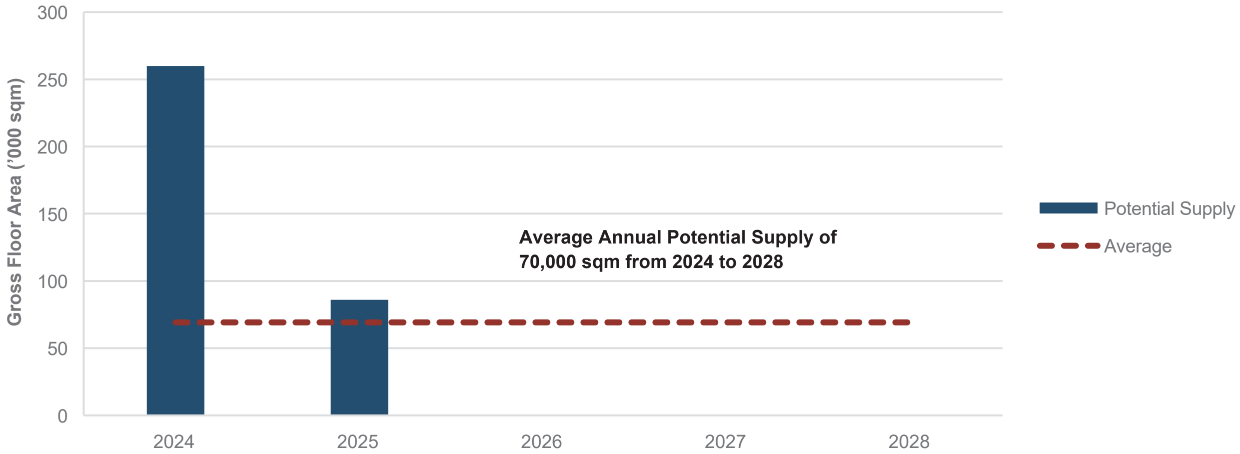
As at 4Q2023, approximately 350,000 sqm of business park supply in the pipeline is projected to be completed by 2025. A noteworthy business park project is the Punggol Digital District developed by JTC Corporation, which is slated for completion in 2024 and 2025 and encompasses 147,250 sqm and 86,480 sqm GFA respectively in two phases.

Upcoming Major Business Park Developments in 2024 and 2025

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sqm)
Punggol Digital District Phase I	Punggol Way	North-East	JTC Corporation	147,250
Punggol Digital District Phase II	Punggol Way	North-East	JTC Corporation	86,480

Source: JTC J-Space, Knight Frank Research

Potential Supply of Business Park Space

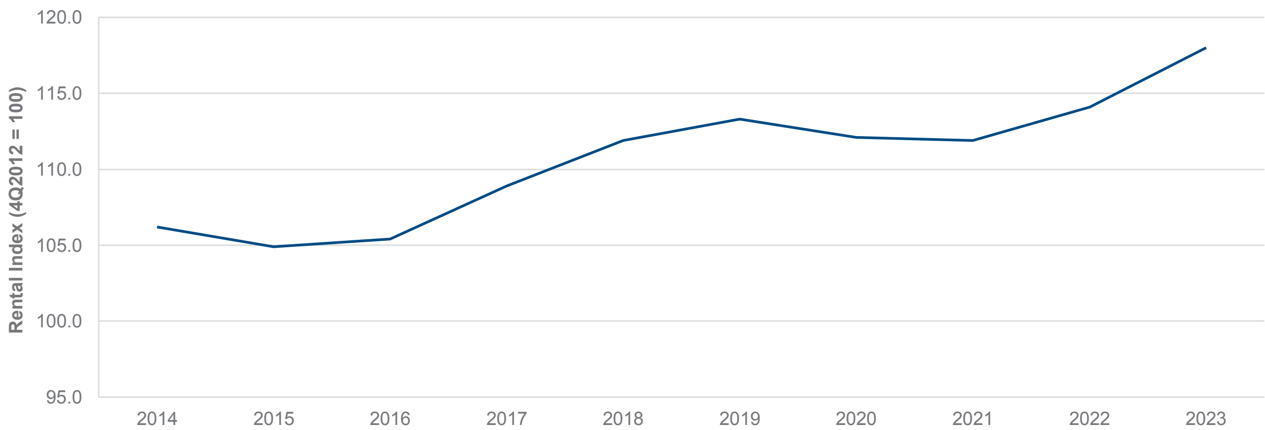


Source: JTC J-Space, Knight Frank Research

Rents

The JTC rental index for business parks increased 3.4% y-o-y in 4Q2023. The 25th percentile, median, and 75th percentile rents for business park space were S$42.22, S$46.60, and S$50.51 psqm per month respectively in the same period. Business park spaces that have excellent connectivity to MRT stations and are centrally located, typically commanded higher rents, with prime rents ranging from S$48.00 to S$75.00 psqm per month. However, for older business parks located in the east or west of Singapore rents were observed to have plateaued in 2023.

JTC Rental Index for Business Park Space



Source: JTC J-Space, Knight Frank Research
Note: JTC rental indices are based on the last quarter of each respective year.

Outlook

The interest in business park spaces among occupiers is expected to remain supported in 2024, despite the declining popularity and the trend towards smaller space requirements for this industrial type, especially in non-central areas. Aligned with the I4.0 revolution, the demand for business parks for specialised uses such as life sciences research is anticipated to return, as high-value-add industries such as biomedical science, information and communications technology, and research and development pick up reflecting the manufacturing asset investments made during the pandemic. Rents for well-located business parks could grow 1% to 3% in 2024. However, rents for older business parks in non-central areas may flatten out, hovering at the lower end of the forecast range.

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

MACROECONOMIC OVERVIEW AND OUTLOOK

Economic growth was stable in the September 2023 quarter, with year-on-year Gross Domestic Product ("GDP") growth remaining at 2.1%. On a quarterly basis, GDP rose 0.2%-slowing from 0.4% q-o-q growth recorded in the previous quarter. Despite this slowing of growth, the Australian economy has grown faster than most major advanced economies over FY2022–2023 (figure 1).

However, GDP growth has been moderated by an environment of ongoing high inflation, brought on initially by COVID-19 driven supply chain pressures, which slowed the delivery of consumer goods and raw materials globally, and compounded by a sharp increase in global energy and domestic household rental costs.

In Australia, inflation is slowly decelerating after peaking at 7.8% year-on-year (y-o-y) in December 2022. As at December 2023, Australia's core annual inflation sits at 4.1% (figure 2), a level above the Reserve Bank of Australia's ("RBA") target inflation band of 2%-3%.

Incremental increases in the official cash rate have been a key tool in the RBA's efforts to curb inflation pressures. There have been 13 increases to the official cash rate by the RBA since May 2022, reaching 4.35% in November 2023 (figure 3). This represents the highest cash rate in Australia since late 2011 (4.50% in November 2011). As at February 2024, the cash rate remains at 4.35%. This sharp escalation of interest rates has placed increasing mortgage pressures on Australian homeowners, which has lowered purchasing power for much of the Australian population.

Figure 1 Australian & Global Economies — GDP Growth, FY2022 to 2023

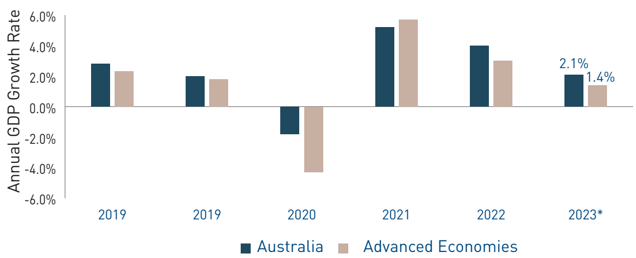
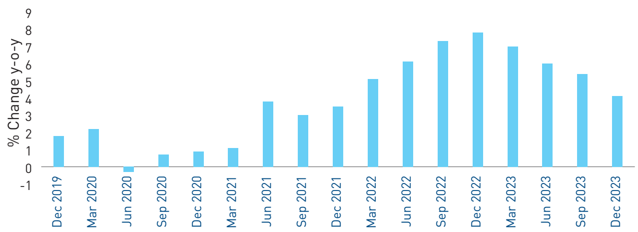


Figure 2 Australian Consumer Price Index, 2019 to 2023



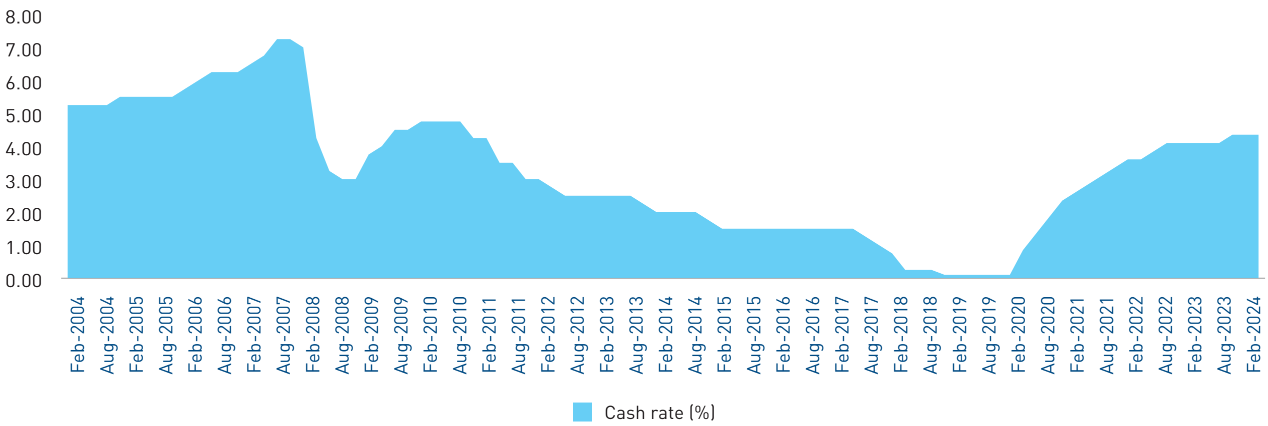
Source: Australian Bureau of Statistics, JLL Research

The ongoing escalation of interest rates is now starting to grip, resulting in a slowing consumer demand nationally. Annual retail trade has decelerated from a peak of 11.5% in January 2023 (rolling annual growth) to 5.2% in September 2023. However, a persistently strong labour force, with the unemployment rate of 4.1% in January 2024 sitting just 0.7 percentage points off the historical low of 3.4% recorded in October 2022 (figure 4), and a strong rebound in population growth on the back of increased migration levels, has moderated the decrease in retail trade.

In terms of trade, Russia's invasion of Ukraine and the resultant pressures of food and energy prices was of benefit to Australia. Australian exports of coal, oil and gas increased strongly on the back of lower availability globally. Rolling annual export trade growth (by value) of Australian coal reached a cyclical peak of 192.3% y-o-y in July 2022 and oil and gas extraction reached a peak of 120.5% y-o-y in June 2022. However, slower world economic growth and less constrained international supply chains has resulted in a moderation of demand. As at September 2023, year-on-year growth of coal exports by value has fallen into negative territory (-13.8% y-o-y). Over the same time period, exports of oil and gas extraction was flat at 0.1% y-o-y.

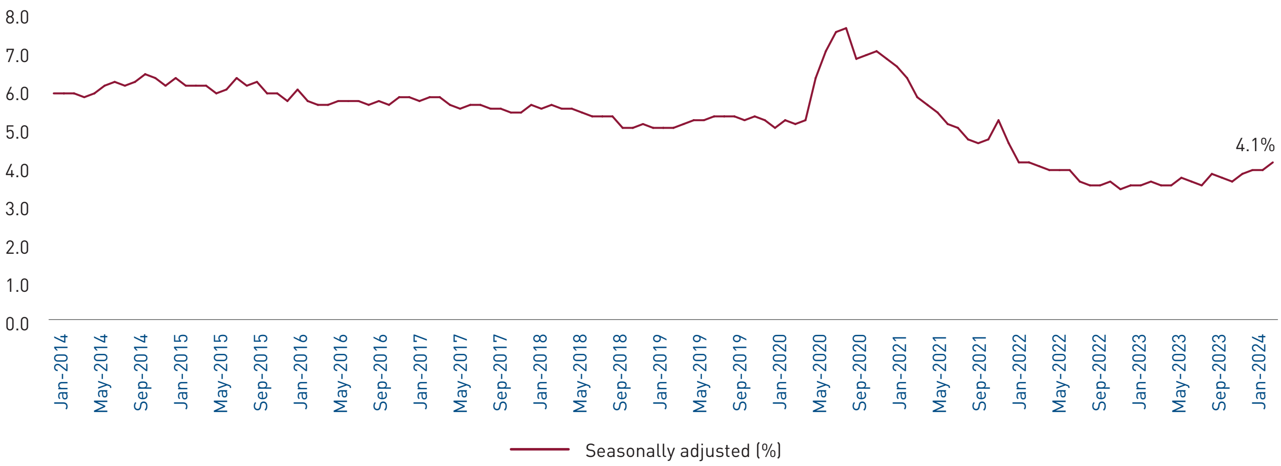
Looking forward the Australian economy, while slowing, is showing signs of a soft landing and the avoidance of a recession. Oxford Economics is forecasting that Australian GDP will recover moderately, reaching 1.4% in 2024 before peaking at 3.8% annual growth in 2026 (figure 5).

Figure 3 Reserve Bank of Australia Official Cash Rate, 2004 to 2024



Source: RBA

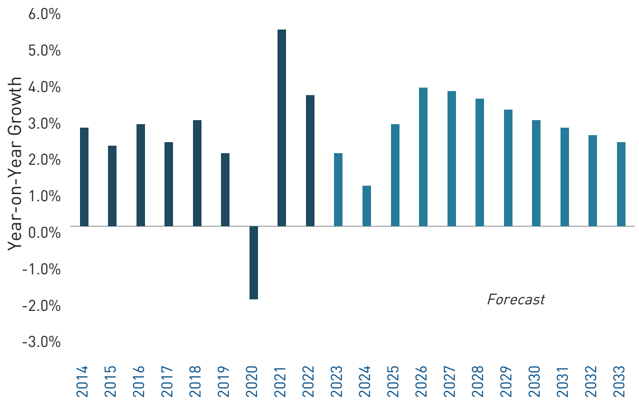
Figure 4 Australian Unemployment (seasonally adjusted), 2014 to 2024



Source: Australian Bureau of Statistics, JLL Research

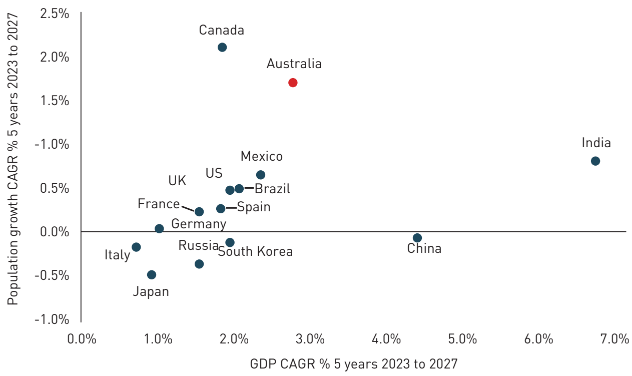
Comparatively, Australia has a stronger GDP growth outlook over the medium term (2.7% per annum ("p.a.")) than most large global economies. Australia's GDP Growth is projected to be behind China (4.7% p.a.) and India (7.0% p.a.), but stronger than other top 15 largest global economies including USA (1.9% p.a.), Canada (2.1% p.a.), UK, (1.2% p.a.), France (1.5% p.a.). Germany (1.0% p.a.), Spain (1.8% p.a.), Japan (0.9% p.a.), and South Korea (1.9% p.a.), (Figure 6).

Figure 5 Australian GDP Growth, 2014 to 2033



Source: Oxford Economics as at January 2024, JLL Research

Figure 6 Annual economic and population growth, 2023 to 2027



Source: Oxford Economics as at January 2024, JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

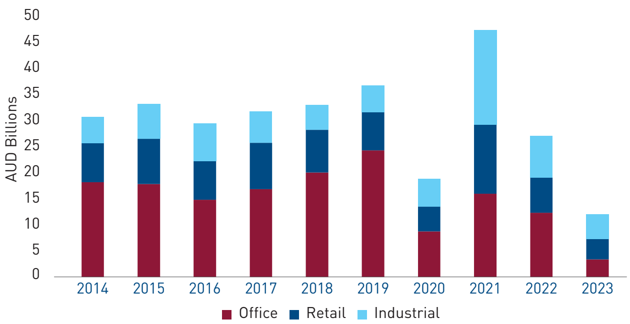
NATIONAL LOGISTICS MARKET OVERVIEW

The Investment Landscape

Nationally, overall investment activity in the industrial sector remained robust in 2022. Annual transaction volumes reached Australian Dollars ("AUD") 8.0 billion — the second highest annual historical total behind the record level recorded in 2021 (AUD 18.1 billion). Given the high volume of assets sold over the last two years, investors are now presented with a lack of investment opportunities.

With a lower number of assets brought to market recently, paired with the increasing challenges associated with the global economic downturn, transaction volumes have fallen (figure 7). However, this is only when measured against a very strong period of investment activity throughout the last two years. Over the nine months to September 2023, national industrial sales volumes reached AUD 4.6 billion. This is still well above the long-term pre-COVID-19 average (2010–2019) of transaction volumes over the first nine months of a calendar year (AUD 2.85 billion).

Figure 7 Australian Commercial Investment Volumes by Sector, 2014 to 2023



Source: JLL Research

Buyer and vendor expectations continue to calibrate against a backdrop of economic uncertainty surrounding the drivers that underpin the industrial sector. This uncertainty, coupled with long-term bond yields currently persisting above 4.0%, is resulting in yield decompression. Weighted prime national yields softened by 29 basis points ("bps") to 5.37% in September 2023. This is a continuation of the decompression cycle nationally that commenced in 2Q2022. Average national prime midpoint yields reached a cyclical low of 3.90% in March 2022 — representing decompression of 147 basis points ("bps") to the current midpoint yield of 5.37%.

The decrease in investor demand for Australian commercial real estate has not been isolated to the industrial and logistics sector. Transaction volumes in the other core sectors of office and retail has also trended downwards. Comparatively, the industrial sector has proven a more resilient sector as far as transaction volumes are concerned. Over the first nine months of 2023, transaction volumes in the industrial sector (AUD 4.6 billion) have outpaced investment in the office (AUD 3.5 billion) and the retail sectors (AUD 3.7 billion). However, similar fundamentals are moderating investor demand with average yields in both sectors decompressing as a result of escalating cost of debt and increasing risk-free premiums on the back of rising bond yields.

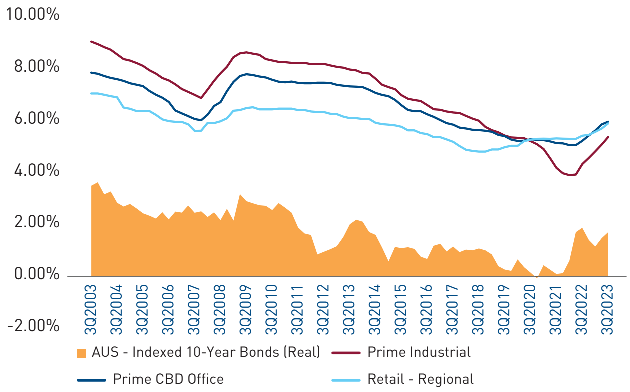
Average prime yields in the Australian office and retail sectors have also decompressed since reaching a cyclical peak in 2Q2022. However, given the rapid compression of prime industrial and logistics yields over the COVID-19 period compared to the Australian office and retail sectors, the yield decompression in these sectors has been relatively less severe. Average national prime office midpoint yields have decompressed by 90 basis points from 5.06% to 5.96% as at 3Q2023.

The decompression in average national regional retail midpoint yields has been even less pronounced, softening by 60 basis points over the same time period from 5.30% to 5.90%.

Real Australian Commonwealth Government 10-year bond yields have been incrementally increasing since the onset of the global COVID-19 pandemic. After reaching a cyclical low of -0.08% in 4Q2020, the yield on real Australian 10-year bond yields have increased by over 175 basis points. Real Australian Commonwealth Government 10-year bond yields have remained above 1.0% for six consecutive quarters from 2Q2022, reaching 1.70% in September 2023. Deloitte Access Economics forecasts that real Australian Commonwealth Government 10-year bond yields will moderate over the medium term to average 0.4% from FY24–25 to FY28–29. Using a risk-free premium of approximately 390–450 basis points for core assets from the real Australian Commonwealth Government 10-year bond yield (the risk-free investment benchmark), it is expected that yield decompression across all commercial property sectors will continue over the short-term. However, as bond rates are forecast to moderate over the medium term, we expect the yield decompression cycle to be short with the peak of the cycle coming at the end of 2024.

As at September 2023, the basis point spread to the risk-free rate for average prime industrial midpoint yields is 367 bps. The long-term 10-year pre-COVID-19 average (1Q2010 to 4Q2019) is 583 bps (figure 8).

Figure 8 National Blended Yields by Sector & Real 10-Year Bond Rates, 2003 to 2023

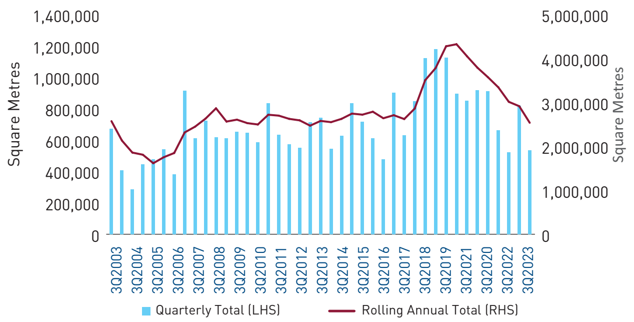


Source: JLL Research

Demand

Industrial occupier demand has been moderating after a period of strong COVID-19 driven growth throughout early 2021 and 2022. After reaching a cyclical peak of 4.32 million square metres in 4Q2021, national industrial rolling annual gross take-up has been trending down. As at September 2023, rolling annual gross take-up is 2.54 million square metres. Quarterly gross take-up reached a three year low in 1Q2023 (521,000 sqm). Since then, demand has been inconsistent with national gross take-up reaching 819,100 sqm in 2Q2023 before decreasing to 533,300 sqm in 3Q2023 (figure 9).

Figure 9 National Industrial Gross Take-up

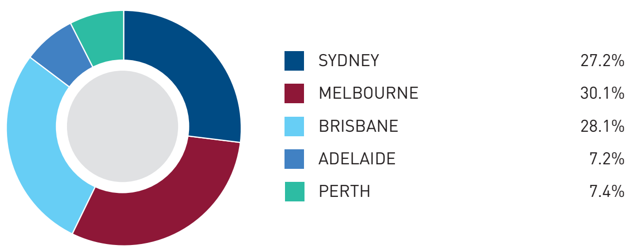


Source: JLL Research

While enquiry levels and leasing deals over the last 12 months are lower than the robust levels recorded in 2021 and early 2022, it must be noted that a lack of modern, efficient warehouse space available to lease in the market has significantly limited occupier movement. With low availability of alternate leasing options for occupiers, many have elected to renew leases in existing facilities on shorter term leases until more relocation options materialise. Compounding this is the sharp escalation of construction materials and labour shortages which has increased the risk of speculative development in an environment of more volatile macroeconomic conditions.

Geographically, most occupier activity has occurred in the eastern seaboard markets over the last 12 months. The combined gross take-up in the Melbourne (30.1%), Sydney (27.2%), and Brisbane (28.1%) markets accounts for almost 90% of the national total (figure 10). This proportion sits above the pre-COVID long-term 10-year average of 84%.

Figure 10 National Industrial Gross Take-up by Market, Last 12 Months to 3Q2023



Source: JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Pre-Lease and Design & Construction Demand

Logistics and industrial sector demand peaked in 2021 recording 4.4 million sqm of gross take up. This was 2.0 million sqm stronger than national 15-year average of 2.4 million sqm p.a. Over the broader COVID-19 period, occupiers preferred existing warehouse space over new construction in the form of pre-lease and design & construction warehouses. This was a result of occupiers needing warehouse space quickly to accommodate COVID-19 driven inventory level growth from traditional retail and ecommerce occupiers.

Although demand for pre-lease rebounded to pre-COIVD levels in 2022, the trend has reverted to preference for existing space. Over the last 12 months to September 2023 gross take-up into existing warehouse space accounted for 62% of the total. Demand for new builds in the form of pre-lease and design & construction deals, accounted for 38%.

Over this period of elevated occupier demand, supply delivery has not kept pace, which has resulted in a rapid tightening of the market. Although supply has started to pick up in recent quarters, vacancy remains extremely tight. Australian Real Estate Investment Trust ("AREITS") are reporting 0% to 2% vacancy across their industrial portfolios as at 2Q2023 (figure 12).

As a response to the uplift in occupier demand for existing warehouse space, developers are increasing speculative supply delivery to market. Over the past 24 months to 3Q2023, 29% of new supply was delivered speculatively (1.27 million sqm). This is well above the long-term pre-COVID 10-year average of 16%. The pent-up occupier demand for modern, efficient warehouse space over the COVID-19 period is expected to support gross take-up in the speculative space introduced to market over the medium term.

Figure 11 National Industrial Completions and Gross Take-up, 2007 to 2023

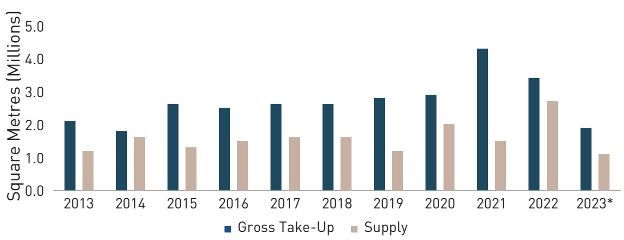
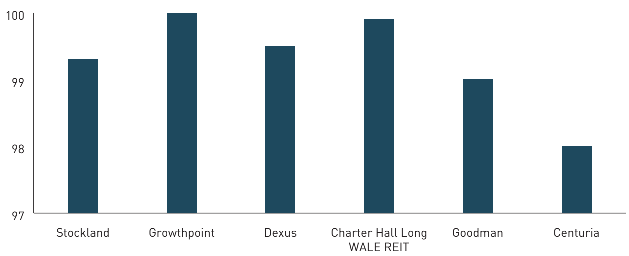


Figure 12 Selected A-REIT most recent reported occupancy



Source: A-REIT Reports

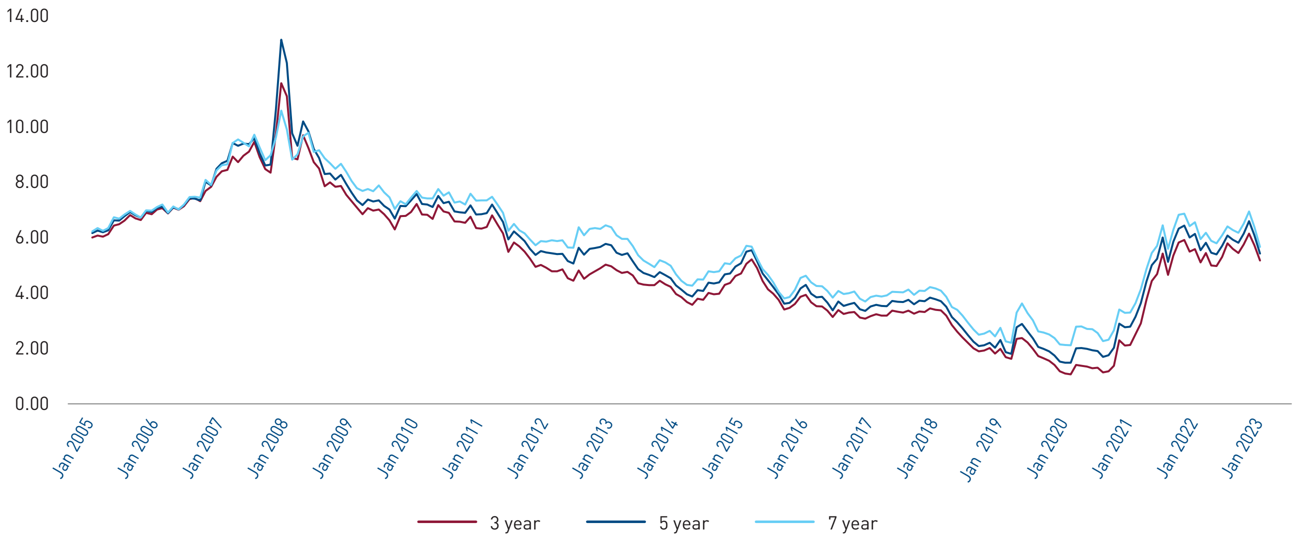
Rising construction costs and debt costs will slow the supply pipeline

We have used corporate BBB rated bonds as a proxy for construction financing costs. These have increase from circa 2% to between 5%–7% over the last 2 years (figure 13). Additionally, logistics construction costs have increased by 25% to 30%.

These metrics have altered the feasibilities of developers and rents now need to be higher. However, in Sydney's Outer Central West precinct there are additional serving costs. In June 2021 the NSW state government rezoned 850 ha of land in the Mamre Road precinct. Major institutional investors and developers committed to the precinct with 30% of projects pre-committed by major corporate occupiers. However, recently imposed servicing charges from Sydney water of AUD 880,000 per ha of developable land has added significantly to the cost of development. Development feasibilities are already being impact by increased construction and financing costs and economic rents are now 25% to 35% higher to account for increased cost of development.

These factors are likely to delay the delivery of supply over the medium term in affected precincts.

Figure 13 Corporate BBB rated bonds



Source: JLL Research, RBA

Looking forward over the next 18 months to 4Q2024, there is currently 2.58 million sqm of new supply forecast to be delivered to the Australian industrial sector. Of which, 41% is currently pre-committed (1.52 million sqm).

Of the total supply under construction, the blended pre-commitment level sits at 37%, with strong pre-commitment levels recorded in the Perth market.

Speculative development is increasing in all other markets. However, given the persistent occupier demand in the market against a backdrop of undersupply of modern efficient warehouse space, occupiers are typically secured prior to the completion of the construction period, typically on a lease term of 5–7 years. As a result, the percentage of absorption at practical completion of most projects will be significantly higher than current pre-commitment levels.

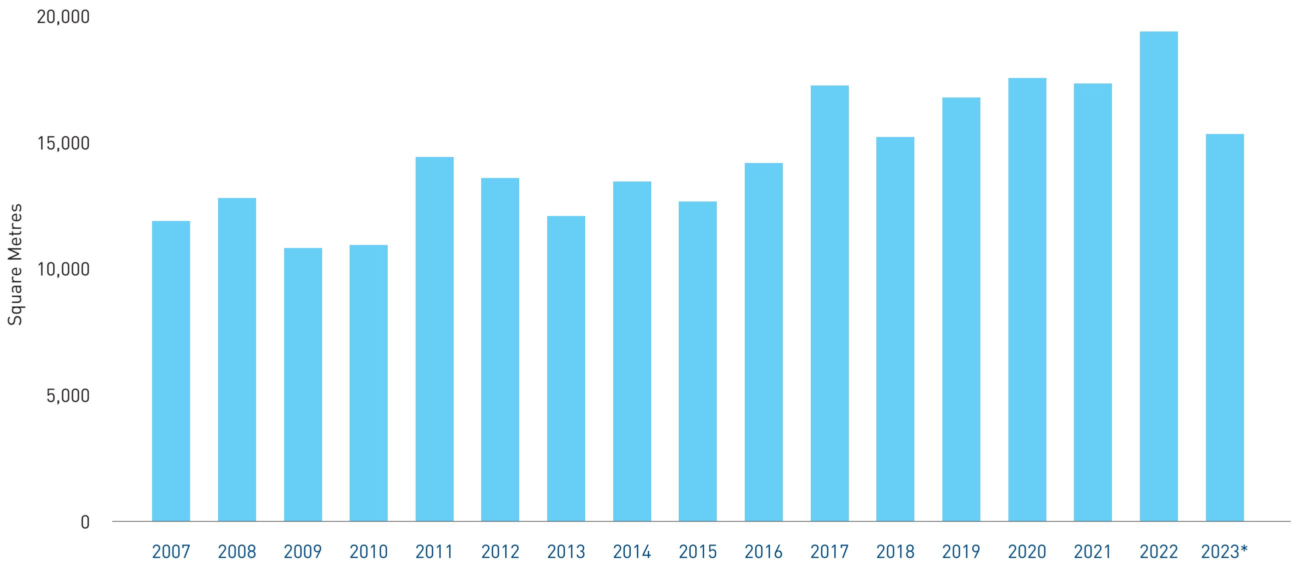
With lingering macroeconomic uncertainty, business relocation decisions are taking longer decisions and commitments to larger warehouses are now being delayed. Given the uncertainty, we expect developers to be a little more selective in their transactions in the short term and will tailor to market conditions. However, demand for smaller warehouses in the sub-10,000 sqm size cohort is still positive.

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

As a result, the average new warehouse build size has decreased significantly. Over the nine months to September 2023, the average warehouse build size reached 13,500 sqm — a 5,900 sqm reduction in average warehouse build sizes in 2022 and the lowest average build size since 2015 (figure 14).

Market	Average Completions p.a. (sqm) (10-yr average)	Absorption at Practical Completion (10-yr average)	Under Construction (sqm) (as at 3Q2023)	Pre- commitment level (as at 3Q2023)
Sydney	543,900	81%	908,800	27%
Melbourne	604,700	79%	1,032,800	41%
Brisbane	296,100	74%	396,700	29%
Perth	101,600	88%	113,900	52%
Adelaide	83,600	94%	39,100	50%
	1,629,900	**80%**	**2,491,300**	**39%**

Figure 14 National Industrial Average Warehouse Build Size, 2007 to 2023



Source: JLL Research

* as at 3Q2023

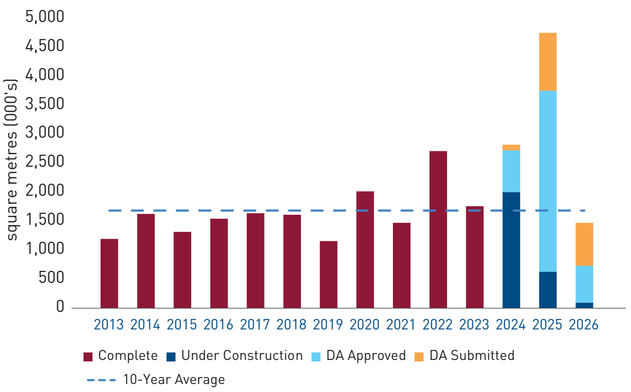
Supply

New supply to the Australian industrial sector reached record levels in 2022 (2.71 million sqm), driven by a record level of pre-lease demand predominantly from retailers and ecommerce occupiers in the early COVID-19 period. However, over the first nine months of 2023, supply has slowed moderately. New project commencements have been negatively impacted by a deteriorating macroeconomic environment which has affected business confidence, and a rapid escalation of construction and labour costs over the past 12 months which has placed pressure on feasibility modelling. Supply year-to-date (3Q2023) has decreased to 1.09 million sqm.

Delays in construction stemming from cost escalations, as well as ongoing labour market tightness and challenges around materials delivery, has resulted in elongated construction timeframes, and even deferment of some projects. Given this, the future supply pipeline over the balance of 2023 is robust. As at 3Q2023, there is 1.15 million sqm of new industrial space expected to be completed, bring 2023 annual supply to 2.25 million sqm. However, it must be noted that the expectation of further project delays are likely to moderate currently forecast supply (figure 15). It is expected that projects in planning in 2024 and beyond will increasingly seek pre-commitment from occupiers to de-risk development in the face of increasing financial constraints. As a result, some of the Development Application ("DA") approved projects in the pipeline may not materialise.

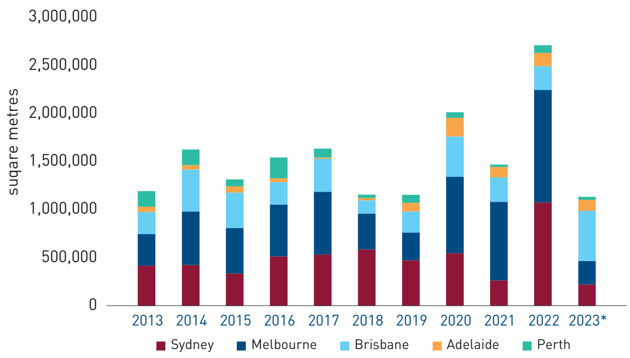
Supply was predominantly delivered to the eastern seaboard markets, following the pattern of occupier demand recorded over the COVID-19 period. Over the last 12 months, the largest proportion of warehouse space was delivered to the Brisbane market (35%–590,600 sqm), followed by Melbourne (32%–527,200 sqm) and Sydney (20%–329,700 sqm) (figure 16). Supply delivery in Adelaide over the last 12 months reached 195,700 sqm — well above the long-term pre-COVID 10-year average of 55,700 sqm. Completions in Perth over the last 12 months have slowed, reaching 24,600 sqm — less than a quarter of the long-term pre-COVID 10-year annual average of 120,600 sqm.

Figure 15 National Industrial Completions and Pipeline, 2013 to 2026



Source: JLL Research

Figure 16 Industrial Completions by Market, 2013 to 2023



Source: JLL Research

* as at 3Q2023

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

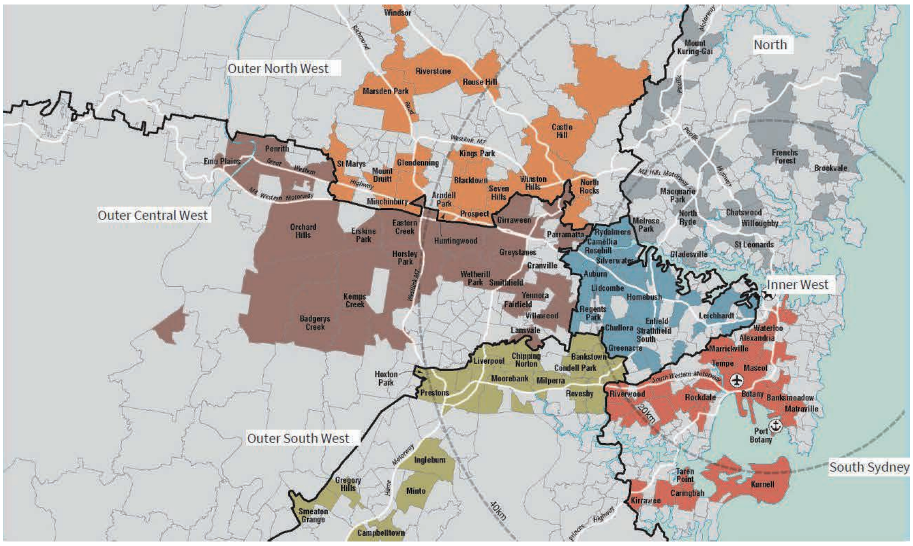
GEOGRAPHICAL ANALYSIS

New South Wales — Sydney

Economy

New South Wales (NSW) State Final Demand ("SFD") rose 0.3% over the September 2023 quarter, to be up 1.7% over the year. Year-on-year population growth remains below the national average at 2.1% in June 2023. Rolling annual retail trade is broadly in line with the national average at 3.7% (November 2023). The current NSW unemployment rate is 3.4% (as of November 2023). SFD fell into negative territory in 2020 and again in September 2021 as a result of extended COVID-19 related population lockdowns.

Precinct Map



Take-up Characteristics

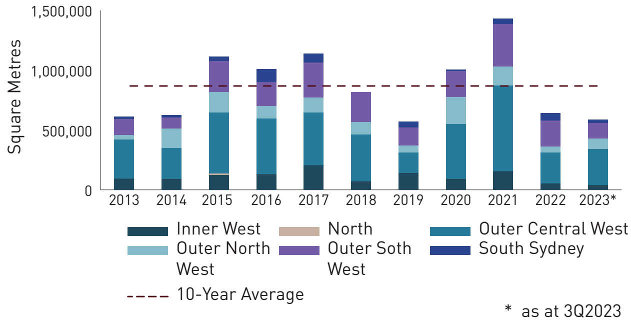
Over the year to 3Q2023, Sydney's industrial market gross take-up total was subdued, totalling 705,600 sqm. This represents levels 21% below the 10-year annual average gross take-up (893,000 sqm). Limited available space for lease has significantly restricted occupier movement leaving a level of unsatisfied occupier demand in the market.

Additionally, given the very low available warehouse space to lease, some occupiers are compromising and taking on short-term leases in spaces smaller than desired, with intentions to expand in the future when the supply-demand mismatch rebalances.

Geographically, the Outer Central West precinct accounted for 47% of Sydney's industrial take-up over the last 12 months, totalling 328,900 sqm. This was followed by the Outer South West precinct accounting for 25% (179,800 sqm), the Outer North West for 15% (104,000 sqm), South Sydney for 8% (59,500 sqm) and the Inner West for 5% (33,400 sqm).

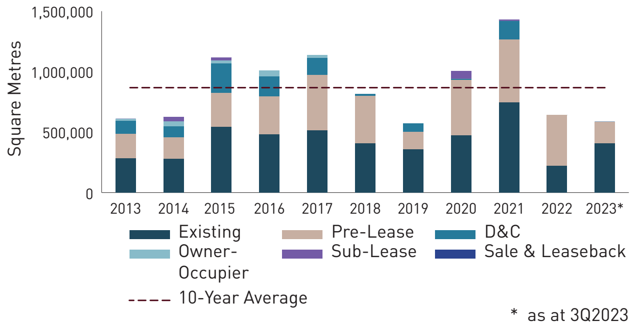
Historically, the most attractive precinct for occupiers has been the Outer Central West. The precinct has very strong connectivity to major arterial road infrastructure which provides distribution access to most of Sydney's large residential population. The Outer Central West has also been benefitted from incremental government driven rezoning of agricultural and farming land to industrial usage.

Sydney: Annual Gross Take-up by Precinct, 2013 to 2023



Source: JLL Research

Sydney: Annual Gross Take-up by Lease Type, 2013 to 2023



Source: JLL Research

Over the 12 months to 3Q2023, the transport, postal & warehousing sector was the most active, accounting for 44% of gross take-up over the time period (307,500 sqm). The eCommerce penetration rate continues to be positive, driving third-party logistics operators ("3PL") market dominance. The manufacturing sector also accounted for a significant take-up portion of the market total (24%–171,500 sqm).

Historically, the three most active occupier sectors has been the transport, postal & warehousing sector, the retail trade sector and the manufacturing sector. Over the past 10 years, gross take-up from the transport, postal & warehousing sector has accounted for 36% of the total (3.25 million sqm). The manufacturing sector has accounted for 21% of the 10-year total (1.89 million sqm), and the retail trade sector has accounted for 20% (1.84 million sqm) over the same time period. These proportions of gross take-up by business sector have changed very little over the last 10 years.

Sydney: Gross Take-up by Business Sector (Top 5), Last 10 Years (4Q2013 to 3Q2023)

Source: JLL Research

Supply Overview

Industrial supply has been slowing in Sydney, receding from COVID-19 driven occupier demand that resulted in record levels of supply entering the market in 2022. Over the 2022 calendar year, a total of 1.08 million sqm of new warehouse space was delivered to market — a level 125% over the long-term pre-COVID average of 478,400 sqm.

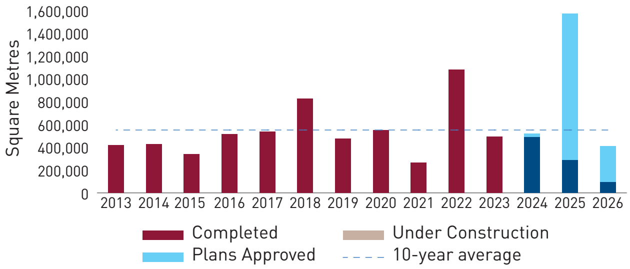
Over the nine months to September 2023, just 220,800 sqm of new supply has completed in Sydney. However, delays in materials and escalations in construction costs, compounded by ongoing labour shortages, has elongated construction timeframes. As a result, there is a significant amount of new supply expected in the second half of 2023, totalling 444,000 sqm. This brings expected annual supply to 664,900 sqm — a level still well in excess in the long-term pre-COVID-19 10-year average.

Geographically, over the 24 months to 3Q2023, most supply was completed in the Outer Central West precinct (67%–921,600 sqm). This large volume of supply was underpinned by large pre-leased facilities completed by Goodman for Amazon (207,000 sqm), Coles (70,800 sqm) and Australia Post (46,400 sqm). Additionally, LOGOS delivered a mostly speculative warehouse development totalling (upon completion) (58,500 sqm). The second largest volume of supply was delivered in the Outer South West (309,600 sqm, equating to 23% of the total supply over the last 18 months to 2Q2023).

Including the aforementioned 2023 supply under construction expected by the end of the year, total supply under construction is 908,800 sqm. Of this, approximately 30.1% is currently pre-committed (273,200 sqm). Geographically, the precommitment rate in the Outer North West is the highest (61.8%), followed by the Outer South West (36.0%), South Sydney (33.1%) and the Outer Central West (30.9%). An additional 1.71 million sqm of projects with planning approval with a delivery timeframe over the medium term to 2026.

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Sydney: Supply Pipeline, 2013 to 2026



Source: JLL Research as at 3Q2023

Market Rents

Over the past 12 months Sydney's market average prime rental rate has increased 17.4% to AUD 238 per sqm p.a. (typical lease term 3–5 years). Comparably, the pre-COVID-19 (2010- 2019), 10-year market average growth rate is 2.3% y-o-y.

Over the last 12 months to 3Q2023, average prime rental growth was led by the South Sydney precinct (27.4% y-o-y) reaching AUD 344 per sqm p.a., followed by the Outer South West precinct (23.3% y-o-y) reaching AUD 204 per sqm p.a., the Outer North West precinct (21.0% y-o-y) reaching AUD 205 per sqm p.a., the Inner West precinct (19.5% y-o-y) reaching AUD 220 per sqm p.a., the Outer Central West precinct (13.7% y-o-y) reaching AUD 204 per sqm p.a., then the North Sydney precinct (1.3% y-o-y) reaching AUD 249 per sqm p.a.

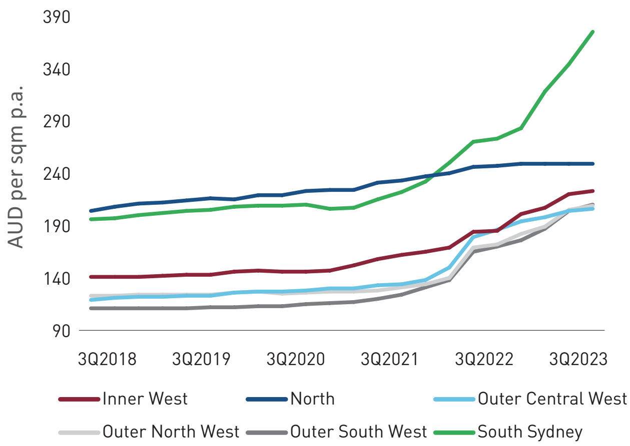
Sydney's market average pre-lease rental figure rose 18.0% over the last 12 months to 3Q2023 to AUD 188 per sqm p.a. (typical lease term 5–7 years). Comparably, the pre-COVID 10- year pre-lease market average growth rate was 1.3% y-o-y. Over the last 12 months, pre-lease rental growth was led by the Outer North West precinct (20.0%) reaching AUD 180 per sqm p.a., followed by the Outer North West precinct (18.9%) reaching AUD 195 per sqm p.a. and 15.2% y-o-y growth in the Outer Central West precinct reaching AUD 189 per sqm p.a.

Looking forward we expect continued rental growth driven by limited availabilities. We expect this growth rate to subdue, however, remain elevated compared to historical averages.

Our current forecasts indicate prime net face rents in the South Sydney precinct will reach AUD 344 per sqm p.a. by the end of 2023 with annual growth of 27.4% y-o-y. Thereafter, we expect y-o-y rental growth to moderate to 8.0% in 2024 and 4.0% over the following two years in 2025 and 2026.

In the Outer Central West precinct, prime rents are forecasted to reach AUD 208 per sqm p.a. with 12.0% y-o-y growth by the end of 2023. We further expect y-o-y rental growth to range between 3.0% and 5.0% over the years 2024–2026.

Sydney: Average Prime Net Rents by Precinct, 2018 to 2023



Source: JLL Research

Market Incentives
Over the past 12 months to 3Q2023, average prime incentives across most precincts apart from the North and South Sydney precincts, but for different reasons. In the North precinct, a lower occupier demand profile and a more specialised warehouse offering held incentives steady. In South Sydney, a significant lack of leasing options in the market, coupled with a lower comparative supply pipeline, resulted in a stabilisation of incentives offered. In all other precincts, incentives increased between 1.5 and 5.0 percentage points over 12 months to 3Q2023 as a result of a more robust supply pipeline against a backdrop of moderating occupier demand.

JLL Research does not forecast industrial incentives. However, it is expected in the current environment of slowing occupier demand that property owners will continue to use incentives as a lever in lease negotiation in order to maintain current net face rental levels. Given this, we expect average prime incentives to continue increase as we move into 2024.

Average Prime Incentives (based on a 5-year lease)	3Q2023	2Q2023	3Q2022
Precinct			
South Sydney	4.0%–6.0%	4.0%-6.0%	4.0%-6.0%
Inner West	6.0%–8.0%	4.0%–6.0%	0.0%–4.0%
Outer North West	5.0%–8.0%	4.0%–6.0%	4.0%–6.0%
Outer South West	5.0%–10.0%	5.0%–10.0%	5.0%–8.0%
Outer Central West	6.0%–10.0%	5.0%–8.0%	4.0%–6.0%

Sale Transaction Activity
Over the past 12 months to 3Q2023, Sydney's industrial market transaction volume total reached AUD 2.86 billion, above the 10-year average of 2.30 billion. Land sales totalled AUD 466.4 million, accounting for 16.3% of the transaction total.

The Outer Central West precinct accounted for 26.7% of Sydney's industrial investment volume over the 12 months to 3Q2023, totalling AUD 763.3 million. This was followed by South Sydney accounting for 20.5% (AUD 585.6 million), then the Inner West precinct (17.4%-AUD 497.7 million), the Outer South West (14.5%-AUD 414.6 million), the Outer North West (13.4%-AUD 384.5 million), and North precinct (7.5%-AUD 213.5 million).

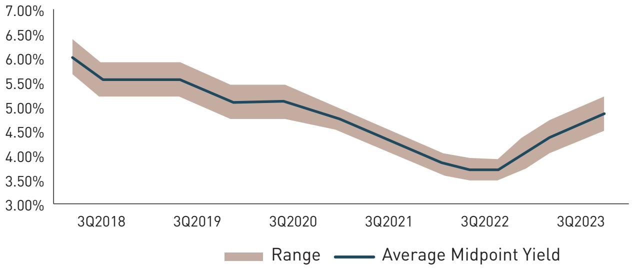
Both Prime and Secondary yields have recorded softening over the last 12 months. The Sydney market average prime midpoint yield sits at 5.10% as of 3Q2023, decompressing 116 bps over the last 12 months. The market average secondary yield is sat at 5.60%, following an annual decompression of 116 bps.

Sydney: Prime Yield Range (%) by Precinct

Precinct	3Q2023	2Q2023	3Q2022
Inner West	4.75–5.25	4.50–5.00	3.63–4.13
North	5.25–6.00	5.00–5.75	4.13–4.88
Outer Central West	4.75–5.25	4.50–5.00	3.38–3.88
Outer North West	4.75–5.50	4.50–5.25	3.63–4.38
Outer South West	4.75–5.50	4.50–5.25	3.63–4.38
South Sydney	4.50–5.00	4.25–4.75	3.38–3.88

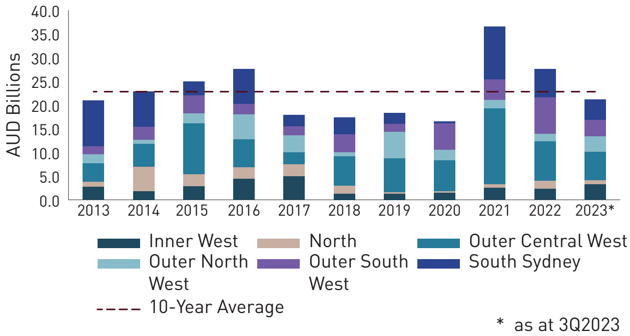
AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Sydney: Average Prime Yield Range and Midpoint, 2018 to 2023



Source: JLL Research

Sydney: Annual Transaction Volumes by Precinct, 2013 to 2023



* as at 3Q2023

Source: JLL Research

Significant Sydney Industrial Sales, 2023

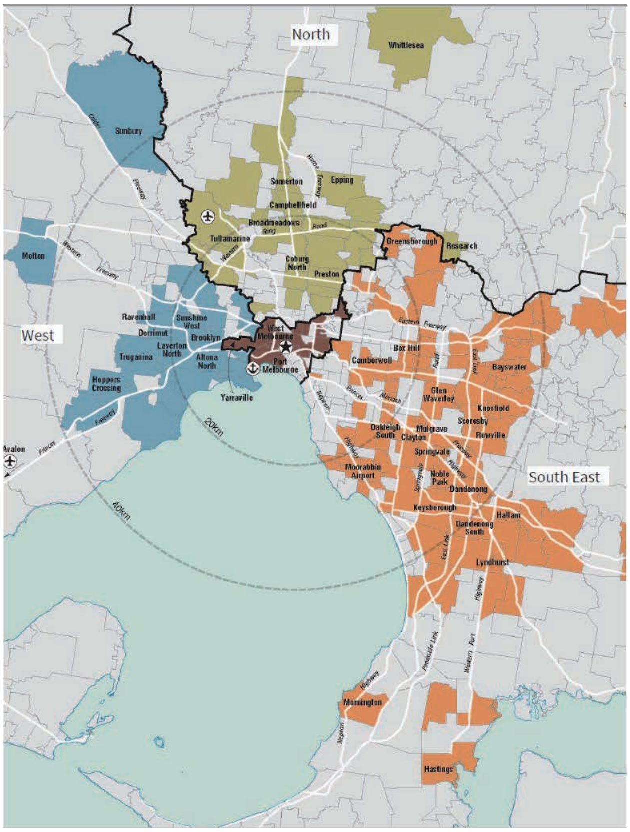
Transaction	Address	Date	Price (AUD)	Yield	Vendor	Buyer	Notes
Switchyard	300 Manchester Road, Auburn (Inner West)	3Q2023	177.3 million	4.47% (equiv.)	Mirvac Group	Australian Retirement Trust	Mirvac sold a 49% interest. The asset has a 6.6 year Weighted Average Lease Expiry ("WALE")
	49-61 Stephen Road, Banksmeadow (South Sydney)	2Q2023	143.0 million	5.00% (pass.)	Allnex Resins Australia	ESR	Asset purchased with a WALE of 3 years – medium-term development acquisition
Glendenning Development Site	2 Glendenning Road, Glendenning (Outer North West)	1Q2023	181.0 million	Undisclosed	Glendenning Pty Ltd	Amazon	Purchased with a 1.9 year WALE and DA for a 22,560 sqm logistics estate at the rear of site

Victoria — Melbourne

Economy

Victoria (VIC) State Final Demand (SFD) increased by 0.4% over the September 2023 quarter, to be up 2.1% over the year. Year-on-year population growth remains above the national average at 2.7% in June 2023. Rolling annual retail trade is broadly in line with the national average at 3.9% (November 2023). The current VIC unemployment rate is 4.0% (as of November 2023). SFD fell into negative territory in 2020 and again in September 2021 as a result of extended COVID-19 related population lockdowns.

Precinct Map



Take-up Characteristics

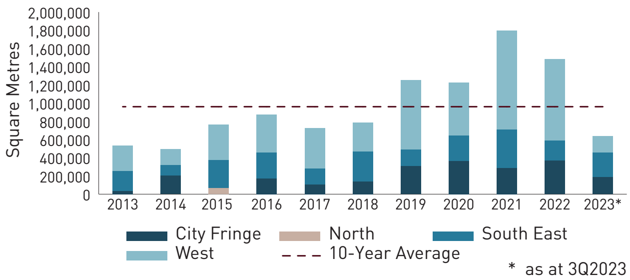
Over the 12 months to 3Q2023, occupier activity in Melbourne's industrial market has slowed, totalling 772,200 sqm. This is 22.2% below the average annual gross take-up over the 10-year period from 2013–2022 (993,100 sqm). Limited available space available to lease has restricted occupier movement recently, which is a compounding factor to the gradual slowing of occupier demand. Notably, a small level of sub-lease space is now being offered to market — something rarely recorded in the market over the last ten years.

Geographically, occupier activity was evenly split across the market over the 12 months to 3Q2023. Gross take-up in the South East accounted for 35.4% of the 12-month total, reaching 273,300 sqm. This was followed by the North precinct accounting for 32.8% (253,100 sqm) and the West precinct accounting for the balance (31.8%–245,700 sqm).

There was no major occupier activity (>5,000 sqm) recorded in Melbourne's City Fringe precinct over the period.

Historically, the most attractive precinct for occupiers has been the West. The precinct has very strong connectivity to the major freight hubs of Melbourne Airport and Port of Melbourne. Over the past 10 years to 3Q2023, the West precinct has attracted 52.4% of all gross take-up (5.29 million sqm). The balance has been evenly split between the South East and North precincts, accounting for 25.9% (2.62 million sqm) and 21.1% (2.13 million sqm) respectively.

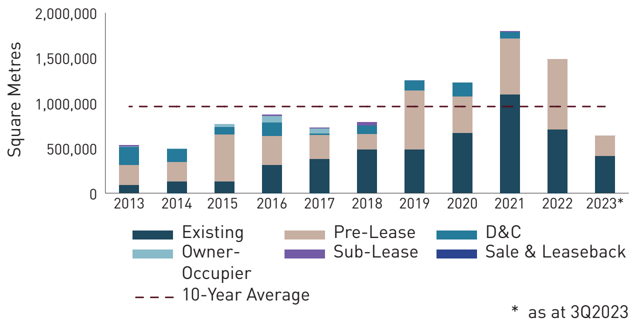
Melbourne: Annual Gross Take-up by Precinct, 2013 to 2023



Source: JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Melbourne: Annual Gross Take-up by Lease Type, 2013 to 2023



Source: JLL Research

Over the 12 months to 3Q2023, the transport, postal & warehousing sector was the most active, accounting for 40.7% of gross take-up (314,000 sqm). Other business sectors absorbing large volumes of warehouse space were the retail trade and manufacturing sectors, accounting for 19.0% (146,600 sqm) and 15.0% (115,800 sqm) of the 12-month gross take-up total.

Historically, the most active occupier sectors mirror activity in the other major industrial market of Sydney. The transport, postal & warehousing sector account for 35.6% of all gross take-up over the last 10 years to 3Q2023 (3.59 million sqm). The balance was predominantly made up by the retail trade sector (23.6%–2.38 million sqm) and the manufacturing sector (20.7%–2.09 million sqm).

Melbourne: Gross Take-up by Business Sector (Top 5), Last 10 Years (4Q2013 to 3Q2023)

Source: JLL Research

Supply Overview

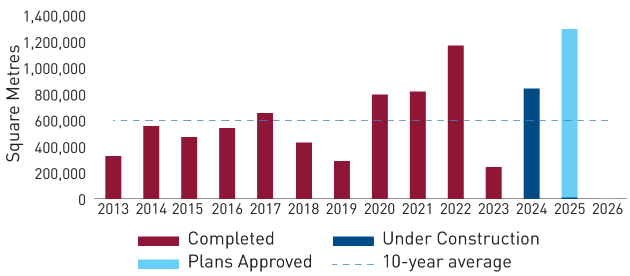
Similarly to Sydney, supply levels in Melbourne have decreased in 2023 compared to the record level of annual supply recorded in 2022 (1.17 million sqm). The 2022 annual supply total represents a 172.1% increase on the long-term pre-COVID-19 10-year average of 429,800 sqm. Over the first nine months of 2023, new supply totalled 221,600 sqm.

Again, similar to Sydney, construction completion timeframes continue to move out, impacted by escalations in construction costs and labour shortages. This has resulted in strong expected supply as we move into 2024. As at 3Q2023, there is 400,500 sqm of supply under construction that is likely to complete by the end of 2023. This will bring 2023 annual supply to 622,100 sqm — around half of the 2022 total.

Geographically, over the 21 months since the start of 2022, completions have largely been split between the South East and West precincts, which accounted for 44.4% (617,700 sqm) and 40.0% (555,900 sqm) respectively. The two largest project completions over the time period was DEXUS' delivery of a 40,026 sqm distribution centre for retailer Myer at its Horizon Estate in Ravenhall (West precinct) and Fraser Property's 30,823 sqm facility for pre-lease occupier IVE Group at its Braeside Industrial Estate (South East precinct).

Including the aforementioned 2023 supply under construction expected by the end of 2023, total supply under construction is 1.03 million sqm. Of this, approximately 41.4% is currently pre-committed (427,200 sqm). Geographically, the precommitment rate in the South East is the highest (55.8%), followed by the West (48.0%), then the North (46.8%). An additional 1.28 million sqm of projects with planning approval with a delivery timeframe over the medium term to 2026.

Melbourne: Supply Pipeline, 2013 to 2026



Source: JLL Research as at 3Q2023

Market Rents
Over the past 12 months to 3Q2023, average prime rents in Melbourne have increased 13.6% to AUD 136 per sqm p.a. (typical lease term 3–5 years). Comparably, the 10-year average growth rate is 3.9% y-o-y.

Average prime rental growth over the last 12 months was led by the North precinct (27.1% y-o-y) reaching AUD 131 per sqm p.a., followed by the South East precinct (16.7% y-o-y) reaching AUD 137 per sqm p.a., then the West precinct (16.1% y-o-y) reaching AUD 126 per sqm p.a. Average prime net face rents in the City Fringe precinct were stable at AUD 150 per sqm p.a..

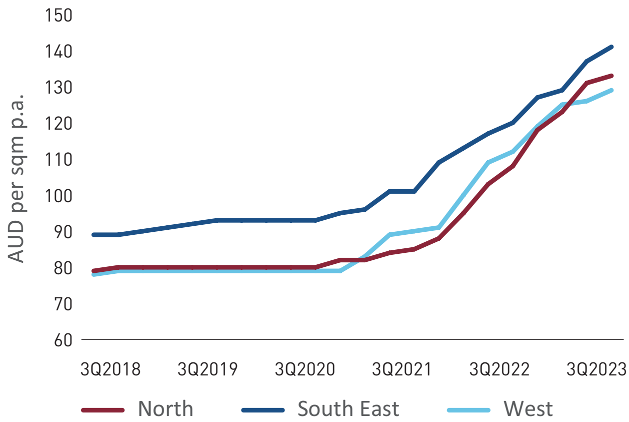
Average pre-lease net face rents in Melbourne increased 21.0% over the last 12 months to 3Q2023 to AUD 151 per sqm p.a. (typical lease term 5–7 years). Comparably, the 10-year pre-lease market average growth rate is 2.4% y-o-y. Year-on-year pre-lease rental growth was led by the North precinct (30.3% y-o-y) reaching AUD 129 per sqm p.a., followed by the South East precinct (26.7% y-o-y) reaching AUD 147 per sqm p.a., then the West precinct (20.8% y-o-y) reaching AUD 128 per sqm p.a. and 12.4% y-o-y growth in the City Fringe precinct reaching AUD 200 per sqm p.a..

Looking forward, we expect continued rental growth driven by limited availabilities. We expect this growth rate to slow over the medium term while remaining elevated compared to historical averages.

Our current forecasts indicate average prime net face rents in the South East precinct will reach AUD 140 per sqm p.a. by the end of 2023 with annual growth of 17.0% y-o-y. Thereafter, we expect y-o-y rental growth to range between 3.0% and 6.0% over the years 2024–2027.

In the West precinct, average prime net face rents are forecasted to reach AUD 130 per sqm p.a. with 16.0% y-o-y growth by the end of 2023. We further expect y-o-y rental growth to range between 2.5% and 5.0% over the years 2024–2027.

Melbourne: Average Prime Net Rents by Precinct, 2018 to 2023



Source: JLL Research

Market Incentives
Over the past 12 months to 3Q2023, average prime incentives increased across the North and West precincts (+5.0 pps y-o-y) as a result of a strong market supply pipeline and a moderation of occupier demand. However, average incentives in the South East continued to trend downwards, driven by persistent occupier demand and lower availability of warehouse space to lease (-1.0 pps y-o-y).

JLL Research does not forecast industrial incentives. However, it is expected in the current environment of slowing occupier demand that property owners will continue to use incentives as a lever in lease negotiation in order to maintain current net face rental levels. Given this, we expect average prime incentives to continue increase as we move into 2024.

Average Prime Incentives (based on a 5-year lease)	3Q2023	2Q2023	3Q2022
Precinct			
North	15.0%–25.0%	10.0%–15.0%	10.0%–20.0%
South East	10.0%–18.0%	5.0%–13.0%	10.0%–20.0%
West	15.0%–20.0%	10.0%–15.0%	10.0%–15.0%

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Sale Transaction Activity

Over the past 12 months to 3Q2023, Melbourne's industrial market transaction volume total reached AUD 2.14 billion, well above the 10-year average of AUD 1.75 billion million. Land sales accounted for 15.4% of the transaction total, comprising AUD 329.8 million.

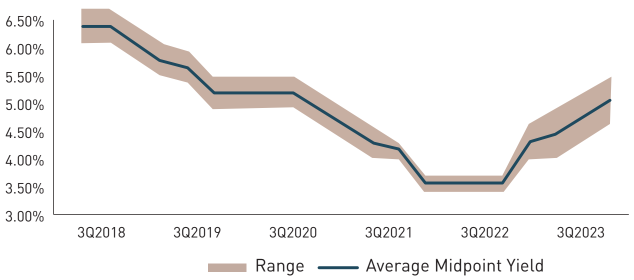
Geographically over the period, investor demand was evenly split between the South East and West precincts, accounting for 35.7% (AUD 764.2 million) and 34.0% (AUD 727.9 million) respectively. This was followed by the City Fringe precinct accounting for 18.6% (AUD 398.2 million) and the North precinct (11.8%-AUD 253.0 million).

Both Prime and Secondary yields have recorded softening over the last 12 months. The Melbourne market average prime midpoint yield sits at 5.28% as of 3Q2023, decompressing 103 bps over the last 12 months. The market average secondary yield is 5.94%, decompressing 109 bps over the 12 months to 3Q2023.

Melbourne: Prime Yield Range (%) by Precinct

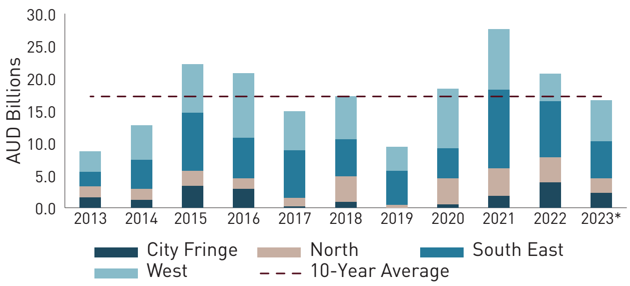
Precinct	3Q2023	2Q2023	3Q2022
City Fringe	4.75–5.25	4.50–5.00	4.00–4.50
North	5.00–5.75	4.50–5.25	4.00–4.50
South East	5.00–5.75	4.50–5.25	4.00–4.50
West	5.00–5.75	4.50–5.25	4.00–4.50

Melbourne: Average Prime Yield Range and Midpoint, 2018 to 2023



Source: JLL Research

Melbourne: Annual Transaction Volumes by Precinct, 2013 to 2023



* as at 3Q2023

Source: JLL Research

Significant Melbourne Industrial Sales, 2023

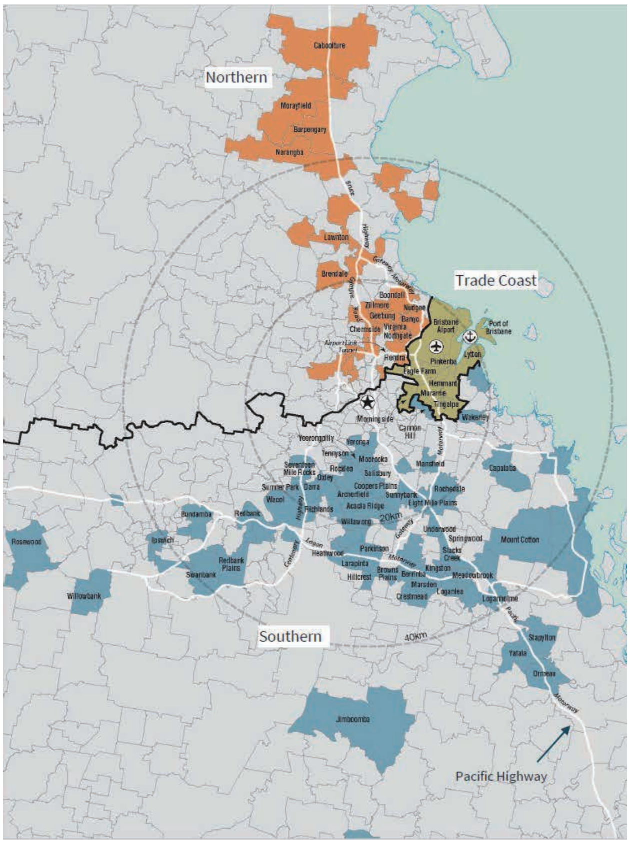
Transaction	Address	Date	Price (AUD)	Yield	Vendor	Buyer	Notes
Truganina Industrial Estate	Truganina (West)	3Q2023	285.6 million	4.40% (initial)	National Pension Service of Korea (NPS)	UniSuper	A 50% interest in 20 prime totalling 774,000 sqm within two estates in Greystanes NSW and Truganina VIC
Axxess Corporate Park	Ferntree Gully Road, Ferntree Gully (South East)	2Q2023	315.0 million	Undisclosed	DEXUS	Cadillac Fairview/ Gateway Capital	84,892 sqm of GLA on a site area of approximately 20 ha
Vegemite & Bega Factory	1 Vegemite Way, Port Melbourne (City Fringe)	2Q2023	123.6 million	Undisclosed	Bega Cheese	Charter Hall	Bega has sold its vegemite factory to Charter Hall with a flexible leaseback
Craigieburn Land Acquisition	50–70 Kinloch Court, Craigieburn (South East)	2Q2023	108.3 million	N/A	Cadence Group	Frasers Property Industrial	40.8 hectare land site

Queensland — Brisbane

Economy

Queensland (QLD) State Final Demand (SFD) decreased by -0.3% over the September 2023 quarter, to be up 1.6% over the year. Year-on-year population growth remains above the national average at 2.6% in June 2023. However, rolling annual retail trade is below the national average at 2.3% (November 2023). The current QLD unemployment rate is 4.4% (as of November 2023).

Precinct Map



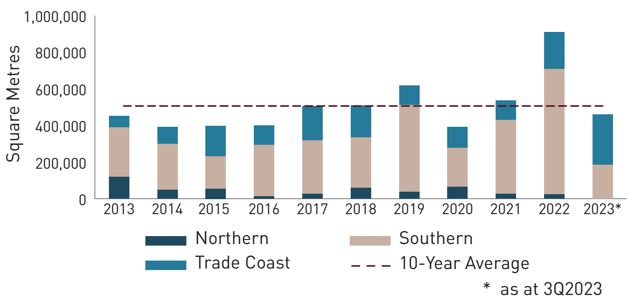
Take-up Characteristics

Over the year to 3Q2023, Brisbane's industrial market gross take-up total reached 720,500 sqm — a level 41.0% above the 10-year annual average from 2013–2022 (511,000 sqm). Like other industrial markets nationally, leasing availability is tight, which has limited occupier movement. Additionally, there are now some instances of occupiers relocating from Sydney to Brisbane, as the market provides comparatively more affordable rental rates and incentives.

Geographically, the Southern precinct accounted for 71.0% of Brisbane's industrial take-up over the 12 months to 3Q2023, totalling 511,400 sqm. This was followed by the Trade Coast precinct accounting for 23.9% (172,200 sqm) and the Northern precinct accounting for the remaining 5.1% (36,900 sqm).

Historically, the most attractive precinct for occupiers has been the Southern precinct. It is the largest of all of Brisbane's industrial precincts with strong connectivity to major road infrastructure and Brisbane's growing residential areas. Over the past 10 years to 3Q2023, the Southern precinct has attracted 64.8% of all gross take-up (3.31 million sqm). Most other gross take-up over the same time period has been recorded in the Trade Coast (27.2%–1.39 million sqm). There has been limited gross take-up recorded in the North precinct, which holds less attraction to occupiers seeking connectivity to major road freight routes along the eastern seaboard.

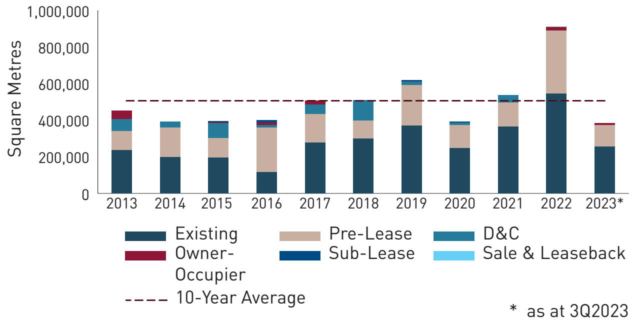
Brisbane: Annual Gross Take-up by Precinct, 2013 to 2023



Source: JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Brisbane: Annual Gross Take-up by Lease Type, 2013 to 2023



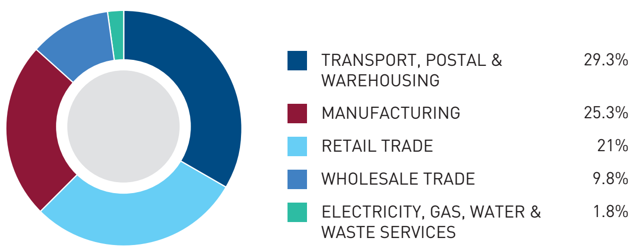
Source: JLL Research

Over the 12 months to 3Q2023, the transport, postal & warehousing sector accounted for the largest proportional take-up of industrial space for the Brisbane market (43.2%–311,500 sqm). The manufacturing sector accounted for 25.3% (156,400 sqm) and the retail trade sector accounted for 21.0% (105,600 sqm).

Similar to other eastern seaboard markets, the transport, postal & warehousing sector has been the most active business sector over the last 10 years to 2Q2023 (29.3%–1.50 million sqm). However, unlike Sydney and Melbourne, the manufacturing sector accounted for the second highest proportional volume of gross take-up (25.3%–1.29 million sqm). The retail trade sector accounted for the third strongest level of gross take-up over the same time period (21.0%–1.08 million sqm).

The relative positive demand of the manufacturing sector in the Brisbane market has been broad-based. There has been particularly strong demand from the automotive sector over the last 12 months with leasing deals recorded for Goodyear Australia (25,250 sqm), AMA Group (18,289 sqm), Paccar Australia (13,165 sqm), FWR Trailers (10,088 sqm), and Bosscap (3,000 sqm).

Brisbane: Gross Take-up by Business Sector (Top 5), Last 10 Years (4Q2013 to 3Q2023)



Source: JLL Research

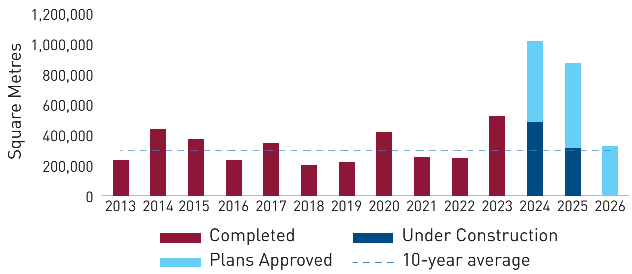
Supply Overview

Industrial supply in Brisbane has been broadly steady over the COVID-19 period. However, over the same time period, population growth increased sharply, driven largely by growing interstate migration from New South Wales and Victoria. As a result, the delivery of warehouse space has increased in 2023 with the future supply pipeline even more robust. Over the nine months to 3Q2023, a total of 513,100 sqm of new warehouse space was delivered to market — already eclipsing the full-year supply totals from 2021 and 2022.

Geographically, over the 21 months since the start of 2022, the majority of supply was completed in the Southern precinct, (79.5%–604,900 sqm). Notable completions within this area were driven by large operators, such as Coles Distribution (65,000 sqm) and Woolworths (10,000 sqm). Fraser's Property also delivered two warehouses, of 10,000 and 21,000 sqm respectively. The next largest precinct in terms of supply was that Trade Coast, (104,200 sqm), which accounted for 17.8% of total supply over the 21 months to 3Q2023.

Total supply under construction (including 2023), is expected to deliver 795,700 sqm of new warehouse space to Brisbane's industrial market. Of this, approximately 19.0% is currently pre-committed (151,300 sqm). Geographically, the precommitment rate in the Trade Coast is the highest (51.9%), followed by the Southern (16.3%), then the Northern (1.1%). An additional 941,400 sqm of projects with planning approval is estimated to be delivered in the medium term through to 2026.

Brisbane: Supply Pipeline, 2013 to 2026



Source: JLL Research as at 3Q2023

Market Rents

Over the past 12 months to 3Q2023, average prime industrial rents in Brisbane rate have increased 16.1% to AUD 154 per sqm p.a. (typical lease term 3–5 years). Comparably, the 10- year average growth rate is 1.6% y-o-y.

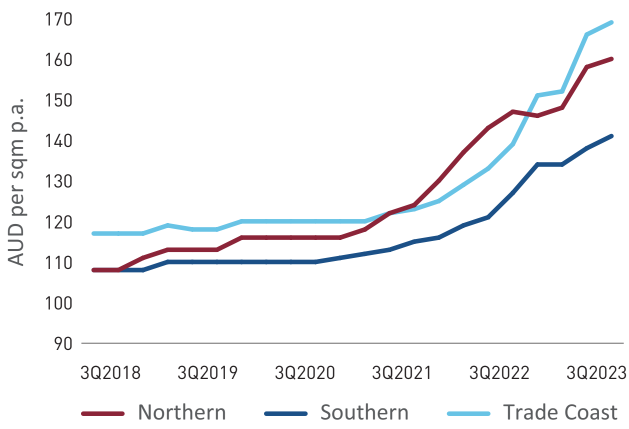
Annual prime rental growth was led by the Trade Coast precinct (24.2% y-o-y) reaching AUD 166 per sqm p.a., followed by the Southern precinct (13.4% y-o-y) reaching AUD 138 per sqm p.a. and 10.7% y-o-y growth in the Northern precinct reaching AUD 158 per sqm p.a.

Average pre-lease rents increased 12.9% over the last 12 months to 3Q2023 to AUD 160 per sqm p.a. (typical lease term 5–7 years). Comparably, the 10-year pre-lease market average growth rate is 2.1% y-o-y. Year-on-year pre-lease rental growth was led by the Northern precinct (13.8% y-o-y) reaching AUD 165 per sqm p.a., followed by the Trade Coast precinct (12.9% y-o-y) reaching AUD 175 per sqm p.a. and 12.0% y-o-y growth for the Southern precinct reaching AUD 140 per sqm p.a.

Looking forward we expect continued rental growth driven by limited availabilities. In the Southern precinct, average prime rents are forecasted to reach AUD 138 per sqm p.a. with 11.0% y-o-y growth by the end of 2023. We further expect y-o-y rental growth to range between 2.5% and 5.0% over the years 2024–2027.

It is expected that the very tight leasing market and the continued occupier preference towards higher quality, modern warehouse space will result in an uplift in achievable pre-lease rents over the short-term.

Brisbane: Average Prime Net Rents by Precinct, 2018 to 2023



Source: JLL Research

Market Incentives

Over the past 12 months to 3Q2023, average prime incentives marginally increased across the Northern and Trade Coast precincts (+1.0 pps y-o-y) as occupier demand moderated marginally. However, average incentives in the Southern precinct maintained a downwards trajectory, driven by a persistent strong occupier demand profile for newly developed speculative supply (-1.5 pps y-o-y).

JLL Research does not forecast industrial incentives. However, it is expected in the current environment of slowing occupier demand that property owners will continue to use incentives as a lever in lease negotiation in order to maintain current net face rental levels. Given this, we expect average prime incentives to continue increase as we move into 2024.

Average Prime Incentives (based on a 5-year lease)	3Q2023	2Q2023	3Q2022
Precinct			
Northern	5.0%–10.0%	5.0%–8.0%	5.0%–8.0%
South East	5.0%–12.0%	5.0%–12.0%	8.0%–12.0%
Trade Coast	5.0%–10.0%	5.0%–8.0%	5.0%–8.0%

AUSTRALIA INDUSTRIAL PROPERTY MARKET OVERVIEW

Sale Transaction Activity
Over the past 12 months to 3Q2023, Brisbane's industrial market transaction volume total reached AUD 778.1 million — 30.6% below the 10-year average of 1.12 billion. Land sales accounted for 10.7% of the transaction total (AUD 82.9 million).

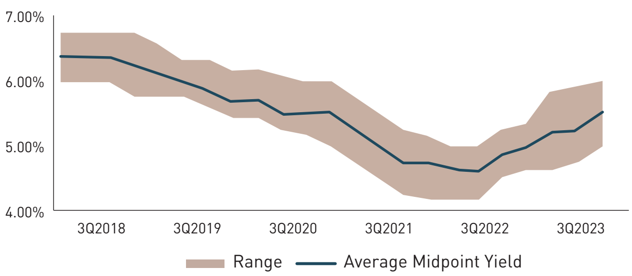
Geographically, the Southern precinct accounted for 77.5% of Brisbane's industrial investment volume over the 12 months to Q3 2023, totalling AUD 603.3 million. This was followed by the Trade Coast precinct accounting for 14.9% (AUD 116.2 million) and the Northern precinct for the remaining 7.5% (AUD 58.6 million).

Both Prime and Secondary yields have recorded softening over the last 12 months. The Brisbane market average prime midpoint yield sits at 5.50% as of 3Q2023, decompressing 63 bps over the last 12 months. The market average secondary yield is sat at 6.33%, following an annual decompression of 33 bps.

Brisbane: Prime Yield Range (%) by Precinct

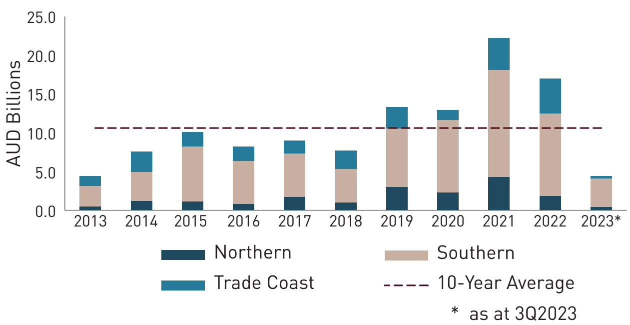
Precinct	3Q2023	2Q2023	3Q2022
Northern	5.00–6.00	4.75–6.00	4.50–5.25
Southern	5.00–6.00	4.75–6.00	4.50–5.25
Trade Coast	5.00–6.00	4.75–5.75	4.50–5.25

Brisbane: Average Prime Yield Range and Midpoint, 2018 to 2023



Source: JLL Research

Brisbane: Annual Transaction Volumes by Precinct, 2013 to 2023



Source: JLL Research

Significant Brisbane Industrial Sales, 2023

Transaction	Address	Date	Price (AUD)	Yield	Vendor	Buyer	Notes
	16–28 Quarry Road, Yatala (Southern)	2Q2023	66.9 million	Undisclosed	Dexus Industria REIT	Undisclosed	Price broadly in line with the 31 December 2022 book value

JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

MACRO ECONOMY IN JAPAN

Japan Economic Overview

The Japanese economy continues to gradually recover, albeit with downward pressure from the slow pace of global economic revival. In 2023, Japanese economy experienced normalization of economic activities due to increased inbound demand and consumption recovery, despite factors such as rising resource prices caused by the situation in Ukraine, global high inflation, and weakening yen. While a high wage increase rate in 2023 was expected to drive consumption growth, many industries faced accelerated cost pass-through due to increased import costs. As a result, real wages remained in negative territory compared to the previous year, leading to stagnation in personal consumption. Additionally, as economic activities normalized, labour shortages once again became a significant management risk. Corporate earnings have remained at a high level. While capital investment has been increasing, uncertainties about the future economic conditions, rising costs such as raw materials and labour, have made companies cautious about capital investments. However, with strong corporate earnings, a recovery in capital investment is expected.

Amid rising US interest rates, the new governor of the Bank of Japan ("BOJ"), who took office in April 2023, implemented a flexible monetary policy and continued monetary easing, while gradually adjusting monetary policy. As a result, the 10-year Japanese Government Bond ("JGB") yield rose to nearly 1% in early November 2023. Additionally, the yen depreciation exceeded expectations, with the exchange rate reaching around JPY150 to the US dollar, further pushing up prices in Japan. The BOJ continues with monetary easing to prevent a decline in real wages caused by inflation, while simultaneously avoiding the exacerbation of an economic downturn. In the January 2024 monetary policy meeting, it was stated that while there is high uncertainty about the outlook, as medium-to long-term expected inflation and wage growth rates increase, the likelihood of achieving the 2% inflation target for price stability gradually increases.

GDP and CPI

The real GDP growth rate in Japan experienced a significant decline in 2020 due to the impact of the COVID-19. However, there was a rebound in 2021 and 2022, with a growth rate of 2.6% and 0.9% respectively. It is expected that Japan's economy will remain stable over the next few years. According to Oxford Economics, real GDP is projected to experience moderate growth at 2.0%, and 0.7% in 2023, and 2024, respectively.

Regarding the Consumer Price Index ("CPI"), Japan have experienced a high inflation rate of 2.5% in 2022. This is attributed to the global rebound from the COVID-19 pandemic, rising raw material and resource prices, and a weakened yen. According to the Oxford Economics, the annual growth rate of CPI is likely to be 3.3% in 2023. It is mainly due to cost push factors. Inflation is expected to continue in the following year, albeit at a slower rate of 1.7% in 2024. The BOJ is maintaining its current monetary policy to achieve the sustainable and stable 2% target. It is important that the real wage increase is consistently linked to price increases.

Manufacturing Industry

Japan's manufacturing industry, led by the automotive sector, accounts for roughly 20% of total GDP and is one of the most important industries in the economy. The Industrial Production Index declined in 2020 due to the impact of COVID-19. However, with the strengthening of western economies, it began to improve thereafter. In addition, as the impact of the COVID-19 and the situation in Ukraine has exposed the vulnerability of Japan's supply chains, significantly affecting the Japanese economy. The Japanese government is taking measures such as providing subsidies for domestic investment promotion projects to relocate the production bases of important products with high risks of supply chain disruption, such as semiconductor and electric vehicle industries, back to Japan and to enhance the development of production bases within Japan. Along with the continued slowdown in exports due to the deceleration of overseas economies and weak personal consumption affected by high prices, it is expected that industrial production will continue to experience a mixed performance in the near term. According to Oxford Economics, the industrial production index for 2023 is projected to be -1.5% compared to the previous year, but it is forecasted to enter a gradual upward trend from 2024 onwards. The expansion of the manufacturing sector is still expected to boost the growth of the logistics market as the volume of raw materials and semi-products being transported, as well as the demand for storage increases.

JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

LOGISTICS MARKET ENVIRONMENT IN JAPAN

Modern Logistics Facilities

Prior to the introduction of modern logistics facilities in early 2000s, traditional warehouses were the only choice of venue for storage and distribution in Japan. They were mostly owner-occupied and leasing opportunities were scarce. However, tenants are increasingly attracted to modern logistic facilities over conventional facilities, as modern logistics facilities offer a variety of advantages, including: (i) leasing opportunities, (ii) multi-purpose uses of facilities with high specifications, (iii) adequate seismic standards in construction for business continuity plans, and (iv) inclusion of amenities and good working environments.

Due to the impact of COVID-19, retail sales experienced a significant decline in 2020, with a year-on-year (y-o-y) decrease of 3.2%. However, as economic activity has gradually recovered, retail sales have been on the rise, recording a y-o-y growth of 2.6% in 2022, surpassing the levels of 2019. The demand for logistics facilities has been continuously expanding, supported by the buoyant EC market and third-party logistics ("3PL") sector. In recent years, changes in consumption trends and corporations' repositioning towards their core businesses have been shifting the dynamics of the logistics industry, leading to its expansion. The increase in sales of e-commerce and drug stores has been a driving force behind the continuous changes in the industry dynamics. These businesses, along with convenience stores, heavily rely on various logistics facilities' occupiers, such as in-house operations, 3PL companies, and wholesale companies. Consequently, the growth in these sectors is generating increased demand for modern logistics facilities.

Supply Analysis

As of 4Q2023, the total supply of logistics facilities in Japan is 568 million square metres ("sqm"), with the majority concentrated in the Greater Tokyo, Greater Osaka, and Greater Nagoya regions. These three areas account for approximately 58% of the total supply, with 32% in Greater Tokyo, 18% in Greater Osaka, and 8% in Greater Nagoya. Only 15% of the total logistics facilities supply in Japan as of 4Q2023 consists of modern logistics facilities, indicating potential for expansion in the future. Most modern logistics facilities are located in major urban regions such as Greater Tokyo and Greater Osaka, while regional areas have limited stock of modern facilities. In Greater Nagoya and Greater Fukuoka, the share of modern logistics facilities is significantly smaller due to limited new development in these regions.

However, there has been an increase in the development of modern logistics facilities in regional areas recently. Disruptions in the supply chain have led to corporates reevaluating the location of their manufacturing and logistics systems, resulting in growing demand for warehouses for storing manufacturing-related goods. Nationwide, there is a strong demand for multi-tenant modern logistics facilities that can replace outdated warehouses. Additionally, logistics companies are establishing more bases to avoid long-distance transportation.

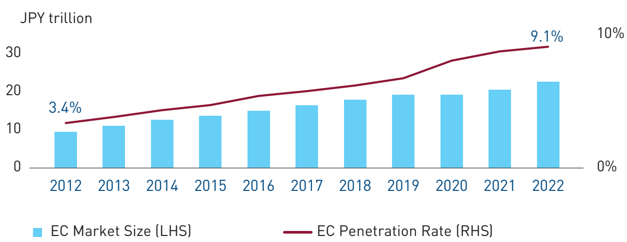
Key Drivers of Demand

E-commerce ("EC")

The EC market has been expanding due to the impact of COVID-19, with an increasing number of people shopping online and many retailers adapting to the changing demands and strengthening their EC strategies. This trend is expected to the increase EC penetration rate in the market going forward. In general, EC firms require large-scale logistics facilities to store and manage the large amounts of inventory in order to respond to online orders from across Japan. The sales of the Business to Consumers (B2C) EC industry have grown significantly from 2012 to 2022, with a Compound Annual Growth Rate (CAGR) of 9.1%, reaching a value of approximately JPY23 trillion. The sales of B2C EC slightly declined in 2020, because of the contraction of consumption on services such as travels etc., due to COVID-19. However, EC has been continuously boosting the demand for modern logistics facilities, mainly driven by the expansion of product and services sale. As a result, the sales of B2C EC in 2022 have increased by 9.9% y-o-y.

While the current EC market share in Japan is still relatively low, there was significant expansion in 2020 as consumers shifted from in-store to online shopping. The EC penetration rate or EC rate has been increased to 9.1% in 2022 from 8.8% in 2021. However, the EC rate in Japan is still lower than that of other countries such as the US, UK, and China, with an EC penetration rate of 15%-30%, which indicates high growth potential for the EC market in Japan. The continuous expansion of EC has been driving the demand for modern logistics facilities, particularly large-scale facilities. Therefore, the growth of the EC market is expected to lead to increased demand for modern logistics facilities.

B2C E-Commerce Market

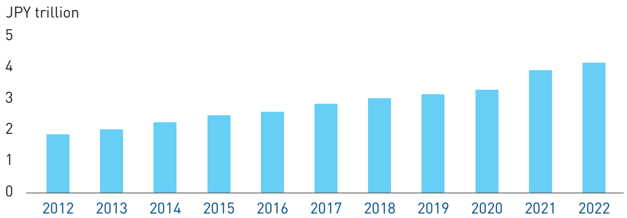


Source: Ministry of Economy, Trade and Industry

Third-party logistics ("3PL")
As retailers and manufacturing firms are under pressure to reduce costs and invest more capital into their core businesses, the outsourcing of logistical operations to 3PL companies has been growing in popularity. They also tend to have higher building specification requirements, such as heavier floor loads and taller ceiling heights, which are compatible with various inventory types. The recovery of B2B from the impact of COVID-19 and the continuous growth of the EC market are supporting logistics demand from this segment of customers. In addition, due to rising logistics costs such as truck freight, labour costs, and fuel costs, 3PL companies' sales have grown with an increase of 6.1% y-o-y in 2022.

The logistics real estate market has experienced increased demand due to the expansion of the EC market and is expected to continue to grow. However, the rise in logistics operating costs has become a concern for many firms. To address this, companies are increasingly adopting more efficient operational strategies, including the use of automation and labour-saving equipment. Investment in material handling equipment has been growing alongside the expansion of EC and 3PL markets. This will enable the logistics industry to operate in a more efficient and innovative manner. Outdated logistics facilities often face challenges in fully utilizing material handling equipment due to limitations such as a shortage of electric power sources, insufficient ceiling height, and floor load capacity. Thus, there is further demand for modern logistics facilities that can accommodate advanced material handling equipment.

3PL Sales



Source: Ministry of Economy, Trade and Industry

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

The demand for frequent deliveries and small lot shipments has been growing in response to increasing customer demands. Package delivery services have experienced significant expansion, with the number of packages increasing by approximately 40% over the past 10 years. This has led to a decrease in loading efficiency of trucks, as many trucks are dispatched for goods delivery despite being filled with low capacity. The rapid and significant growth in the EC market has contributed to a heightened demand for truck drivers. As a result, there is currently a severe shortage of drivers, leading to an increase in truck freight rates. Given the aging driver population and the continued expansion of e-commerce, it is expected that labor costs will rise in the future.

The increase in logistics operational costs has become an issue for many firms, encouraging them to review their existing logistics facility locations and develop more efficient operational strategies. As a result, the cases of consolidation of multiple facilities to a single large facility and/or relocation to facilities suitable for high-frequency deliveries and warehouse works have been increasing. Furthermore, in order to deal with high volume deliveries and structural shortages of labor force, logistics firms increasingly install automated machines and systems. The increase in the usage of automated machines in logistics facilities is prompting the need for more electric capacity and large-floor plate facilities. Older logistics facilities often provide limited electric capacity with small floor plates, as a result. In order to enhance efficiency and streamline their operations, many freight delivery service providers have chosen large-scale logistics facilities instead of multiple smaller ones located in different areas. This trend has further increased the demand for modern logistics facilities.

The restriction on number of overtime-working hours in 2024
Starting 1 April 2024, truck drivers in Japan will be subject to a limit on the maximum number of overtime-working hours within a year, maximum to 960 hours. In addition, truck drivers can drive continuously in 4-hour blocks, however, they must take certain amount of time to rest after each 4-hour block. While these regulations are expected to improve the working conditions for drivers who often face long hours, they may also impose significant restrictions on the supply of truck transportation, leading to increased transportation costs and potential disruptions in the logistics industry.

This could affect logistics real estate as well. To address these issues, companies need to find solutions to improve working conditions and invest in technology to increase efficiency. They are seeking automation and robotization of warehouse operations, as well as implementing reservation systems, to reduce non-driving time and optimize operations. Furthermore, there is a possibility that logistics facilities may be located in areas that can be reached within approximately 3 hours from the delivery destinations, as companies seek to establish their bases in such locations. Older logistics facilities may not meet the requirements of tenants seeking high-frequency deliveries or distribution processing. The demand for modern logistics facilities with larger single-floor areas that can provide sufficient power supply and accommodate automation, robotization, and other advanced technologies is expected to continue. Furthermore, there may be increased development of logistics facilities in regional areas to ensure proximity to end consumers, which could be a more common choice across Japan.

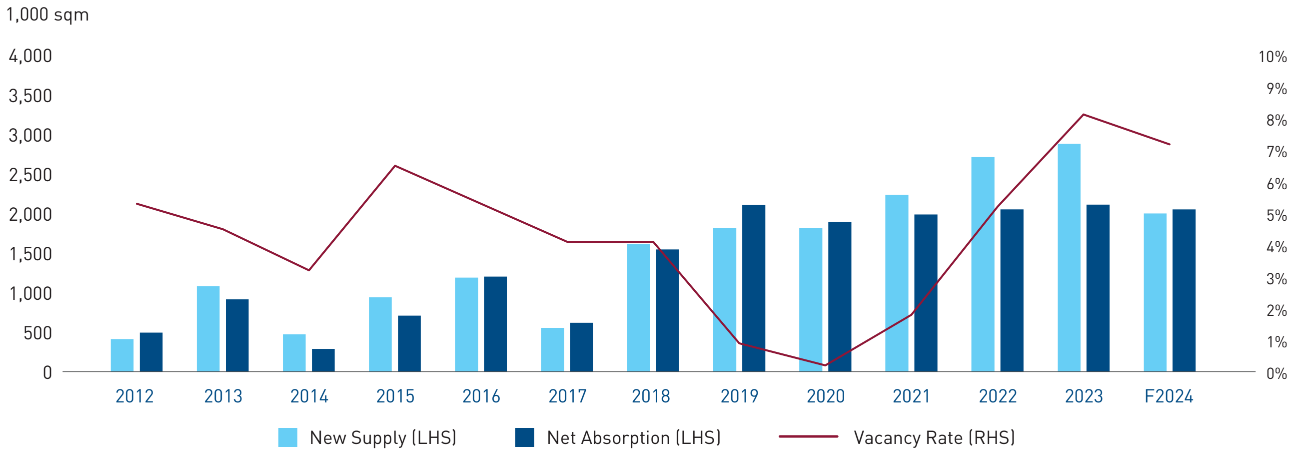
JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

Greater Tokyo

The Greater Tokyo has a population of 39 million people and serves as the economic centre of Japan. The COVID-19 outbreak in 2020 prompted many developers and investors to expand their investments in logistics facilities, leading to a continued rise in new supply. The areas where new supply is being delivered have also expanded beyond existing regions, covering the entire Greater Tokyo area.

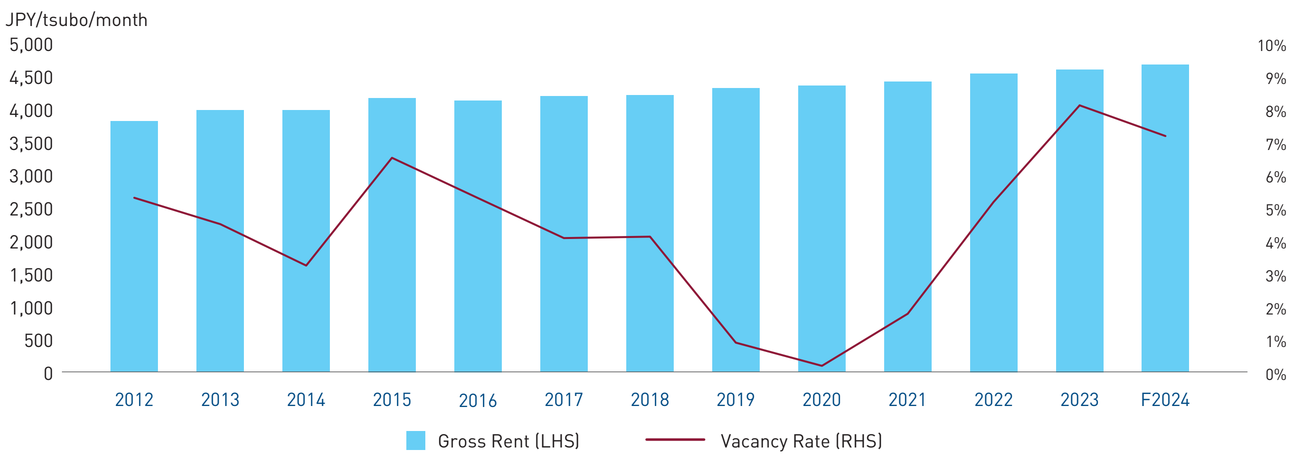
Since 2018, the annual new supply of logistics facilities in Greater Tokyo has consistently increased, reaching approximately 3 million sqm in both 2022 and 2023. This significant increase in supply has resulted in higher vacancy rates in areas such as the Kanagawa Bay Area, Kanagawa Inland Area, and Ken-O Expressway Area, thereby pushing up the overall vacancy rate. The decrease in new supply after 2024 is mainly due to a shortage of available development sites resulting from sustained massive supply. Factors such as rising land prices, construction costs, and increased demand have contributed to the ongoing increase in rents for new properties. The moderate rental increase is expected to continue. However, in areas where the supply of logistics facilities has increased and vacancy rates have risen, tenants have the option to consider relocation, making it challenging for property owners to raise rents for existing tenants. It is forecasted that the overall vacancy rate in Greater Tokyo will decline to 7.2% in 2024 from 8.1% in 2023 due to the smaller new supply and strong demand.

Greater Tokyo — New Supply, Net Absorption and Vacancy Rate



Source: JLL

Greater Tokyo — Rent and Vacancy Rate



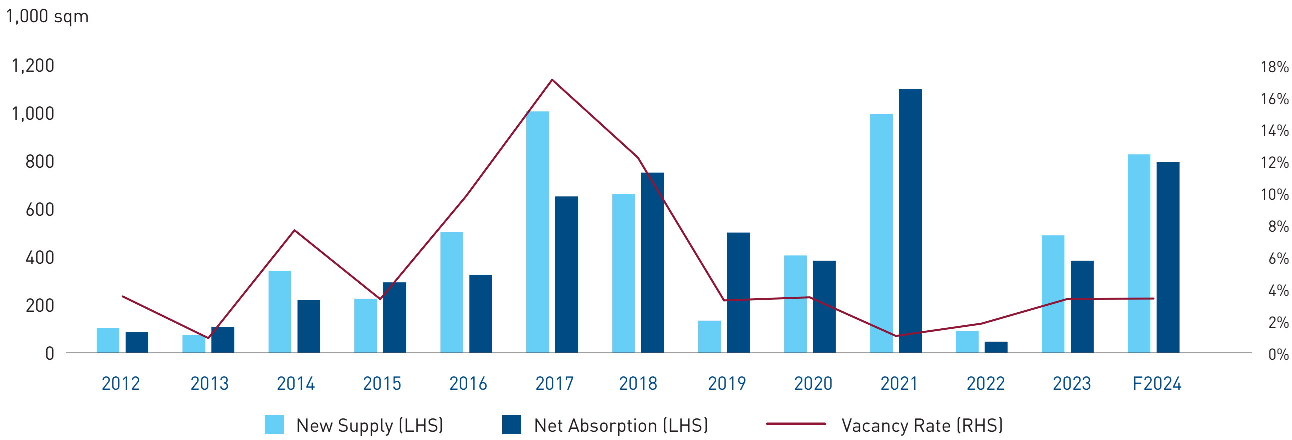
Source: JLL

Greater Osaka

The Greater Osaka is the second-largest metropolitan area in Japan with a population of 19 million people. Until 2017, the stock of logistics facilities in Greater Osaka was mostly located in the bay area. However, infrastructure improvements created favourable access to East Japan and can more easily attract workers. In the past several years, more new supply has been shifting towards the inland areas. Same as the other regions, areas for development of logistics facilities have been expanding. In Greater Osaka, logistics companies and 3PL are more likely to locate in the bay area, while EC and retail companies tend to be more prevalent inland area.

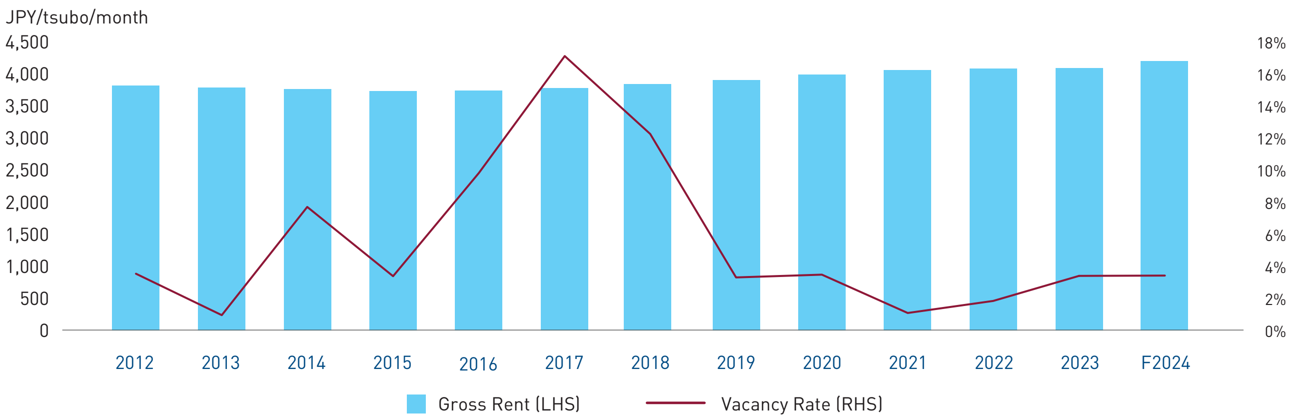
Although there was second largest supply with approximately 1 million sqm in 2021, the demands exceeded the supply and the vacancy declined to 1.1%. As the amount of new supply in 2022 was limited, tight supply-demand balance kept the vacancy rate low at 1.8%. However, the vacancy rate went up to 3.4% with the new supply of approximately 500,000 sqm in 2023. Supported by strong demand, the vacancy rate in 2024 is projected to remain the same as in 2023, even though new supply in 2024 is expected to be over 825,000 sqm. Since the rents in the inland area tend to be higher than ones in the bay area, the increase in supply in the Inland Area from 2017, overall rent in Greater Osaka has been going up. Going forward, vacancy rate is expected to remain low and rental rates are expected to continue increasing moderately. With the increase in new supply, in order to attract tenants, rent-free periods have been increased in the Greater Osaka.

Greater Osaka — New Supply, Net Absorption and Vacancy Rate



Source: JLL

Greater Osaka — Rent and Vacancy Rate



Source: JLL

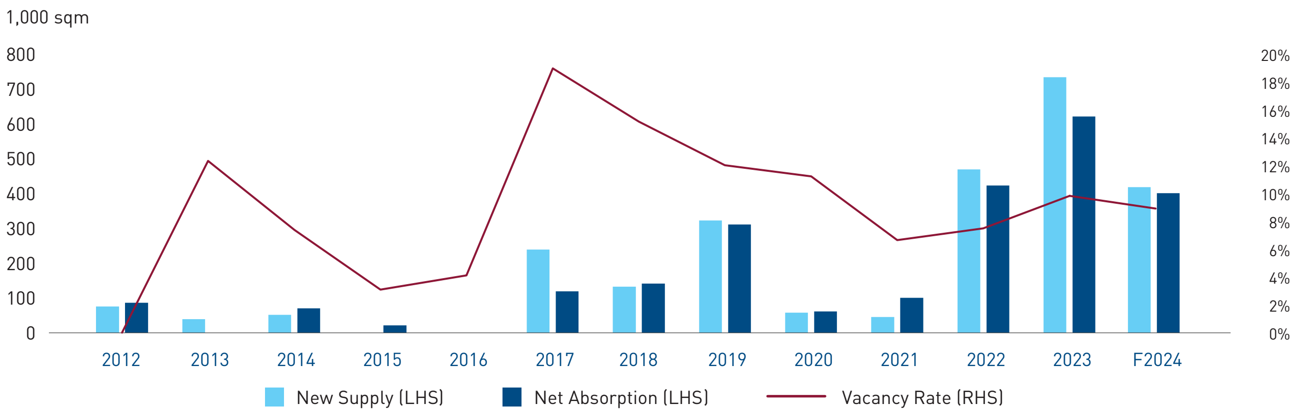
JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

Greater Nagoya

The Greater Nagoya has a population of approximately 11 million people and is located in the central part of Japan. It serves as a key hub for both the movement of people and goods, connecting the Greater Tokyo, Greater Osaka, and Hokuriku, which is located to the north of Greater Nagoya. It is known for its manufacturing industry, particularly the automotive industry centered around Toyota Motor Corporation.

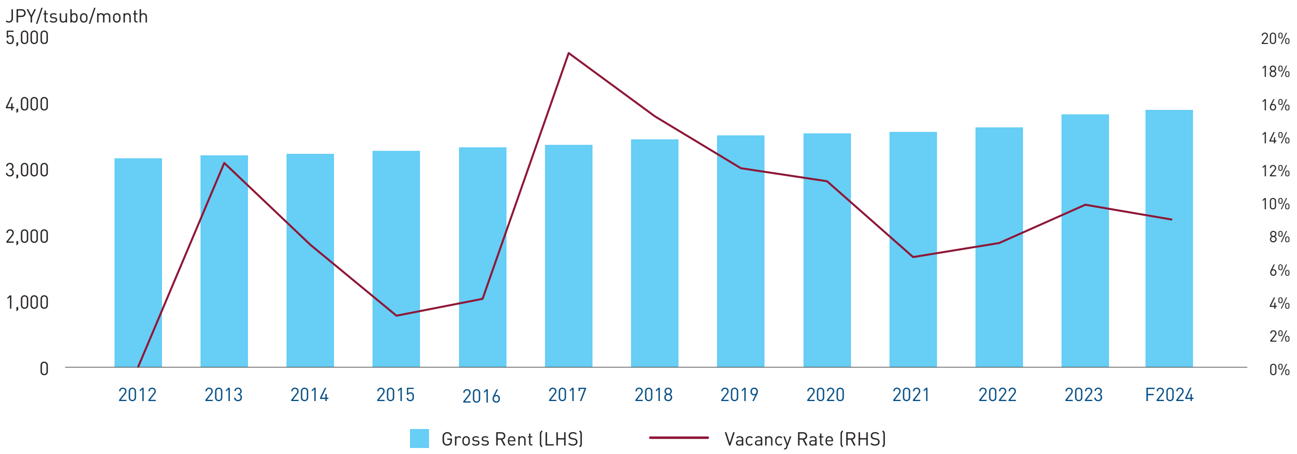
The Greater Nagoya has a relatively small market for modern logistics facilities and is susceptible to the impact of new supply. With the opening of the Ise-Wangan Expressway and Shin-Meishin Expressway, the central area of Nagoya City has improved its overall accessibility. As a result, the demand for logistics facilities, primarily in the Inland Area, has expanded to the Bay Area. Rental levels for new properties are higher than existing properties due to increasing land prices and construction costs, contributing to an overall increase in rents in the Greater Nagoya. It is expected that rents in the entire Greater Nagoya will continue to rise. Existing properties have low vacancy rates, however, in order to attract tenants, there is a tendency for longer rent-free periods. As there was a large amount of new supply in 2023, 734,000 sqm, the vacancy rate was slightly increased to 9.8%. However, it is forecasted to go down to around 8.9% in 2024 supported by a strong demand and smaller size of new supply compared to the ones in 2022 and 2023. The rent is expected to continue to increase.

Greater Nagoya — New Supply, Net Absorption and Vacancy Rate



Source: JLL

Greater Nagoya — Rent and Vacancy Rate



Source: JLL

Greater Fukuoka

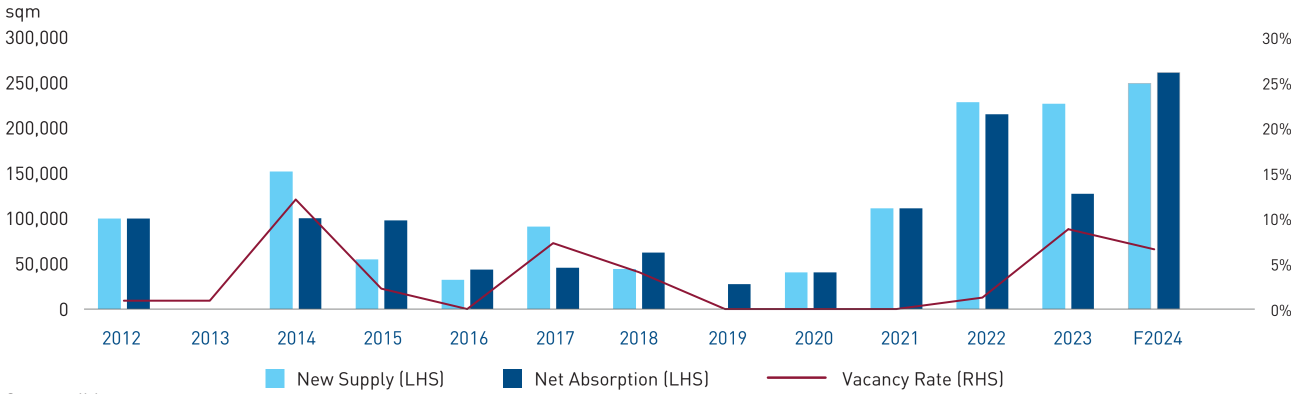
Fukuoka is the fourth-largest city in Japan and Fukuoka Prefecture accounts for over 40% of the population of Kyushu, with approximately 6 million people in the Greater Fukuoka area. Fukuoka City and Kitakyushu City are important consumer markets in the region. Fukuoka Prefecture is a crucial hub for transportation routes, including Hakata Port, Fukuoka Airport, and the Kyushu Expressway, connecting to the Chugoku region in western Japan.

To mitigate leasing risks, many developers prefer to construct build-to-suit (BTS) properties. Due to limited availability, there are few multi-tenant properties, resulting in strong demand and no vacancies between 2019 and 2021. However, with the growth of EC and increased demand, the number of multi-tenant properties has increased, and most new properties are fully occupied upon completion. Logistics facilities in the Greater Fukuoka are also concentrated in the northern part of Kyushu Large-scale rental logistics facilities, including those owned by J-REIT portfolios, are primarily located in the Tosu Area, spanning Fukuoka and Saga Prefecture.

Tenants in the Greater Fukuoka area are diverse, serving industries such as manufacturing for all of Kyushu, distribution centres for convenience stores and supermarkets in Fukuoka City and the northern part of Kyushu, and major nationwide companies and local logistics companies based in Kyushu. Additionally, the establishment of new factories by Taiwan's major semiconductor manufacturer, Taiwan Semiconductor Manufacturing Company (TSMC) and Sony in Kumamoto Prefecture, known as the Silicon Island, has increased demand for logistics facilities in the Kyushu region. Consequently, new supply in the Greater Fukuoka area, similar to other major metropolitan areas, is also increasing. Due to limited development sites for logistics facilities, rents in the Greater Fukuoka area have been rising and are expected to continue moderately increasing.

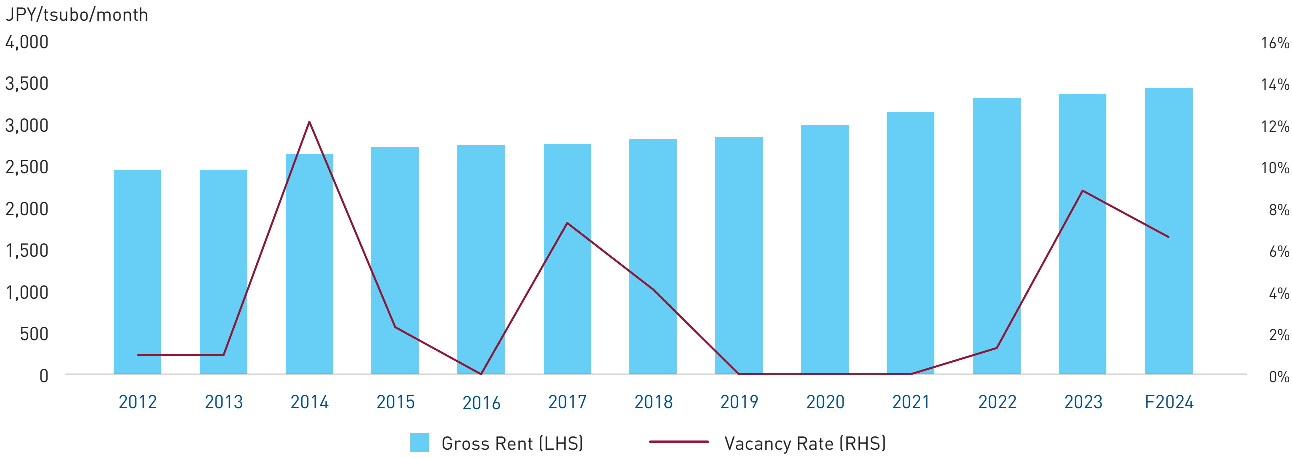
From 2022 to 2024, there will be a consistent new supply in Greater Fukuoka, each year with over 200,000 sqm. However, the temporary increase in vacancy rate to 8.8% in 2023 is expected to decline to 6.6% in 2024 due to strong demand. Rent is also projected to moderately increase, following the trend seen in other metropolitan areas.

Greater Fukuoka — New Supply, Net Absorption and Vacancy Rate



Source: JLL

Greater Fukuoka — Rent and Vacancy Rate



Source: JLL

JAPAN INDUSTRIAL PROPERTY MARKET OVERVIEW

LOGISTICS INVESTMENT MARKET

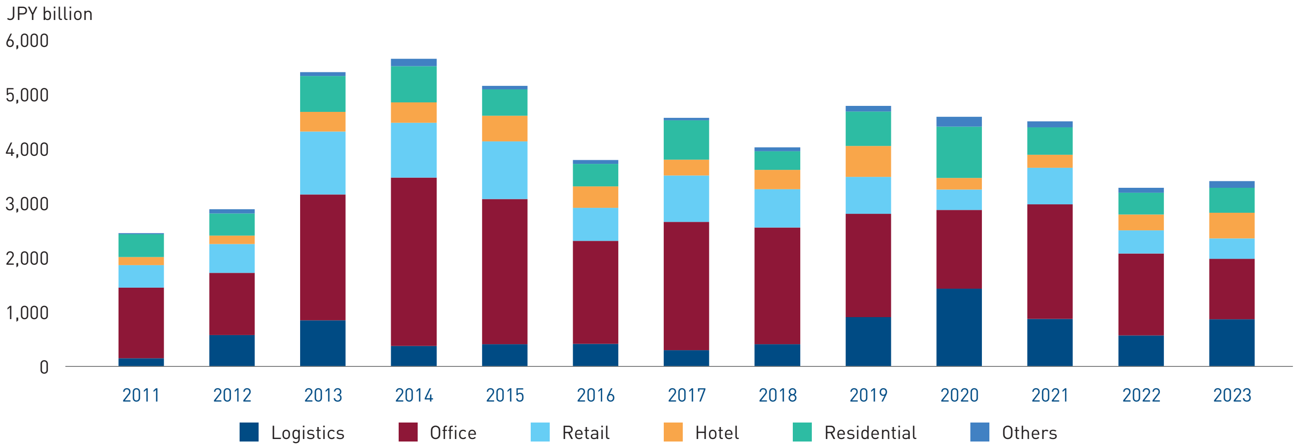
Sales Transaction

Investor interest in Japanese real estate remains high as low-interest-rate financial policies are expected to continue. In 2020, the office sector saw a significant decline in transaction volume due to the impact of COVID-19. As a result, investment funds started flowing into logistics properties and residential properties, which benefited from the growth of e-commerce during the pandemic.

Modern logistics facilities in Japan are typically not sold to external groups, limiting investment opportunities for those without development pipelines. However, the liquidity of the logistics facility investment market has been increasing, allowing developers and development funds without exit strategies to venture into new developments. Overall, the transaction volume in 2022 decreased by 27% y-o-y due to limited investment opportunities. However, in 2023, the transaction volume rebounded with a growth of 3.9% y-o-y. The share of investment in the logistics sector increased while the shares in the office and retail markets declined. Additionally, hotel investments surged as inbound tourism began to recover. Despite the challenges, the total transaction volume in 2023 recovered with a 3.9% year-on-year increase.

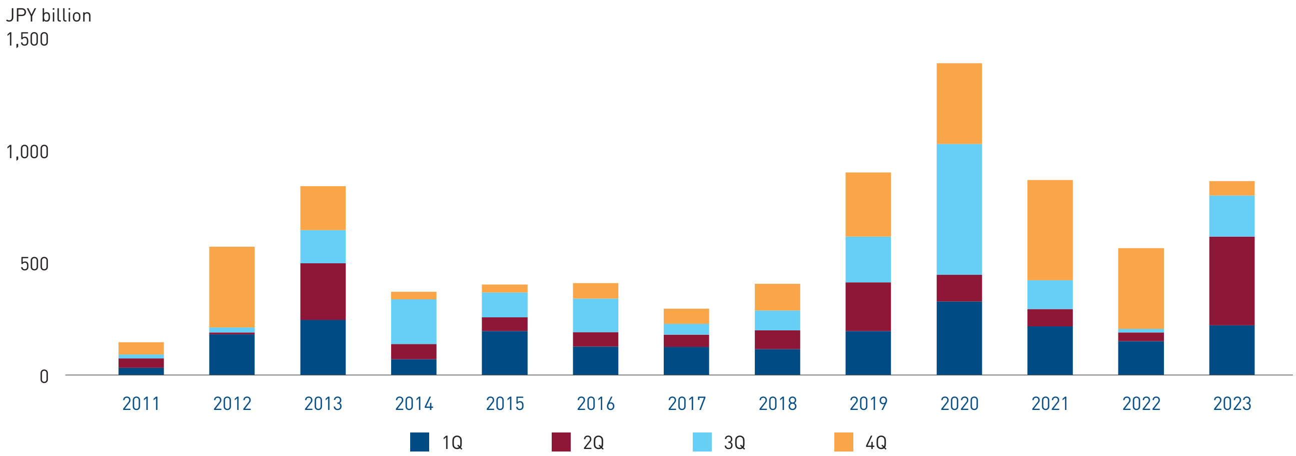
Looking at industrial transactions, in 2020, the industrial sector experienced a 54% y-on-y increase in transaction volume, driven by the stability and profitability of industrial properties and the surge in EC market. However, the limited availability of industrial properties caused a decline in transaction volume in 2021 and 2022. The volume rebounded in 2023, with a 53% year-on-year increase, due to the increased liquidity of the logistics facility investment market. As low-interest-rate financial policies are expected to maintain for a while, it is expected to continue a strong appetite among investors, particularly for logistics facilities, which present attractive income opportunities due to their stability.

All Sector Transaction in Japan



Source: JLL

Logistics Transaction in Japan



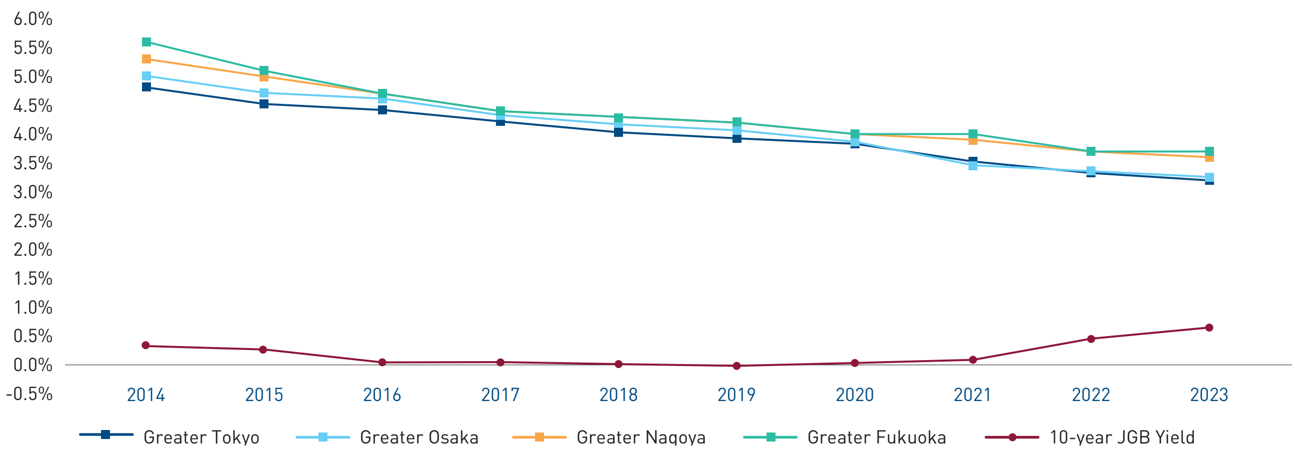
Source: JLL

Capitalisation Rate

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

In particular, investors are focusing on opportunities in the Greater Tokyo. However, the investment opportunities are limited in the Greater Tokyo, investor interest is diversifying into the Greater Osaka, Greater Nagoya and Greater Fukuoka. Reflecting such strong investor demand, cap rates of logistics facilities in all regions have been largely compressing over the years, and its trend is continuing. The current low interest rate environment is expected to persist for the foreseeable future. It is predicted that investors will continue to show strong interest, particularly in stable income-generating logistics facilities.

Cap Rates



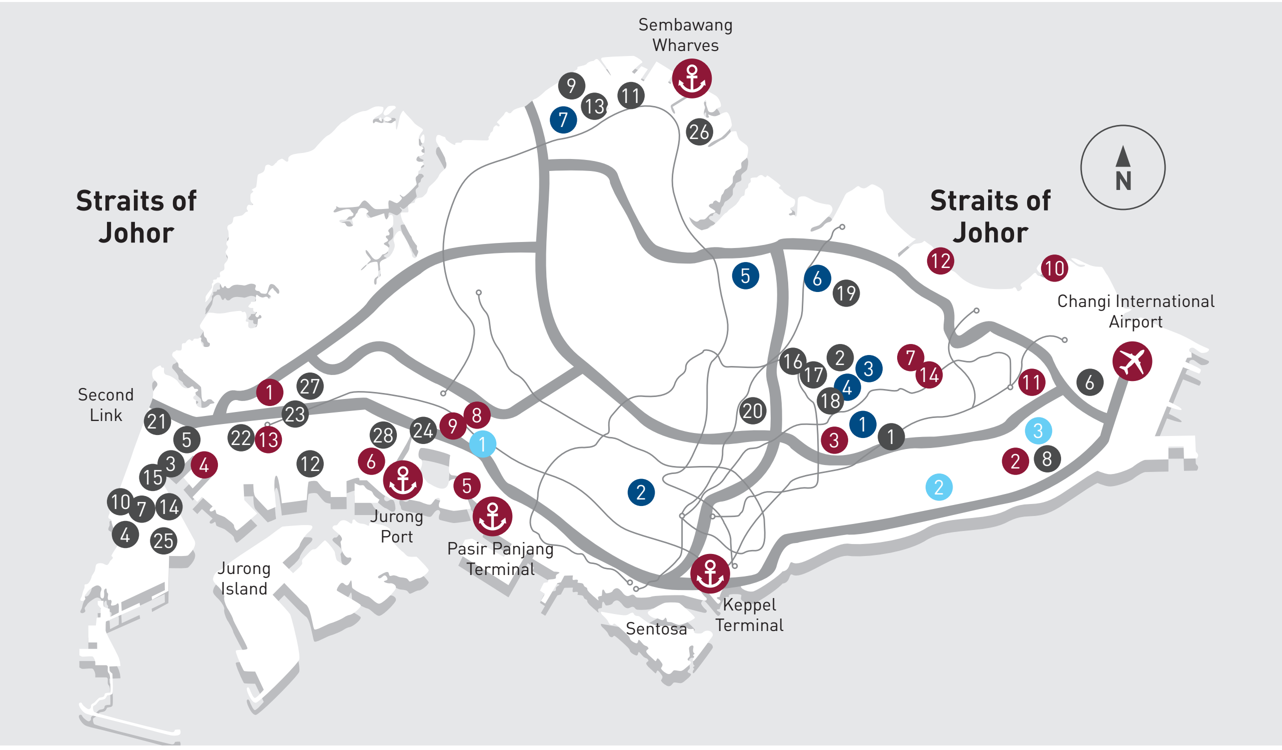
Source: JLL, Oxford Economics

OUTLOOK

Japan's economy is in the moderate recovery phase, however, there are risks from the global economy. While real estate investment markets in other countries are experiencing a slowdown due to rising interest rates, Japan's favourable funding environment and resilient investment demand in real estate are expected to continue. Although there is a possibility of future interest rate increases, the demand for logistics facilities remains robust, driven by the growth of EC and 3PL sector. While investors show interest in logistics facilities in the Greater Tokyo, there is also a growing interest in diverse locations throughout Japan.

The logistics market in Japan is experiencing a widespread expansion in the development of logistics facilities across the country. The forthcoming introduction of new overtime regulations for truck drivers in 2024 is expected to further accelerate this development. Across all regions, there continues to be a trend of longer leasing-up periods. Tenants are increasingly choosing modern logistics facilities that offer enhanced efficiency and convenient proximity to end consumers. The diverse locations and specifications of logistics facilities are likely contributing to a noticeable polarization within the market. In the long term, the demand for modern logistics facilities is expected to sustain growth due to evolving consumption patterns and the increasing need for flexible, high-quality rental spaces in close proximity to end consumers. Rising construction costs have also contributed to rent increases, and this upward trend is expected to persist. This may also lead developers to delay the timing and consider smaller size of the logistics facilities they develop.

SINGAPORE PROPERTY PORTFOLIO MAP



Business Park:

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

High-Specs Industrial:

1. 21 & 23 Ubi Road 1
2. 11 Chang Charn Road
3. 16 Tai Seng Street
4. 19 Tai Seng Avenue
5. 12 Ang Mo Kio Street 65
6. 7000 & 7002 Ang Mo Kio Avenue 5
7. 30 Marsiling Industrial Estate Road 8

Logistics:

1. 1 Third Lok Yang Road and 4 Fourth Lok Yang Road
2. 25 Changi South Avenue 2
3. 160 Kallang Way
4. 30 Pioneer Road
5. 24 Jurong Port Road
6. 15 Greenwich Drive
7. 46A Tanjong Penjuru
8. 24 Penjuru Road (Commodity Hub)
9. 2 Fishery Port Road
10. 51 Alps Avenue (Schenker Megahub)
11. 5 Changi South Lane (Changi DistriCentre 1)
12. 15 Gul Way (Gul LogisCentre)
13. 22 Loyang Lane (Air Market Logistics Centre)
14. 1 Greenwich Drive (DHL Supply Chain Advanced Regional Centre)

General Industrial:

1. 11 Ubi Road 1
2. 29 Tai Seng Street
3. 81 Tuas Bay Drive
4. 79 Tuas South Street 5
5. 31 Tuas Avenue 11
6. 1 & 2 Changi North Street 2
7. 9 Tuas View Crescent
8. 31 Changi South Avenue 2
9. 21B Senoko Loop
10. 60 Tuas South Street 1
11. 28 Woodlands Loop
12. 25 Pioneer Crescent
13. 11 Woodlands Walk
14. 43 Tuas View Circuit
15. 3 Tuas South Avenue 4
16. 128 Joo Seng Road
17. 130 Joo Seng Road
18. 136 Joo Seng Road
19. 54 Serangoon North Avenue 4
20. 11 Lorong 3 Toa Payoh (Jackson Square)
21. 120 Pioneer Road
22. 5 & 7 Gul Street 1
23. 160A Gul Circle
24. 30 Teban Gardens Crescent
25. 8 Tuas South Lane
26. 511 & 513 Yishun Industrial Park A
27. 86 & 88 International Road
28. 13 Jalan Terusan

SINGAPORE PROPERTY PORTFOLIO DETAILS

Business Park

1 16 International Business Park

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

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

High-Specs Industrial

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Logistics

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7 46A Tanjong Penjuru

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12 15 Gul Way (Gul LogisCentre)

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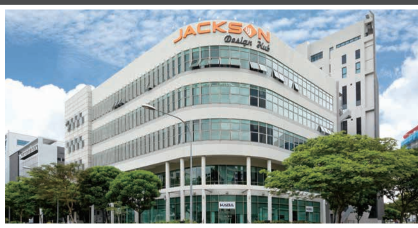
14 1 Greenwich Drive (DHL Supply Chain Advanced Regional Centre)

General Industrial

1 11 Ubi Road 1



2 29 Tai Seng Street

3 81 Tuas Bay Drive


4 79 Tuas South Street 5


5 31 Tuas Avenue 11


6 1 & 2 Changi North Street 2

7 9 Tuas View Crescent

8 31 Changi South Avenue 2


9 21B Senoko Loop


10 60 Tuas South Street 1


11 28 Woodlands Loop


12 25 Pioneer Crescent

13 11 Woodlands Walk


14 43 Tuas View Circuit


15 3 Tuas South Avenue 4


16 128 Joo Seng Road


17 130 Joo Seng Road


18 136 Joo Seng Road

SINGAPORE PROPERTY PORTFOLIO DETAILS

19 54 Serangoon North Avenue 4

20 11 Lorong 3 Toa Payoh (Jackson Square)

21 120 Pioneer Road

22 5 & 7 Gul Street 1

23 160A Gul Circle

24 30 Teban Gardens Crescent

25 8 Tuas South Lane

26 511 & 513 Yishun Industrial Park A

27 86 & 88 International Road

28 13 Jalan Terusan

AUSTRALIA AND JAPAN PROPERTY PORTFOLIO MAP

Logistics:

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

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

AUSTRALIA AND JAPAN PROPERTY PORTFOLIO DETAILS

Australia Logistics

1 127 Orchard Road, Chester Hill, NSW

2 203 Viking Drive, Wacol, QLD

3 16–28 Transport Drive, Somerton, VIC

4 223 Viking Drive, Wacol, QLD

5 217-225 Boundary Road, Laverton North, VIC

6 182-198 Maidstone Street, Altona, VIC

7 11-19 Kellar Street, Berrinba, QLD

8 67-93 National Boulevard, Campbellfield, VIC

9 41-51 Mills Road, Braeside, VIC

10 76-90 Link Drive, Campbellfield, VIC

11 41-45 Hydrive Close, Dandenong South, VIC

12 196 Viking Drive, Wacol, QLD

13 16-24 William Angliss Drive, Laverton North, VIC

14 151-155 Woodlands Drive, Braeside, VIC

15 1-5 & 2-6 Bishop Drive, POB, QLD

Australia Logistics

16 8 Curlew Street, POB, QLD

17 53 Peregrine Drive, POB, QLD

18 47 Logistics Place, Larapinta, QLD

19 21 Curlew Street, POB, QLD

Japan Logistics

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

PORTFOLIO DETAILS

SINGAPORE

BUSINESS PARKS

Business Parks are properties that cater to industries/businesses relating to high-technology, research and development (R&D), value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.

ESR BizPark @ Changi

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

No. of Properties
3

Gross Floor Area (sqm)
221,109

Net Lettable Area (sqm)
172,447

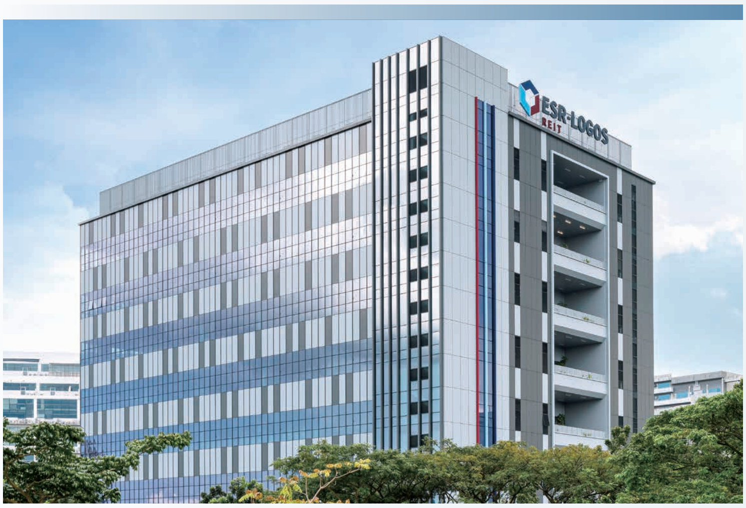
Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price/ Development Cost (S$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (S$ million)	Valuation As at 31 December 2023 (S$ million)
32.6	19 December 2014	30.4	100.0	2.2	26.4
7.3 7.2	15 October 2018	322.2	79.3	37.2	193.0
44.1	15 October 2018	531.0	70.1	18.5 9.6	523.0

PORTFOLIO DETAILS

SINGAPORE

HIGH-SPECS INDUSTRIAL

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



7002 Ang Mo Kio Avenue 5

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	21 & 23 Ubi Road 1	Multi-tenanted	18,838	13,778	30+30	31 January 2057
2	11 Chang Charn Road	Multi-tenanted	9,062	6,851	99	31 December 2056
3	16 Tai Seng Street	Multi-tenanted	20,036	9,476	30+30	03 July 2067
4	19 Tai Seng Avenue	Multi-tenanted	11,200	9,521	30+30	10 September 2067
5	12 Ang Mo Kio Street 65	Multi-tenanted	16,762	15,508	30+30	15 October 2050
6	7000 & 7002 Ang Mo Kio Avenue 5	Multi-tenanted	124,693	98,773	32+30	29 January 2057
7	30 Marsiling Industrial Estate Road 8	Multi-tenanted	20,238	17,378	30+30	30 November 2049

No. of Properties
7

Gross Floor Area (sqm)
220,828

Net Lettable Area (sqm)
171,284

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (S$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (S$ million)	Valuation As at 31 December 2023 (S$ million)
33.1	25 July 2006	25.0	94.1	4.1	34.2
33.0	31 March 2014	32.0	68.4	1.5	27.7
43.5	29 May 2012	72.9	81.8	2.1	93.7
43.7	15 October 2018	47.5	100.0	3.7	51.6
26.8	13 September 2014	39.8	91.8	3.0	32.6
33.1	13 December 2017	360.2*	82.0	24.1	363.4*
25.9	24 October 2012	39.0	100.0	6.3	50.4

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

PORTFOLIO DETAILS

SINGAPORE

LOGISTICS

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

46A Tanjong Penjuru

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	Master lease	10,601	10,601	30	15 December 2031
2	25 Changi South Avenue 2	Master lease	6,782	6,782	30+30	15 October 2054
3	160 Kallang Way	Multi-tenanted	29,971	27,072	30+30	15 February 2033
4	30 Pioneer Road	Master lease	26,115	26,115	30	15 February 2037
5	24 Jurong Port Road	Multi-tenanted	75,904	67,647	30+12	28 February 2037
6	15 Greenwich Drive	Multi-tenanted	42,308	42,085	30	15 December 2041
7	46A Tanjong Penjuru	Multi-tenanted	48,692	48,136	30+14	30 April 2050
8	24 Penjuru Road	Multi-tenanted	213,297	204,446	29	18 August 2035
9	2 Fishery Port Road	N.A.	0	0	30+30	19 December 2065
10	51 Alps Avenue	Master lease	40,873	40,873	30+30	31 May 2065
11	5 Changi South Lane	Multi-tenanted	33,850	32,255	30+30	15 August 2065
12	15 Gul Way	Multi-tenanted	26,420	25,420	30	30 September 2033
13	22 Loyang Lane	Master lease	6,277	6,277	30+16	31 January 2053
14	1 Greenwich Drive	Multi-tenanted	91,905	86,223	30	15 June 2044

No. of Properties

14

Gross Floor Area (sqm)

652,993

Net Lettable Area (sqm)

623,931

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (S$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (S$ million)	Valuation As at 31 December 2023 (S$ million)
8.0	25 July 2006	12.4	100.0	1.2	7.4
30.8	25 July 2006	7.3	100.0	0.9	13.0
9.1	25 July 2006	23.2	13.3	0.5	22.3
13.1	15 October 2018	54.0	100.0	3.2	36.6
13.2	25 July 2006	96.0	95.6	7.3	79.0
18.0	25 October 2018	95.8	100.0	8.9	88.7
26.3	29 June 2021	112.0	73.5	5.9	109.0
11.6	22 April 2022	260.4	98.1	34.2	244.7
42.0	22 April 2022	126.7	N.A.	N.A.	103.5
41.4	22 April 2022	83.8	100.0	6.4	96.7
41.6	22 April 2022	93.3	91.7	7.0	93.6
9.8	22 April 2022	27.4	100.0	3.9	28.5
29.1	22 April 2022	11.1	100.0	1.0	12.5
20.5	22 April 2022	152.0	100.0	16.3	165.0

PORTFOLIO DETAILS

SINGAPORE

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

120 Pioneer Road

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	11 Ubi Road 1	Master lease	23,510	23,510	30+30 21+30	31 August 2055
2	29 Tai Seng Street	Master lease	7,903	7,903	30+30	30 April 2067
3	81 Tuas Bay Drive	Master lease	9,993	9,993	60	18 July 2066
4	79 Tuas South Street 5	Master lease	6,312	6,312	30+30	31 January 2060
5	31 Tuas Avenue 11	Master lease	7,021	7,021	30+30	31 March 2054
6	1 Changi North Street 2 2 Changi North Street 2	Master lease Master lease	11,694	11,694	30+30 30+30	28 February 2061 22 November 2065
7	9 Tuas View Crescent	Master lease	6,650	6,650	30+30	15 July 2058
8	31 Changi South Avenue 2	Master lease	5,546	5,546	30+30	28 February 2055
9	21B Senoko Loop	Master lease	7,872	7,872	30+30	31 January 2053
10	60 Tuas South Street 1	Master lease	4,150	4,150	30	15 March 2035
11	28 Woodlands Loop	Master lease	12,250	12,250	30+30	15 October 2055
12	25 Pioneer Crescent	Master lease	7,061	7,061	30+28	31 January 2067
13	11 Woodlands Walk	Master lease	8,977	8,977	30+30	15 October 2055
14	43 Tuas View Circuit	Master lease	11,412	11,412	30	31 January 2038
15	3 Tuas South Avenue 4	Master lease	29,313	29,313	30+30	30 April 2059

No. of Properties

28

Gross Floor Area (sqm)

428,984

Net Lettable Area (sqm)

402,884

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (S$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (S$ million)	Valuation As at 31 December 2023 (S$ million)
31.7	15 October 2018	83.9	100.0	7.5	79.0
43.3	15 October 2018	32.9	100.0	2.3	35.4
42.6	15 October 2018	28.0	100.0	2.2	29.7
36.1	30 April 2008	10.4	100.0	0.2	9.7
30.3	25 July 2006	8.7	100.0	0.7	11.7
37.2	19 October 2010	22.1	100.0	1.4	23.2
41.9					
34.5	25 July 2006	5.6	100.0	N.A.	11.1
31.2	27 July 2007	5.8	100.0	1.0	13.7
29.1	28 January 2008	61.5	100.0	N.A.	58.0
11.2	29 June 2011	6.4	100.0	0.6	3.8
31.8	25 July 2006	13.0	100.0	1.7	18.3
43.1	29 March 2012	15.3	100.0	1.3	16.8
31.8	29 October 2012	17.3	100.0	1.3	18.0
14.1	21 September 2012	13.5	100.0	1.8	16.0
35.3	19 March 2013	15.0	100.0	2.7	46.0

PORTFOLIO DETAILS

SINGAPORE

GENERAL INDUSTRIAL (CONT'D)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
16	128 Joo Seng Road	Multi-tenanted	8,626	6,841	30+30	30 April 2052
17	130 Joo Seng Road	Multi-tenanted	10,992	8,542	30+30	30 November 2051
18	136 Joo Seng Road	Multi-tenanted	9,413	7,264	30+30	30 September 2050
19	54 Serangoon North Avenue 4	Multi-tenanted	12,937	10,880	30+30	15 June 2056
20	11 Lorong 3 Toa Payoh	Multi-tenanted	38,888	32,496	60	15 May 2029
21	120 Pioneer Road	Multi-tenanted	20,064	20,064	30+28	15 February 2055
22	5 & 7 Gul Street 1	Multi-tenanted	9,185	8,101	29.5	30 September 2037
23	160A Gul Circle	Multi-tenanted	7,997	7,451	27	29 September 2040
24	30 Teban Gardens Crescent	Multi-tenanted	12,962	11,109	10+22	31 May 2039
25	8 Tuas South Lane	Multi-tenanted	72,568	68,330	30+16	31 March 2054
26	513 Yishun Industrial Park A	Multi-tenanted	20,874	18,601	30+30	30 November 2053
	511 Yishun Industrial Park A	Multi-tenanted			29+30	31 May 2054
27	86 & 88 International Road	Multi-tenanted	22,039	22,039	30+30	15 December 2054
28	13 Jalan Terusan	Multi-tenanted	22,777	21,366	28	24 March 2035

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (S$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (S$ million)	Valuation As at 31 December 2023 (S$ million)
28.3	25 June 2007	10.0	96.4	1.3	12.6
27.9	25 July 2006	12.0	88.4	1.8	16.4
26.8	25 July 2006	10.3	97.9	1.4	13.4
32.5	1 March 2013	21.0	99.4	2.0	18.5
5.4	15 October 2018	60.0	58.0	6.1	35.1
31.1	24 October 2007	31.1	81.8	2.3	33.7
13.8	15 July 2011	14.5	62.7	0.9	10.4
16.7	13 May 2015	19.1	100.0	0.9	13.4
15.4	17 March 2014	41.0	76.6	1.0	26.2
30.3	13 December 2017	106.1	93.0	8.0	98.3
29.9 30.4	30 November 2010	32.6	100.0	1.7	25.2
31.0	25 July 2006	30.8	100.0	3.4	41.9
11.2	30 January 2013	43.0	100.0	3.0	19.5

PORTFOLIO DETAILS

AUSTRALIA

LOGISTICS

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

67–93 National Boulevard, Campbellfield, VIC

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	16–28 Transport Drive, Somerton, VIC	Master lease	21,279	21,279	Freehold	–
2	76-90 Link Drive, Campbellfield, VIC	Master lease	10,441	10,441	Freehold	–
3	67–93 National Boulevard, Campbellfield, VIC	Multi-tenanted	22,608	22,608	Freehold	–
4	41–51 Mills Road, Braeside, VIC	Multi-tenanted	32,318	32,318	Freehold	–
5	151–155 Woodlands Drive, Braeside, VIC	Master lease	11,074	11,074	Freehold	–
6	41–45 Hydrive Close, Dandenong South, VIC	Master lease	8,781	8,781	Freehold	–
7	16–24 William Angliss Drive, Laverton North, VIC	Multi-tenanted	16,324	16,324	Freehold	–
8	217–225 Boundary Road, Laverton North, VIC	Master lease	20,124	20,124	Freehold	–
9	182–198 Maidstone, Altona, VIC	Master lease	37,862	37,862	Freehold	–
10	127 Orchard Road, Chester Hill, NSW	Master lease	24,270	24,270	Freehold	–
11	196 Viking Drive, Wacol, QLD	Master lease	5,709	5,709	Freehold	–
12	203 Viking Drive, Wacol, QLD	Master lease	13,363	13,363	Freehold	–
13	223 Viking Drive, Wacol, QLD	Master lease	6,246	6,246	Freehold	–

No. of Properties
19

Gross Floor Area (sqm)
464,127

Net Lettable Area (sqm)
464,127

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (A$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (A$ million)	Valuation As at 31 December 2023 (A$ million)
–	22 April 2022	39.5	100.0	2.6	36.8
–	22 April 2022	17.3	100.0	0.8	18.6
–	22 April 2022	35.5	100.0	2.4	43.4
–	22 April 2022	45.5	100.0	2.4	48.2
–	22 April 2022	21.3	100.0	1.4	25.4
–	22 April 2022	14.5	100.0	1.1	17.8
–	22 April 2022	25.5	100.0	1.6	28.5
–	22 April 2022	31.5	100.0	2.2	40.0
–	22 April 2022	54.5	100.0	2.7	61.0
–	22 April 2022	66.5	100.0	4.0	88.8
–	22 April 2022	20.0	100.0	1.2	22.4
–	22 April 2022	35.1	100.0	2.4	32.0
–	22 April 2022	11.8	100.0	1.1	16.2

PORTFOLIO DETAILS

AUSTRALIA

LOGISTICS (CONT'D)

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
14	11-19 Kellar Street, Berrinba, QLD	Master lease	7,412	7,412	Freehold	—
15	47 Logistics Place, Larapinta, QLD	Master lease	7,704	7,704	Freehold	—
16	8 Curlew Street, Port of Brisbane, QLD	Master lease	27,157	27,157	46.0	30 June 2059
17	1-5, 2-6 Bishop Drive, Port of Brisbane, QLD	Multi-tenanted	127,354	127,354	54.7	30 June 2059
18	53 Peregrine Drive, Port of Brisbane, QLD	Master lease	51,797	51,797	40.0	30 June 2059
19	21 Curlew Street, Port of Brisbane, QLD	Master lease	12,307	12,307	43.0	19 November 2062

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (A$ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (A$ million)	Valuation As at 31 December 2023 (A$ million)
—	22 April 2022	16.8	100.0	0.7	17.5
—	22 April 2022	19.6	100.0	0.9	18.2
35.5	22 April 2022	58.7	100.0	7.5	50.0
35.5	22 April 2022	103.0	100.0	12.8	85.2
35.5	22 April 2022	33.4	100.0	3.6	33.8
38.9	22 April 2022	68.9	100.0	5.0	61.5

PORTFOLIO DETAILS

JAPAN

LOGISTICS

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

ESR Sakura Distribution Centre, Japan

	Address	Lease Type	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Land Tenure (years)	Land Lease Expiry
1	2464-11, Ota, Sakura-city, Chiba	Multi-tenanted	85,424	81,371	Freehold	—

No. of Properties

1

Gross Floor Area (sqm)

85,424

Net Lettable Area (sqm)

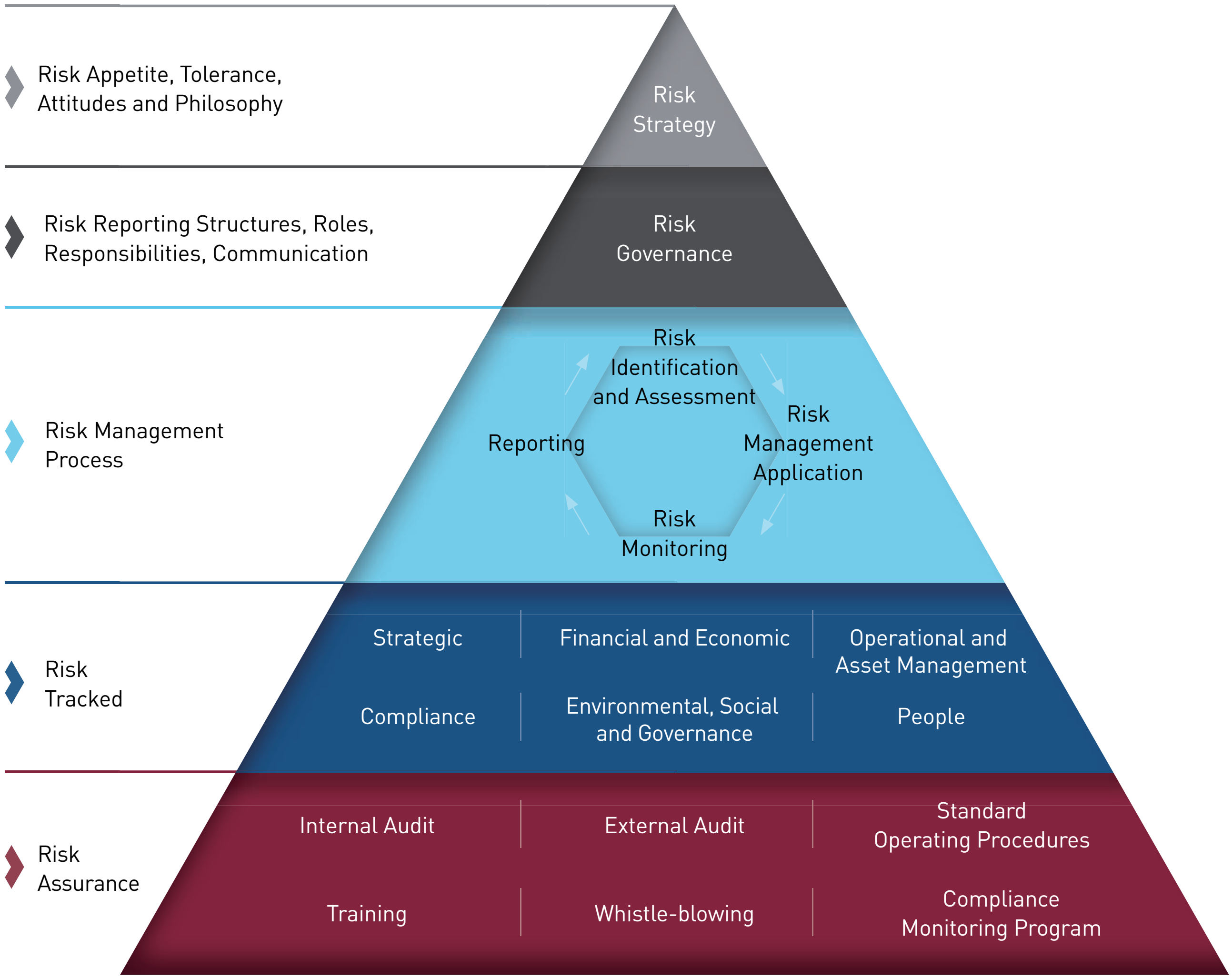
81,371

Remaining Term of Land Lease (years)	Acquisition Date	Purchase Price / Development Cost (¥ million)	Occupancy As at 31 December 2023 (%)	Rental Income As at 31 December 2023 (¥ million)	Valuation As at 31 December 2023 (¥ million)
—	31 October 2022	17,800.0	100.0	769.4	18,630.0

RISK MANAGEMENT

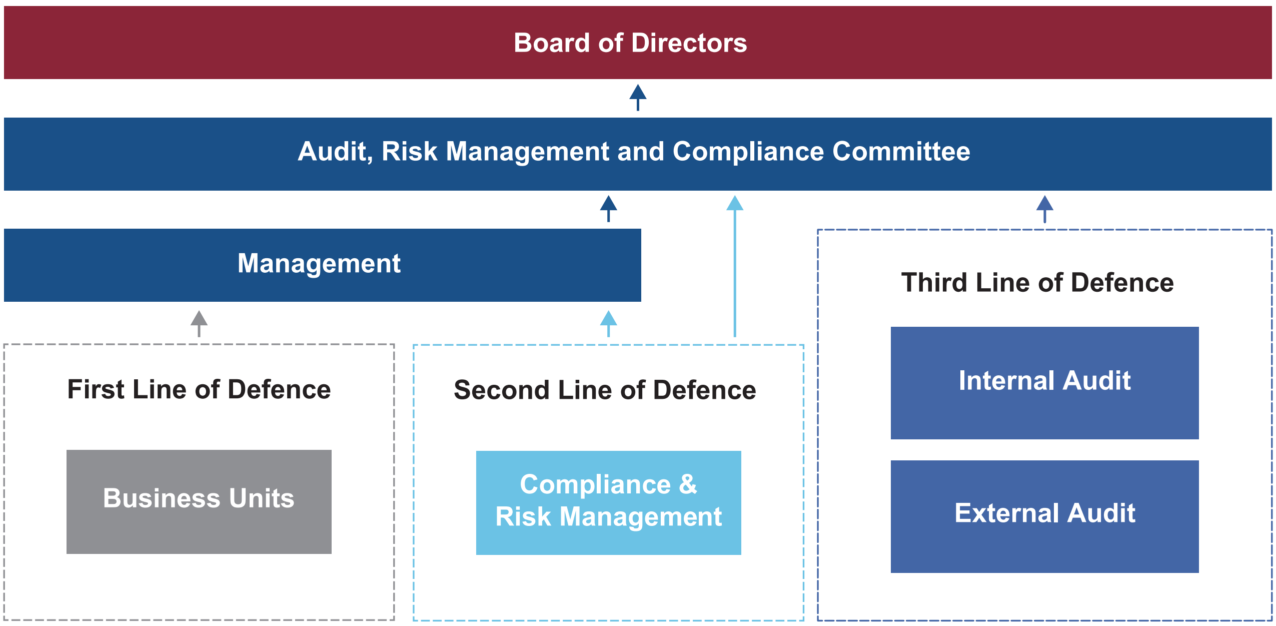
Effective risk management is an integral part of our business — both strategically and operationally, which enables ESR-LOGOS Funds Management (S) Limited ("ELFM" or the "Manager") to optimise risk-reward relationship in the pursuit of opportunities to create sustainable and growing returns for ESR-LOGOS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

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



RISK GOVERNANCE

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



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

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

First Line of Defence

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

Second Line of Defence

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

Third Line of Defence

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

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

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

(A) Risk Identification and Assessment

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

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

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

Managing Key Risks

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

(i) Strategic Risk

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

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

The Investment Committee ("IC"), a sub-committee of the Board, was also established in FY2023 to assist the Board to review transactions (such as acquisitions, divestments and development opportunities) to ensure that they are consistent with the goals, criteria and objectives of ESR-LOGOS REIT as set by the Board.

In managing potential conflicts of interest between the Sponsor and ESR-LOGOS REIT, the Manager has instituted procedures to adhere to for all interested party transactions. In this regard, the IC supports the ARCC to ensure that interested party transactions are conducted at arm's length and are aligned with the interests of ESR-LOGOS REIT while adhering to the relevant regulatory guidelines. Additionally, a Transaction Review Committee has been set up to, when directed, assist the Board in ensuring that the process from pitching to closing of any open/close tenders where interested parties are involved are conducted on an arm's length and transparent basis. For more information on how the Manager deals with potential conflicts of interest, please refer to the Corporate Governance Report on pages 157 to 158.

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

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

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

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

(iii) Operational and Asset Management Risk
The failure to keep up to date on property specifications may result in poor rental demand. Also, inadequate maintenance of properties and non-compliance with workplace health and safety regulations may heighten the risk of structural issues and work accidents, respectively.

The properties are periodically reviewed to determine their suitability for asset rejuvenation, asset enhancement initiatives, redevelopment or sale.

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

ELPM is ISO 45001 certified and complies with the Code of Practice for Chief Executives' and Board of Directors' Workplace Safety and Health Duties.

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

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

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

(v) Environmental, Social and Governance (ESG) Risk
An ineffective ESG framework, the inadequate implementation of ESG policies and procedures, insufficient internal capability/training and the lack of communication of ESR-LOGOS REIT's ESG strategy and performance to key stakeholders may result in higher operating and financing costs as well as possible regulatory penalties.

In managing climate change risk, environmental risk due diligence is conducted as part of the investment considerations and ongoing climate change risk is monitored on a periodic basis. Appropriate policies and procedures (including climate scenario analysis) are put in

RISK MANAGEMENT

place by the Managers to manage the actual and potential impact of climate change risk on the asset valuation and reputation of ESR-LOGOS REIT.

In addition, a Board Sustainability Committee has been established to assist the Board in overseeing ESR-LOGOS REIT's wider sustainability strategy, policies and initiatives. The responsibilities of the Board Sustainability Committee include, amongst others, ensuring that the Manager continuously identifies, assesses and monitors material ESG risks and obtains sufficient resources, including manpower, to develop tools and metrics to monitor exposures to ESG risks for ESR-LOGOS REIT. The Board Sustainability Committee also ensures that the sustainability governance, management and disclosures of ESR-LOGOS REIT (including the sustainability report of ESR-LOGOS REIT) are in line with the rules, requirements and guidelines set out by the relevant regulatory authorities and global best practices. For more information, please refer to ESR-LOGOS REIT's 2023 Sustainability Report on pages 161 to 219.

(vi) People Risk

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

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

(B) Risk Management Application

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

Compliance Matrix

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

Policies and Procedures

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

Education and Training

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

Whistleblowing

The Manager has put in place a Policy on Whistleblowing to provide an avenue to all employees and external parties to raise any concerns about possible improprieties in matters of financial reporting or other matters to the ARCC Chairman, without fear of reprisals. Valid reports made in good faith are investigated independently with appropriate follow up actions. More information on the Policy on Whistleblowing can be found in the "Corporate Governance" section on pages 153 to 154 of the Annual Report.

(C) Risk Monitoring

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

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

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

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

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

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

(D) Reporting

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

This report outlines the Manager's corporate governance practices and structures that were in place during the financial year ended 31 December 2023 ("FY2023"), with specific reference made to the Code of Corporate Governance 2018 which was last amended on 11 January 2023 (the "CG Code") and its related practice guidance. Where there are deviations from any of the principles and/or provisions of the CG Code, appropriate explanations have been provided in this report.

Principles of the CG Code

Board Matters	
Principle 1	The Board's Conduct of Affairs
Principle 2	Board Composition and Guidance
Principle 3	Chairperson and Chief Executive Officer
Principle 4	Board Membership
Principle 5	Board Performance
Remuneration Matters	
Principle 6	Procedures for Developing Remuneration Policies
Principle 7	Level and Mix of Remuneration
Principle 8	Disclosure on Remuneration
Accountability and Audit	
Principle 9	Risk Management and Internal Controls
Principle 10	Audit Committee
Unitholder Rights and Engagement	
Principle 11	Unitholder Rights and Conduct of General Meetings
Principle 12	Engagement with Unitholders
Managing Stakeholders Relationships	
Principle 13	Engagement with Stakeholders

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Board and Board Committees Composition

As at the date of this report, the Board of Directors ("Board") has 10 members. The composition of the Board and Board Committees are as follows:

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

(1) The Audit, Risk Management and Compliance Committee ("ARCC") comprises 3 members, all of whom are independent non-executive Directors.
(2) The Nominating and Remuneration Committee ("NRC") comprises 4 members and all members of the NRC are non-executive Directors.
(3) The Investment Committee ("IC") comprises 6 members. Given the nature and scope of the work of the IC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.

Role of Board

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

- ensuring the Manager discharges its duties to act in the best interests of all Unitholders and to give priority to the interests of the Unitholders over the interest of the Manager and its shareholders in the event of conflict between the interests of the Unitholders and those of the Manager or its shareholders;
- overseeing compliance by the Manager with all laws and rules governing its operations and its statutory duties as the holder of a capital markets services licence for real estate investment trust management;
- providing entrepreneurial leadership and setting strategic objectives which should include appropriate focus on value creation, innovation and sustainability;
- ensuring necessary resources (including financial and human resources) are in place for the Manager to meet its strategic objectives;
- establishing and maintaining a sound risk management framework to effectively monitor, assess and manage risks to achieve an appropriate balance between risks and Manager's performance;
- constructively challenging the management team of the Manager ("Management") and reviewing their performance;
- instilling an ethical corporate culture and ensuring that Manager's values, standards, policies and practices are consistent with the culture;
- ensuring transparency and accountability to the Unitholders, shareholders of the Manager and other stakeholders of the Manager and ESR-LOGOS REIT; and
- considering sustainability issues (including environmental and social factors) as part of its strategic formulation and integrating sustainability objectives into business decisions.

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

CORPORATE GOVERNANCE

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

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

Meetings of Board, Board Committees and General Meetings

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

The Directors' attendance for the meetings of the Board, the Board Committees and the general meetings of ESR-LOGOS REIT held in FY2023 is as follows:

	Board[1]	ARCC	NRC[2]	AGM	Mar 2023 EGM	Apr 2023 EGM
Number of meetings held	5	5	2	1	1	1
Name of Director						
Ms. Stefanie Yuen Thio	5	5	2	1	1	1
Mr. Nagaraj Sivaram	5	5	—	1	1	1
Mr. Ronald Lim[3]	5	5	2	1	1	1
Dr. Julie Lo Lai Wan[4]	5	5	—	1	0	1
Mr. Loi Pok Yen[5]	2 out of 2	2 out of 2	—	—	—	—
Mr. Stuart Gibson[6]	0 out of 1	—	1 out of 1	—	—	—
Mr. Shen Jinchu, Jeffrey[7]	—	—	1 out of 1	—	—	—
Mr. Trent Iliffe	5	5*	—	0	1	0
Mr. George Agethen[8]	2 out of 2	2 out of 2*	—	—	—	—
Mr. Adrian Chui	5	5*	—	1	1	1
Dr. Leong Horn Kee[9]	2 out of 3	2 out of 3	—	0	0	0
Mr. Wilson Ang[10]	3 out of 3	3 out of 3*	—	1	1	1
Mr. Jeffrey Perlman[11] (alternate: Mr. Philip Pearce[12])	1 out of 4	1 out of 4*	—	0	0	0

* by invitation

Notes:

(1) Not including other meetings attended by directors with Management as well as Board papers circulated to the members for approval with no physical meetings held.
(2) Not including occasions when NRC papers were circulated to the NRC members for approval with no physical meetings held.
(3) Mr. Ronald Lim stepped down as a member of ARCC and appointed as a member of IC on 15 May 2023. He had been invited to and attended two ARCC meetings after he stepped down as an ARCC member.
(4) Dr. Julie Lo Lai Wan stepped down as a member of ARCC and appointed as a member of IC on 15 May 2023. She had been invited to and attended two ARCC meetings after she stepped down as an ARCC member.
(5) Mr. Loi Pok Yen was appointed as Independent Non-Executive Director, Chairman of IC and member of ARCC on 15 May 2023.
(6) Mr. Stuart Gibson was appointed as Non-Executive Director on 30 August 2023. He assumed the position of member of NRC and IC on 8 November 2023.
(7) Mr. Shen Jinchu, Jeffrey was appointed as Non-Executive Director, member of NRC and IC on 8 November 2023.
(8) Mr. George Agethen was appointed as Non-Executive Director on 15 May 2023.
(9) Dr. Leong Horn Kee stepped down as Independent Non-Executive Director on 15 May 2023.
(10) Mr. Wilson Ang stepped down as Non-Executive Director on 15 May 2023.
(11) Mr. Jeffrey Perlman stepped down as Non-Executive Director on 30 August 2023.
(12) Mr. Philip Pearce ceased as Alternate Director to Mr. Jeffrey Perlman on 30 August 2023.

Both the NRC and the IC regularly reviewed and approved matters tabled via circulation, when necessary, in FY2023.

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

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

Mr. George Agethen, who was appointed in FY2023, had no prior experience as a director of a listed company at the point of his appointment. As at the date of this report, he has completed all the mandatory training as required under Practice Note 2.3 of the Listing Manual.

In addition, all Directors have fulfilled the sustainability training requirements mandated by the SGX-ST.

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

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

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

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

CORPORATE GOVERNANCE

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

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

Principle 2: Board Composition and Guidance

The Board presently consists of 10 members: 5 independent non-executive directors, 4 non-executive directors and 1 executive director. Non-executive directors make up a majority of the Board. The Chairperson of the Board is Ms. Stefanie Yuen Thio, who is an independent director. As such, no lead independent director is appointed.

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

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

Board Diversity

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

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

The Board diversity targets, plans and timeline are reviewed by the NRC annually to ensure the targets, plans and timeline remain relevant in evolving business and regulatory landscape.

The following table outlines the Board diversity targets set by the NRC, with the endorsement by the Board, as well as the progress in FY2023 in achieving those targets:

Diversity Targets	Progress in FY2023	Target Met (Yes/No)
Ensuring the Board comprises members who collectively possess core competencies and/or experience in the following areas: — Real estate — International expertise in the areas that the REIT operates — Fund Management — Legal, Regulatory and Governance — Accounting — Financial Management — Human Capital Management — Information Technology, Digital Transformation — Strategic Planning — Sustainability	The Board has achieved its short-term target of Board members collectively possessing at least 80% of the identified core competencies and/or experience. The NRC will continue to identify gaps in directors' skills and strive to achieve the fulfilment of all the identified core competencies and/or experience by FY2025.	Yes
Ensuring at least 2 different ethnic groups are present within the Board	As at the date of this annual report, the Board consists of members from 3 different ethnic groups.	Yes
Ensuring a diverse age range within the Board members	As at the date of this annual report, the Board has members with ages across 40s, 50s, 60s and 70s.	Yes
Ensuring a diverse board tenure within the Board members	As at the date of this annual report, the board tenure of the Board members is spread across the '0–3 years', 3–5 years' and '5–7 years' categories.	Yes
Ensuring gender diversity with at least 2 female representatives on the Board and the appointment of female director as chairperson of the Board or the NRC	As at the date of this annual report, the Board has 2 female representatives. Ms. Stefanie Yuen Thio is the Independent Non-Executive Chairperson of the Board.	Yes
Ensuring at least 1 Board member has no listed company board and/or real estate funds management experience	Mr. George Agethen, who was appointed in FY2023, did not have prior listed company board experience during his appointment. Dr. Julie Lo Lai Wan and Mr. Trent Iliffe, who were both appointed in FY2022, did not have prior listed company board experience during their appointments. As at the date of this annual report, they do not have other listed company board representation besides the Board of the Manager. In addition, Dr. Julie Lo Lai Wan whose area of expertise is in healthcare, has not worked in either a real estate or funds management industry.	Yes
Ensuring at least 50% of the Board is independent	As at the date of this annual report, at least 50% of the Board is independent.	Yes

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

CORPORATE GOVERNANCE

Board Independence

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

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

Name of Director	had been independent from the management of the Manager and ESR-LOGOS REIT during FY2023	had been independent from any business relationship with the Manager and ESR-LOGOS REIT during FY2023	had been independent from every substantial shareholder of the Manager and every substantial unitholder of ESR-LOGOS REIT during FY2023	had not been a substantial shareholder of the Manager or a substantial unitholder of ESR-LOGOS REIT during FY2023	had not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2023
Ms. Stefanie Yuen Thio	✓	✗[1]	✗[2]	✓	✓
Mr. Nagaraj Sivaram	✓	✓	✓	✓	✓
Mr. Ronald Lim	✓	✓	✓	✓	✓
Dr. Julie Lo Lai Wan	✓	✓	✓	✓	✓
Mr. Loi Pok Yen	✓	✓	✓	✓	✓
Mr. Stuart Gibson[3]	✗	✓	✗	✓	✓
Mr. Shen Jinchu, Jeffrey[3]	✗	✓	✗	✓	✓
Mr. Trent Iliffe[4]	✗	✓	✗	✓	✓
Mr. George Agethen[5]	✓	✗	✓	✓	✓
Mr. Adrian Chui[6]	✗	✓	✗	✓	✓

Notes:

(1) TSMP Law Corporation ("TSMP") was appointed as legal counsel to act for ALOG Trust (sub-trust of ESR-LOGOS REIT) and the Manager for the change of ALOG Trust's trustee project in 2023. Ms Yuen Thio has declared that she is the joint managing partner and a substantial shareholder of TSMP. As TSMP is paid legal fees as the legal counsel for both ALOG Trust and the Manager for the change of ALOG Trust's trustee transaction, Ms. Yuen Thio is considered to have a business relationship with both ALOG Trust and the Manager. In addition, Ms. Yuen Thio is an independent non-executive director and the chairperson of the audit committees of both ARA Business Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Management Trust ("ARA H-BT")) and ARA Trust Management (USH) Pte Ltd (Manager of ARA US Hospitality Property Trust ("ARA H-REIT")) (collectively, the "ARA H-Trust Managers"). Following ESR Group Limited's acquisition of ARA Asset Management Limited ("ARA") (the "Acquisition") on 20 January 2022, the ARA H-Trust Managers have become subsidiaries of ESR Group Limited and therefore are considered related corporations of the Manager. As such, the ARA H-Trust Managers are considered "relevant persons" under Regulation 13G of the SF(LCB) Regulations and Ms. Yuen Thio would be considered to have a business relationship with the Manager if she receives payment from the ARA H-Trust Managers. Based on the latest publicly available information (per ARA US Hospitality Trust FY2022 Annual Report), Ms. Yuen Thio had received S$90,000 in cash from the ARA H-Trust Managers as payment of her directors' fees for the financial year ended 31 December 2022. As Ms. Yuen Thio remains a director of ARA H-Trust Managers and continues to receive directors' fees from the ARA H-Trust Managers, she is thereby considered to have a business relationship with the Manager.

(2) ESR Group Limited is a substantial shareholder of the Manager and a substantial unitholder of ESR-LOGOS REIT, and hence it is considered a "relevant person" for the purpose of Regulation 13(H)(1) of the SF(LCB) Regulations. Ms. Yuen Thio is considered to be connected to ESR Group Limited as she is a director of a related corporation of ESR Group Limited.

(3) Mr. Stuart Gibson and Mr. Shen Jinchu, Jeffrey are the executive directors, co-founders and co-CEOs of ESR Group Limited. As such, both Mr. Stuart Gibson and Mr. Shen Jinchu, Jeffrey are deemed not to be independent.

(4) Mr. Trent Iliffe is the managing director and co-chief executive officer of LOGOS Property Group Limited ("LPG"), a subsidiary of ESR Group Limited. He is also one of the members in the ESR Group Limited's Management Business Leadership Team. LPG is a controlling shareholder of the Manager and is also a substantial unitholder of ESR-LOGOS REIT. As such, Mr. Trent Iliffe is deemed not to be independent.

(5) Mr. George Agethen is the Co-Head of Asia Pacific of Ivanhoé Cambridge Inc. and its affiliated entities which (a) has several jointly held investments/funds with LPG and its affiliated entities (the "LOGOS JVs"). LPG is a subsidiary of ESR Group Limited and therefore is considered a related corporation of the Manager; and (b) is the only other joint investor in New LAVIS Fund and Oxford Property Funds, with LAIP Trust, which is an indirect wholly-owned sub-trust of ESR-LOGOS REIT (through ALOG Trust and ALOG Logistics Trust Australia). Mr. George Agethen also sits on the Advisory Committee/Unitholder Committee of 3 LOGOS JVs as an alternate member. As such, he would be considered to have a business relationship with the Manager and ESR-LOGOS REIT and thereby deemed not to be independent.

(6) As CEO and Executive Director of the Manager, Mr. Adrian Chui is considered employed by the Manager and deemed not to be independent.

All Independent Directors are subject to an annual independence assessment, conducted by the NRC. The assessment is based on the definitions and guidelines of independence set out in the Listing Manual, CG Code and SF(LCB) Regulations. These Directors are required to fill up self-declaration forms whereby the NRC will review each Director's self-declaration and assess whether any disclosed or undisclosed relationship or factor may influence the Director's ability to act independently. Each member of the NRC and Board recused himself/herself when his/her independence is tabled for assessment. With respect to FY2023, the NRC has tabled the result of the assessment and made recommendation to the Board on the independence of each independent Director. Based on the results, save for Ms. Stefanie Yuen Thio who would not be considered independent under Regulations 13D(7)(b)(ii) and 13D(7)(b)(iii) of the SF(LCB) Regulations, the following independent directors have fulfilled the assessment of independence:

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

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

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

(b) Given that the investment mandates of ESR-LOGOS REIT and ARA H-BT and ARA H-REIT (collectively, the "ARA H-Trust") do not overlap, there is little risk of a conflict of interest that would compromise Ms. Yuen Thio's ability to act in the best interests of the unitholders of ESR-LOGOS REIT. In addition, Ms. Yuen Thio does not sit on the Board of ESR Group Limited or ARA H-Trust's sponsor, ARA Asset Management Limited.

(c) TSMP's legal services to ALOG Trust and the Manager were provided in the ordinary course of business, on arm's length basis and based on normal commercial terms. The legal fees which TSMP received from ALOG Trust and the Manager were insubstantial in relation to TSMP's overall revenue, and Ms. Yuen Thio did not personally represent ALOG Trust and the Manager in the transaction and had abstained in ALOG Trust's selection and appointment of TSMP as legal counsel for the transaction.

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

For the purposes of Regulation 13E(b)(ii) of the SF(LCB) Regulations, the Board is satisfied that, as at the last day of FY2023, Ms. Stefanie Yuen Thio, Mr. Shen Jinchu, Jeffrey, Mr. Stuart Gibson, Mr. Trent Iliffe, Mr. George Agethen and Mr. Adrian Chui, were able to act in the best interests of all the Unitholders of ESR-LOGOS REIT that was managed by the Manager.

Principle 3: Chairperson and Chief Executive Officer

The positions of the Chairperson and the CEO of the Manager are held by separate individuals to ensure a clear division of responsibilities. The Chairperson is Ms. Stefanie Yuen Thio, whereas the CEO is Mr. Adrian Chui. The Chairperson, who is independent, and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. As such, no lead independent director is appointed.

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

CORPORATE GOVERNANCE

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

Principle 4: Board Membership

Nominating and Remuneration Committee

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

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

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

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

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

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

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

(i) the NRC members who are not independent directors, namely, Mr. Shen Jinchu, Jeffrey ("Mr. Shen") and Mr. Stuart Gibson ("Mr. Gibson"), are non-executive directors who are not part of the management of the Manager, and furthermore, do not receive any remuneration (whether by way of salary or director's fees or otherwise) from the Manager;

(ii) the Board is of the view that all the members of the NRC possesses the requisite degree of objectivity and independence and to be able to exercise objective judgment in relation to the selection, appointment and re-appointment of directors as well as the development of remuneration policies and making recommendations as to remuneration to the Board;

(iii) in any case, the Manager's Policy on Conflict of Interest mandates that all Directors promptly notify the Board upon becoming aware of any potential or perceived conflict of interest. They are then required to recuse themselves and abstain from participating in discussions and voting on matters where such conflicts exist; and

(iv) the NRC is made up of directors who, as a group, provide the NRC with the requisite skills, competence, experience, company and industry knowledge as well as diverse perspectives that help the NRC fulfils the responsibilities set out in its terms of reference.

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

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

Selection and Appointment of Directors

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

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

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

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

Review of Directors' Time Commitments

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

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

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

Key Information Regarding Directors

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

CORPORATE GOVERNANCE

Principle 5: Board Performance

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

The evaluation results are consolidated (with no specific Directors' contribution mentioned) and presented to the Board for review by both the Chairperson of the Board and Chairman of NRC. Action plans will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board and the ARCC.

For FY2023, the outcome of the evaluation was satisfactory. No external facilitator was engaged in the evaluation process.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The NRC has instituted a formal and transparent procedure in developing remuneration policies and framework relating to Directors and KMP of the Manager. Guided by the remuneration framework, NRC will review on a periodic basis (or as and when there is a significant change to the structure of the Manager):

— the directors' fees and allowances provided to the Independent Directors; and
— remuneration packages of the KMP.

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

In FY2023, Aon was engaged as an independent remuneration consultant to provide professional advice on employee remuneration, including the remuneration packages of the KMP. Aon was also engaged in FY2022 to develop a compensation framework ("Total Compensation Framework") for the Manager. The remuneration consultant is not related to the Manager, its controlling shareholder, its related entities or any of its Directors.

Principle 7: Level and Mix of Remuneration

Remuneration for Non-Executive Directors

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

Independent Non-Executive Directors are paid a fixed basic fee based on the level of responsibilities at the Board level, and where applicable, additional responsibilities given in other committee set up by the Board. The Chairperson of the Board and Board Committees are paid higher fees compared with members of the Board and Board Committees in view of greater responsibilities carried by those appointments.

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

The NRC seeks to ensure that the level and mix of remuneration for the Manager remain competitive, aligned with Unitholders' interests and promote ESR-LOGOS REIT's long-term success. The NRC also ensures that the remuneration of the CEO shall not only be linked to the gross revenue of ESR-LOGOS REIT or the Manager.

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

a) Alignment to Performance
- clear and measurable performance indicators
- incentives-linked to performance to drive the right behaviour

b) Market Practice and Benchmarking
- reflects the current market evolution
- benchmarks against market compensation level

c) Reflects Business Realities
- reflects ESR-LOGOS REIT's strategic priorities and business plan
- in line with regulatory changes

The framework aims to reward KMP to work towards achieving the strategic goals of ESR-LOGOS REIT as approved by the Board. It promotes a culture of meritocracy and right long-term behaviour in the way the Manager conducts its business by providing clear targets for KMP to motivate performance and efficiency. This allows the Manager to retain outstanding performers and attract good candidates to execute ESR-LOGOS REIT's strategic priorities and business plans.

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

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

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

The purpose of the LTI is to reward KMP for achieving the Manager's strategic objectives that maximise Unitholders' value. The LTI payout is conditional upon the achievement of pre-determined performance targets measured over a 3-year period. The award of the LTI will lapse if performance is not met at the end of the performance period.

For FY2023, the Manager carried out a formal annual performance review process to reinforce strengths as well as identify improvements and development plans for KMP. Based on the performance review, the NRC and the Board are of the opinion that most of the performance conditions used to determine the remuneration of KMP were met. The NRC and the Board are of the view that the remuneration is aligned to FY2023 performance and that the Total Compensation Framework is aligned with the long-term interests and risk management policies of ESR-LOGOS REIT and the Manager. There were no ESR-LOGOS REIT units issued to employees of the Manager in FY2023. To date, the Manager has not implemented any unit-linked incentive plan as part of its remuneration package.

Principle 8: Disclosure on Remuneration

The remuneration of Directors and all employees of the Manager is paid by the Manager and not by ESR-LOGOS REIT. All directors' fees as well as fixed pay, variable incentives and allowances to KMP are paid wholly in cash.

CORPORATE GOVERNANCE

The table below sets out the fees[1] paid to the Directors in FY2023:

Board Members	Membership	Directors' Fees Paid in FY2023	Other Fees Paid in FY2023
Ms. Stefanie Yuen Thio	Independent Non–Executive Chairperson	S$164,000	N.A.
Mr. Nagaraj Sivaram	Independent Non–Executive Director	S$100,000	N.A.
Mr. Ronald Lim[2]	Independent Non–Executive Director	S$104,412	N.A.
Dr. Julie Lo Lai Wan[2]	Independent Non–Executive Director	S$89,412	N.A.
Mr. Loi Pok Yen[3]	Independent Non–Executive Director	S$69,203	N.A.
Mr. Stuart Gibson[4]	Non–Executive Director	N.A.	N.A.
Mr. Shen Jinchu, Jeffrey[5]	Non–Executive Director	N.A.	N.A.
Mr. Trent Iliffe	Non–Executive Director	N.A.	N.A.
Mr. George Agethen[6]	Non–Executive Director	N.A.	N.A.
Mr. Adrian Chui	CEO and Executive Director	N.A.	N.A.
Dr. Leong Horn Kee[7]	Former Independent Non–Executive Director	S$45,000	N.A.
Mr. Wilson Ang[8]	Former Non–Executive Director	S$37,500	N.A.
Mr. Jeffrey Perlman[9]	Former Non–Executive Director	N.A.	N.A.
Mr. Philip Pearce[10]	Former Alternate Director to Mr. Jeffrey Perlman	N.A.	N.A.

Notes:

(1) Fees are prorated for directors who occupied the position for part of the financial year.
(2) Stepped down as a member of ARCC and appointed as a member of IC on 15 May 2023.
(3) Appointed as Independent Non-Executive Director, Chairman of IC and member of ARCC on 15 May 2023.
(4) Appointed as Non-Executive Director on 30 August 2023 and assumed the position of member of NRC and IC on 8 November 2023.
(5) Appointed as Non-Executive Director, member of NRC and IC on 8 November 2023.
(6) Appointed as Non-Executive Director on 15 May 2023.
(7) Stepped down as Independent Non-Executive Director on 15 May 2023.
(8) Mr. Wilson Ang was paid a fixed consultant fee on a monthly basis when he was a Senior Adviser of the Manager till he resigned on 31 October 2019. Under Manager's policy, no director's fee is to be paid to Non-Executive Non-Independent Directors. Due to the merger with Viva Trust, Mr. Wilson Ang could only be deemed as a Non-Executive Director of the Manager even though he is not a representative of any of the shareholders of the Manager. In appreciation of Mr. Wilson Ang continuing to be on the Board as a Board member to contribute his expertise and experience in managing the REIT, the Board approved to pay Mr. Wilson Ang a remuneration that is equivalent to a Non-Executive Independent Director's fee with effect from November 2019. Mr. Wilson Ang stepped down as Non-Executive Director on 15 May 2023.
(9) Stepped down as Non-Executive Director on 30 August 2023.
(10) Ceased as Alternate Director on 30 August 2023.

The table below sets out the remuneration paid to the KMP (including CEO and Deputy CEO) in FY2023. The total remuneration for the KMP in FY2023 was S$3,264,201[1].

Remuneration of CEO	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives + Statutory Contribution (%)	Long-term Incentives (%)	Total (%)
Between S$750,000 and S$1,000,000				
Mr. Adrian Chui	77.1	22.9	0.0	100.0

Remuneration of other KMP	Fixed Compensation + Statutory Contribution (%)	Short-term Incentives + Statutory Contribution (%)	Long-term Incentives (%)	Total (%)
Ms. Karen Lee	79.0	21.0	0.0	100.0
Mr. Don Kok	76.0	24.0	0.0	100.0
Mr. Carlvin Chia	72.3	27.7	0.0	100.0
Ms. Nancy Tan	76.0	24.0	0.0	100.0
Ms. Charlene-Jayne Chang	71.7	28.3	0.0	100.0

Note:

(1) The amount disclosed includes base salary, allowances, employer's CPF contribution and bonus declared for FY2023.

CORPORATE GOVERNANCE

The relationships between employees, shareholders and Directors of the Manager are examined annually to identify any potential conflict of interest. There were no employees of the Manager who were (i) substantial shareholders of the Manager or substantial Unitholders of ESR-LOGOS REIT, or (ii) immediate family members of a director or the CEO or a substantial shareholder of the Manager, or a substantial Unitholder of ESR-LOGOS REIT, and whose remuneration exceeded S$100,000 during FY2023.

During FY2023, there was no termination, retirement or post-employment benefits granted to the Directors and KMP. In addition, none of the Directors has entered into any service contract directly with ESR-LOGOS REIT.

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

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

(i) the remuneration of all the Manager's personnel is paid by the Manager out of the fees that it receives (of which the quantum and basis have been disclosed within the Financial Statements), rather than by ESR-LOGOS REIT. Remuneration of the Directors and the KMP (including CEO and Deputy CEO) is paid wholly in cash;
(ii) the remuneration of all the Manager's personnel is not linked to the Manager's profitability;
(iii) in view of the sensitivity and confidential nature of remuneration matters and the intense competition for talents in the industry, it is not in the best interest of ESR-LOGOS REIT and the Unitholders to disclose the remuneration of the CEO in exact quantum or other KMP in bands of S$250,000. It is important for the Manager to retain talent for the long-term interests of ESR-LOGOS REIT and the Unitholders, and ensure stability and continuity of business operations with a competent and experienced management team in place; and
(iv) the non-disclosure of the exact quantum of CEO's remuneration as well as the remuneration of other KMP in bands of S$250,000 does not compromise the ability of the Manager to meet with requirement of having good corporate governance as the NRC, being an independent committee, reviews the remuneration package of the KMP based on their roles and responsibilities to ensure that the KMP are fairly remunerated.

The Manager is of the view that despite this partial deviation from Provision 8.1 of the CG Code, the above disclosures are consistent with the intent of Principle 8 of the CG Code and would provide sufficient information and transparency to the Unitholders on the Manager's remuneration policies, the level and mix of remuneration accorded to the KMP, and enable the Unitholders to understand the relationship between the REIT's performance, value creation and the remuneration of the KMP.

The Board also noted that the Manager will be required under Rule 1207(10D) of the Listing Manual to disclose the names, exact amounts and breakdown of remuneration paid to each individual director and the CEO in the annual report for the financial years ending 31 December 2024 onwards. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. The Manager noted and will ensure compliance with the aforementioned requirements and timeline set by SGX-ST.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

Risk Management Framework and Internal Control System

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

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

More information on the ERM Framework can be found in the "Risk Management" section on pages 128 to 133 of the Annual Report.

Material Risk Assessment and Management

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

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

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

Board's Comment on Risk Management and Internal Controls

The Board has received confirmation from the CEO and CFO of the Manager that, as at 31 December 2023, they were not aware of any events that have arisen which would have a material effect on the financial results of the Group, except as disclosed in the financial statements, and nothing has come to their attention which may render the financial results false or misleading. In addition, they have provided assurances to the Board that the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of ESR-LOGOS REIT's operations and finances.

CORPORATE GOVERNANCE

The Board and ARCC have also received confirmation from CEO, Deputy CEO, CFO, Head of Investment, Head of Capital Markets & Investor Relations, Head of Asset Management, Head of Human Resources and Corporate Services as well as the Head of Compliance & Risk Management, that to the best of their knowledge and belief, the internal controls (including financial, operational, compliance, environmental and IT controls) and risk management system were adequate and effective to address the risks that were relevant and material to ESR-LOGOS REIT's operations.

The bases of confirmation are as follows:

- both internal and external auditors have confirmed that based on their audits conducted, there were no issues to warrant any significant concerns in the risk management and internal control systems of the Manager;
- Compliance and Risk Management Department of the Manager has confirmed the following:

  — based on internal quarterly compliance monitoring reviews conducted, there were no issues to warrant any significant concerns in the areas covered in the compliance monitoring program;
  — there were no issues to warrant significant concerns on the continuous fit and properness of Directors and appointed representatives based on the annual due diligence conducted on them;
  — Key Risk and Control Matrix for each of ESR-LOGOS REIT, the Manager and ESR-LOGOS Property Management (S) Pte Ltd was reviewed and updated on a quarterly basis by the Heads of Departments and IT Manager, to ensure relevance and controls are continuously in place for each risk;
  — quarterly and annual attestations on the risk monitoring tools, quarterly attestations from employees, appointed representatives, Management and Directors in terms of compliance with relevant regulatory requirements;
  — sufficient training hours were attended by all employees;
  — policies and procedures are in place to reduce operational risks and serve as guidance in day-to-day work processes;
  — quarterly letter of representation in connection with the unaudited financial statements announcement were provided by CEO and CFO confirming that nothing has come to their attention which may render the result announcements to be false or misleading in any material respect;
  — there have been no communications from the relevant regulatory bodies concerning material non-compliance with or deficiencies in the internal controls of ESR-LOGOS REIT and the Manager; and
  — there has been no fraud or suspected fraud affecting the Group involving the Management and employees who have significant roles in internal controls.

Based on the above, pursuant to Rule 1207(10) of the Listing Manual, the Board with the concurrence of the ARCC, is of the opinion that the Manager's risk management systems and internal controls (including financial, operational, compliance, environmental and IT controls) were adequate and effective as at 31 December 2023 to address financial, operational, compliance, environmental and IT risks, which the Manager considers relevant and material to ESR-LOGOS REIT's operations. For FY2023, no material weaknesses in the risk management and internal control systems were identified by the ARCC and the Board.

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

Principle 10: Audit Committee

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

1. Mr. Nagaraj Sivaram (Chairman)
2. Ms. Stefanie Yuen Thio (Member)
3. Mr. Loi Pok Yen (Member)

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

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

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

Role of ARCC

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

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

CORPORATE GOVERNANCE

Reviews conducted by the ARCC

During FY2023, the ARCC reviewed the interim and annual financial statements for recommendation to the Board for approval. The ARCC's oversight of financial reporting includes the review of changes in Financial Reporting Standards and discussions with Management and the external auditors on the impact of current and impending changes on financial reporting by the Group.

In the review of the financial statements for FY2023, the ARCC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARCC also reviewed, among other matters, the following key audit matter identified by the external auditors for FY2023:

Key Audit Matter	How this issue was addressed by ARCC
Valuation of investment properties held either directly or through joint venture and investments at fair value through profit or loss	The ARCC considered the valuation methodologies adopted by independent valuers in arriving at the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss against those applied by other valuers for similar property types. The ARCC reviewed the reasonableness of key assumptions used in the valuations, including market rental growth, price per square metre, terminal yield, capitalisation and discount rates, by comparing them against current and historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, the ARCC sought confirmation from both the Management and External Auditors to understand the effects of additional factors taken into account in the valuations and assessed whether the assumptions and market data used were reasonable in the context of the current environment. The ARCC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties held directly or through joint venture and investments at fair value through profit or loss.

Following the review and discussion, the ARCC recommended to the Board to approve the FY2023 financial statements.

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

Throughout the year in review, the ARCC, together with the Management, reviewed the quality of work done, the performance as well as the independence of the external auditors. The aggregate amount of fees paid/payable to the external auditors for FY2023 was S$864,000, of which audit and non-audit fees amounted to S$555,000 and S$309,000 respectively. The ARCC has undertaken a review of all non-audit services provided by the external auditors and is satisfied that the independence and objectivity of the external auditors have not been impaired by the provision of those services.

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

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

UNITHOLDER RIGHTS AND ENGAGEMENT & MANAGING STAKEHOLDER RELATIONSHIPS

Principle 11: Unitholder Rights and Conduct of General Meetings

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

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

General Meetings

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

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

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

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

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

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

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

The Manager will be holding the forthcoming AGM in a wholly physical format where Unitholders will be able to raise questions and vote in person at the AGM. There will be no option for Unitholders to participate virtually. However, the Unitholders will still be accorded the opportunity to ask questions prior to the AGM and during the AGM. Arrangements relating to the submission of questions to the Chairperson of the meeting in advance of, or at the AGM, and voting at the AGM by Unitholders or their duly appointed proxy(ies), are set out in the notice of AGM dated 9 April 2024.

Distribution Policy

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

Principle 12 & 13: Engagement with Unitholders and Other Stakeholders

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

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

Investor Relations

The Manager has in place a dedicated investor relations team to facilitate effective communications with Unitholders, investors, the investment community, analysts and the media. The Manager actively engages with Unitholders and other stakeholders with a view to solicit and understand their views, and has established an Investor Relations and Corporate Communication Policy to promote regular, effective and fair communications with Unitholders and other stakeholders.

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

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

CORPORATE GOVERNANCE

DEALINGS IN SECURITIES

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

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

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

The above restrictions in dealing in ESR-LOGOS REIT units also apply to the employees of ELPM.

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

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

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

REVIEW PROCEDURES FOR INTERESTED PARTY TRANSACTIONS ("IPTS")

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

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

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

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

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

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

DEALINGS WITH POTENTIAL CONFLICTS OF INTEREST

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

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

CORPORATE GOVERNANCE

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

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

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

DISCLOSURES ON FEES PAYABLE TO THE MANAGER

Pursuant to the CIS Code, where fees are payable to the Manager out of the deposited property of ESR-LOGOS REIT, the methodology and rationale for each type of fee payable should be disclosed. Details on the methodology is disclosed in Note 1 of the audited financial statements for FY2023. The various fees earned by the Manager are elaborated below:

Management Fees

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

(a) Base Fee

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The fee is computed at 0.5% per annum of the deposited property value in accordance with Clause 15.1.1 of the Trust Deed, subject to there being no double counting of fees where a related party of the Manager has charged an asset management fee to a subsidiary of the Trust. The fee is calculated at a percentage of asset value as the asset value provides an appropriate metric to determine the resources for managing the assets.

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

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

(b) Performance Fee

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

The performance fee under the DPU Growth Model is computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year. The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by ESR-LOGOS REIT in the previous years for which a performance fee was payable ("Highest DPU Threshold"). Whenever a performance fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a performance fee in future, the Manager would have to outperform the adjusted Highest DPU Threshold.

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

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

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

Acquisition Fee and Divestment Fee

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

The Manager is entitled to receive an acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:

(i) the purchase price, excluding GST, of any real estate acquired, whether directly by ESR-LOGOS REIT or indirectly through a special purpose vehicle;

(ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate) where ESR-LOGOS REIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate;

(iii) the value of any shareholder's loan extended by ESR-LOGOS REIT to the entity referred to in paragraph (ii) above; and

(iv) the value of any investment by ESR-LOGOS REIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

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

A divestment fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:

(i) the sale price, excluding GST, of any investment of the type referred to in paragraph (i) above for the acquisition fee;

(ii) in relation to an investment of the type referred to in paragraph (ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate);

(iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (iii) above for the acquisition fee; and

(iv) the value of an investment referred to in paragraph (iv) above for the acquisition fee.

CORPORATE GOVERNANCE

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

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

Development Management Fee

The Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT, subject to fulfilling a pre-determined list of conditions as prescribed in Clause 15.7 of the Trust Deed. The development management fee is payable to the Manager to incentivise the Manager to undertake development projects, including but not limited to asset enhancement initiatives, build-to-suit and redevelopment projects, on behalf of ESR-LOGOS REIT to enhance its property portfolio, and to compensate the Manager for its time, costs and effort expended in managing development projects. By undertaking development projects on behalf of ESR-LOGOS REIT, it can improve the yield of ESR-LOGOS REIT's property portfolio, increase its distributable income and enhance its long-term value.

Where real estate or real estate related assets are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the Manager. Instead, the Manager will receive the development management fee for the development project.

The development management fee shall be payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs have been finalised.

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

2023 SUSTAINABILITY REPORT

WELCOME TO ESR-LOGOS REIT'S SUSTAINABILITY REPORT 2023

About This Report

This report presents a summary of ESR-LOGOS REIT's Environment, Social and Governance ("ESG") ambitions and performance for the financial year ended 31 December 2023 ("FY2023"). As at 31 December 2023, our portfolio comprises 52 properties in Singapore, 19 in Australia and one in Japan. Please refer to pages 104 to 111 of the Annual Report for the full list of ESR-LOGOS REIT's properties.

The Environmental data relates to the multi-tenanted buildings ("MTBs") which the Manager has direct operational control over. This excludes tenant data and properties that were divested[1] in FY2023 as well as single-tenanted buildings in our portfolio. The Social and Governance data disclosed in the report pertains only to the operations and employees of the Managers and the Economic data relates to the entire portfolio. To gain a comprehensive view of our company's performance and sustainability efforts, please read the Sustainability Report in conjunction with the Annual Report.

This report has been approved by the Board of Directors (the "Board") and the preparation was in accordance with the following standards, frameworks, and regulations:

- Global Reporting Initiative ("GRI") Universal Standards 2021
- The Task Force on Climate-related Financial Disclosures ("TCFD") recommendations
- The Sustainability Accounting Standards Board ("SASB") Standards for Real Estate
- Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rules 711A and 711B with Practice Note 7.6
- United Nations Sustainable Development Goals ("UN SDGs")

The report is prepared in accordance with the GRI Universal Standards 2021 due to its international recognition and being the most widely used sustainability reporting framework. The standard also includes a wide range of disclosures and material topics, applicable to ESR-LOGOS REIT's industry and stakeholder groups. The report contains climate-related disclosures aligned with the TCFD recommendations, reflecting the identified climate risks and opportunities for our portfolio properties across Singapore, Australia and Japan. The TCFD framework was chosen due to its focus on the financial impact from climate change, which aligns with the interests of our stakeholders. This year, we have also started reporting against the SASB Standards for Real Estate as we prepare to report against the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards in the future. The data reported against the SASB Standards reflects the MTB assets across Singapore, Australia and Japan.

1. 49 Pandan Road, 3 Pioneer Sector 3, 4 & 6 Clementi Loop, 6 Chin Bee Avenue, 21 Changi North Way, 30 Toh Guan Road, 22 Chin Bee Drive, 2 Tuas South Avenue 2 and 70 Seletar Aerospace View and 51 Musgrave Road were divested in FY2023.

2023 SUSTAINABILITY REPORT

The report also references the following standards and guidelines:

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

The Manager has not sought external assurance for this reporting cycle and may consider having the report verified by an independent third party in the future.

Restatement of Information

In this Sustainability Report, we have restated our FY2021 and FY2022 total grid electricity consumption and intensity data and in turn, the Greenhouse gases ("GHG") emissions data, to exclude the electricity consumption from chillers in 7000/7002 Ang Mo Kio Avenue 5. The chillers are utilised by the tenants and are therefore not accounted as part of ESR-LOGOS REIT's (landlord)'s, consumption data. The restated data for FY2021 and FY2022 also includes updated electricity consumption from the district cooling system that supplies chilled water to the entire ESR BizPark @ Changi, which includes the Business Park, Hotel and Convention Centre.

Feedback

We publish our sustainability information annually and value any feedback regarding our sustainability reporting, approach and performance. Please share any feedback and suggestions with us at enquiry@esr-logosreit.com.sg.

CONTENTS

2023 SUSTAINABILITY REPORT

2023 AT A GLANCE

ECONOMIC

19.9% of properties have green building[2] certifications in FY2023

Achieved occupancy rate of 92.8% in 2023

ENVIRONMENTAL

Included disclosures against SASB's Real Estate Standards in 2023

Increased data comprehensiveness by including GHG, energy and water data from our Australia and Japan assets

Developed a Decarbonisation Roadmap

SOCIAL

Achieved employee satisfaction score of 80.2%

Average of 28.9 hours of training per employee

Recorded 0 fatalities and 0 major injuries relating to workplace health and safety

Achieved 528.5 hours of employee volunteerism

GOVERNANCE

0 Material incident of non-compliance with socioeconomic or environmental laws and regulations

0 Lapses in corporate governance or corruption

2 Green building certification include Green Mark, Leadership in Energy and Environmental Design ("LEED"), Comprehensive Assessment System for Built Environment Efficiency ("CASBEE"), and Green Star.

A STATEMENT FROM OUR BOARD

As stewards of both our business and the environment, we are committed to integrating sustainable practices into every facet of our operations. ESR-LOGOS REIT has deepened the foundation of our sustainability ambitions across the past years, through baselining our environmental targets and assessing our climate risks and opportunities against the TCFD framework. We are committed to growing in a responsible manner and plan to collaborate with our partners and stakeholders within our ecosystem to meet our sustainability goals. Material environmental, social and governance factors to the REIT have been identified and encapsulated in our sustainability roadmap. Throughout the past year, we have made significant strides toward reducing our carbon footprint with the implementation of our Decarbonisation Roadmap and enhancing disclosures and Board oversight with the creation of an inaugural Board Sustainability Committee.

Integrating Sustainability Into the Growing ESR-LOGOS REIT

Over the past two years, our company has undergone significant transformation and expansion into other geographies. This has solidified ESR-LOGOS REIT's position as one of the key industrial Singapore REITS and broadened the company's sustainability ambitions for its properties across Singapore, Australia and Japan.

We have implemented a Decarbonisation Roadmap with clear steps, targets, and timeline to ensure a climate resilient portfolio, starting with Singapore and subsequently progressing to the overseas assets in FY2025. We will be leveraging on the implementation of Electric Vehicle ("EV") charging stations, sustainable supply chain management, green leases and green fit-out plans to achieve operational efficiencies and cost reductions. As at FY2023, the REIT has 10 properties with green building certifications and will achieve Green Mark certifications for more than 80% of its Singapore properties by FY2030.

We recognise that sustainability is a journey of continuous improvement that requires collaboration with stakeholders at every level. We have engaged with tenants actively through the year with various engagement events such as our annual Chinese New Year lunches and tenant fruits party, and achieved a tenant satisfaction score of 78.0%. We have progressively rolled out green leases to our portfolio tenants and hope to work closely with these tenants to achieve our shared objective of reducing carbon emissions.

We also work closely with grassroot organisations to fill in gaps within the communities in which we operate in. In FY2023, the team inaugurated the company-wide Lunch Time Rescue Vegetable Distribution Programme. Twice a month, on a rotational basis, employees would take time off their lunch hour to distribute vegetables rescued from the Pasir Panjang wholesale market to underprivileged residents living in rental flats within the Chai Chee precinct. This initiative helped to combat food wastage while providing aid to the underprivileged in our society. It also served as an opportunity for employees to bond outside of the office and provide them a more hands-on perspective of giving back to the society.

Keeping Up with the Evolving International Reporting Expectations

In anticipation of global alignment to the IFRS S1 and S2 Standards, ESR-LOGOS REIT has also included disclosures in line with the SASB Real Estate Standards in this report. This report is in line with the MAS Environment Risk Management Guidelines and SGX-ST's Listing Rules, and the team works to continuously refine and improve our sustainability disclosures in alignment with regulatory guidelines. We have also attained a score of 66 points for our third Global Real Estate Sustainability Benchmark ("GRESB") real estate assessment submission, maintaining our two-star rating in FY2023. To further our alignment to the various sustainability standards and improve our ratings, we are committed to be proactive in disclosing material ESG information, tracking data and managing ESG-related risks associated with our operations.

As we navigate the evolving sustainability landscape, we appreciate the ongoing support and collaboration of our stakeholders. We will continue advancing sustainability across all aspects of our business and will continue to set ambitious goals, track our progress transparently, and collaborate with stakeholders to drive meaningful change to create lasting value.

2023 SUSTAINABILITY REPORT

THE BOARD'S COMMITMENT TO SUSTAINABILITY

The Board recognises the importance of integrating sustainability considerations into the REIT's strategic planning process.

To achieve this, the Board established the Sustainability Working Committee in 2016, chaired by the CEO, which is responsible for integrating sustainability into our business strategy, monitoring of ESG policies and implementation of initiatives.

To further demonstrate the Board's focus and commitment to sustainability, a new Board Sustainability Committee ("BSC") chaired by Mr. Trent Iliffe, a Non-Executive Director of the Board, was established. The committee is responsible for, amongst others:

- **Overseeing the implementation of sustainability strategy in business decisions**
- **Reviewing sustainability strategy, policies, targets and performance**
- **Ensuring sustainability-related regulatory requirements are met**
- **Ensuring continuous identification, assessment and monitoring of material ESG risks of the REIT**

PROGRESS OF SUSTAINABILITY TARGETS AND PERFORMANCE

In FY2022, ESR-LOGOS REIT refreshed our material topics post the merger with ARA-LOGOS Logistics Trust. In FY2023, we developed a portfolio decarbonisation plan and a roadmap with executable steps to achieve our targets. We have also further categorised them into short (perpetual/annual or by 2025), medium (by 2030) and long-term (by 2050). The targets set are specific to our Singapore MTBs unless otherwise stated and we aim to set targets encapsulating the entire portfolio in future sustainability reports.

Legend:
Met targets
On track to meet targets

Material Factor	Targets for 2023 and Beyond	Time Horizon	2023 Performance
Investment Management — Quality Assets and Services	• Achieve Green Mark certifications for 80.0% of Singapore buildings (by floor area) by FY2030	Medium term	• 19.9% of the portfolio have obtained green building certifications[1] as at FY2023 • 11.6% of Singapore buildings have obtained Green Mark certifications as at FY2023
Tenant Engagement and Satisfaction	• Maintain tenant satisfaction levels at 75.0% or more each year	Perpetual	• Achieved tenant satisfaction rate of 78.0%
Energy and Carbon Footprint	• Achieve 7.0% reduction in total energy[2] consumption for MTBs from FY2023 to FY2030	Medium term	• Total energy consumption from MTBs across Singapore in FY2023 was 36,839 MWh • Total energy consumption from MTBs across Singapore, Australia and Japan in FY2023 was 38,716 MWh
	• Reduce energy intensity (kWh/m^2) for MTBs by 1.0% per year, from FY2023 to FY2030	Perpetual	• Energy intensity increased by 68.5% from FY2022 to FY2023, from 149 kWh/m^2 to 251 kWh/m^2
	• Achieve 50.0% increase in solar power generation by FY2025 (from base year FY2019)	Short term	• MTBs in the portfolio generated 10,979 MWh of solar power in FY2023. This is an increase of 263.6% from FY2019
Climate Change Adaptation	• Disclose adaptation and mitigation plans aligned to TCFD by FY2025	Short term	• Disclosed qualitative risks and alignment to TCFD's four core elements of governance, strategy, risk management and metrics and targets in FY2022 • Disclosed adaptation and mitigation plans in FY2023 under our Decarbonisation Roadmap on page 183

1 Green building certifications include Green Mark, Leadership in Energy and Environmental Design ("LEED"), Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") and Green Star.
2 From grid electricity consumption

2023 SUSTAINABILITY REPORT

Material Factor	Targets for 2023 and Beyond	Time Horizon	2023 Performance
Water	• Obtain Water Efficiency Building ("WEB") certification for all MTBs in Singapore by FY2025	Short term	• 27 out of 28 Singapore MTBs are WEB certified as at FY2023
	• Achieve WEB certification for 10.0% of the new MTBs every year	Perpetual	• 5 out of 5 (100%) new MTBs invested in FY2023 are WEB certified
	• Reduce water intensity for MTB by 2.0% annually or by 14.0% from FY2023 to FY2030	Medium term	• Water intensity from MTBs across Singapore was 2.4 m^3/m^2 • The water intensity value is a 11.1% reduction from FY2022
Employee Engagement and Satisfaction	• Maintain employee satisfaction level at 75.0% or more each year with a response rate of at least 80.0%	Perpetual	• Achieved employee satisfaction rate at 80.2% • Achieved employee response rate at 89.0%
	• Maintain an average of 16 training hours per employee per year	Perpetual	• Average of 28.9 training hours per employee
Diversity and Equal Opportunity	• To possess core competencies and experience in eight different areas for short term (0–3 years) target and 10 different areas for medium term (3–5 years) target	Short and medium term	• Board members possess core competencies and experience in eight different areas
	• To have board members from at least two different ethnic groups	Perpetual	• Three ethnic groups have been represented
	• To have four different age group categories represented	Perpetual	• Four different age group categories have been represented
	• To have board members with various tenures with the Manager's Board	Perpetual	• Board members are from the '0–3', 3–5' and '5–7' years tenures
	• To have at least two women directors on the Board	Perpetual	• Two women directors are represented on the Board
	• To appoint a woman to be the Board Chair or NRC Chair	Perpetual	• Board Chair is a woman

Material Factor	Targets for 2023 and Beyond	Time Horizon	2023 Performance
	• To have at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	• One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment • Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at the date of this report, they do not have other listed company board representation besides the Board of the Manager. Also, one of the two board members has not worked in either a real estate or funds management industry
	• To have at least 50.0% of the Board to be independent	Perpetual	• Achieved regulatory requirement of having at least 50.0% of the Board being independent
Health and Safety	• To achieve Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR") of zero	Perpetual	• Achieved zero WFIR and zero MIR in FY2023
	• Conduct health and safety committee meetings quarterly	Perpetual	• Monthly health and safety committee meetings were held to review and improve on the WSH practices
Supply Chain Management	• To obtain 100% supplier compliance with green procurement policy by 2030	Medium term	• 100% of new suppliers in FY2023 met the green procurement policy • 10.7% of existing suppliers met the green procurement policy
Our Community	• Achieve at least 500 hours of employee volunteerism	Perpetual	• Achieved 528.5 hours in FY2023
Governance and Enterprise Risk Management	• Zero lapses in corporate governance or corruption	Perpetual	• Zero lapses in corporate governance or corruption
	• Provide training to all employees on compliance with relevant governance policies	Perpetual	• Provided bite-sized trainings on Compliance Policies and Procedures to all employees in FY2023
	• Ensure procedures and business continuity plans are in place for pandemic preparedness and resilience	Perpetual	• Business continuity plan as well as influenza Pandemic Preparedness Plan are in place
Regulatory Compliance	• Zero material incidents of non-compliance with socio-economic laws and regulations	Perpetual	• Zero material incidents of non-compliance with socioeconomic or environmental laws

2023 SUSTAINABILITY REPORT

HOW WE MANAGE SUSTAINABILITY

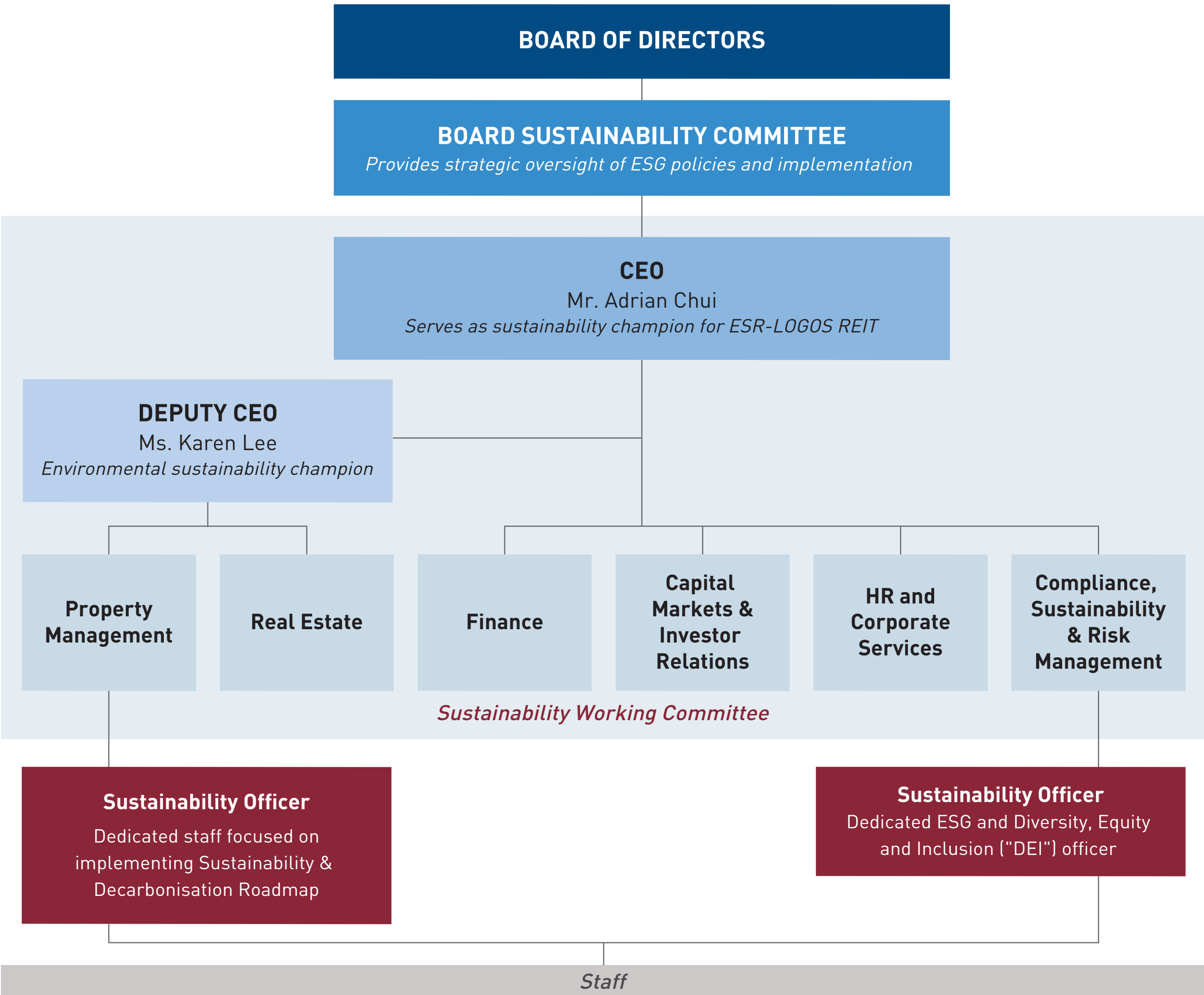
Our Sustainability Leaders at ESR-LOGOS REIT

The Board has oversight over ESR-LOGOS REIT's overall sustainability strategy and progress. This includes considering sustainability issues as part of its strategic formulation and integrating sustainability objectives into business decisions. The Board also approves the material ESG topics, with the most recent revision in FY2022 following the merger between ESR-REIT and ARA LOGOS Logistics Trust. As at the date of this report, all Directors have fulfilled the sustainability training requirements mandated by the SGX-ST.

ESR-LOGOS REIT's sustainability efforts are led by the Sustainability Working Committee, which was formed in 2016 and is responsible for integrating sustainability into our business strategy, monitoring of ESG policies and implementation of initiatives. The Sustainability Working Committee, led by our CEO, Mr. Adrian Chui, ensures direct involvement of ESR-LOGOS REIT's top leadership in the driving of sustainability initiatives.

The Board has established a new Board Sustainability Committee ("BSC") to demonstrate the Board's focus and commitment towards the REIT's sustainability efforts. Chaired by a Non-Executive Director of our Board, Mr. Trent Iliffe, the BSC provides oversight on the strategy, policies, practices and initiatives relating to sustainability.

The diagram below outlines our current sustainability governance structure.



Sustainability Governance

The Board, supported by the BSC, oversees the establishment of ESR-LOGOS REIT's sustainability framework and takes into consideration the sustainability objectives in business decisions. As part of ensuring continued relevance and aligning to evolving global sustainability developments, the BSC reviews the sustainability governance, strategy, targets, policies and performance proposed by the Manager and recommends improvements to the Board. The BSC is also responsible for ensuring that the sustainability governance, management and disclosures meet the regulatory requirements and relevant global best practices. To assist the Board in determining the relevant material topics, the BSC facilitates the identification and engagement of relevant stakeholders to understand their needs and interests. BSC meetings are convened on a need basis and BSC reports to the Board on sustainability related matters on a regular basis.

The Sustainability Working Committee is responsible for conducting regular reviews of the Managers' approach to the REIT's operations, investments, projects and sustainability-related initiatives. This ensures that existing targets, policies and activities are sufficient and effective to meet stakeholder expectations. Once an ESG gap or risk is identified during the reviews, the Sustainability Working Committee, together with the various internal functions involved, will formulate relevant internal control and risk management strategy to manage, monitor and report these issues.

The Sustainability Working Committee reports relevant ESG matters to the BSC and/or the Board on a quarterly basis during Board meetings, covering updates on the management of ESR-LOGOS REIT's ESG impact and mitigation measures. The updates are delivered via the Operational Report, Risk Appetite Statements and Key Risk and Control Matrix.

The Sustainability Working Committee is also responsible for managing the annual sustainability reporting process, including stakeholder engagement and materiality assessment processes.

2023 SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

ESR-LOGOS REIT conducts regular engagements with the various stakeholder groups that are directly impacted by our business and are integral to the REIT's performance and long-term business strategy. These engagement sessions allow us to understand stakeholders' collective views and provide an open channel for the needs and concerns of all parties to be meaningfully addressed. In FY2023, there were no critical concerns raised to the Board.

The ESR-LOGOS REIT Board Sustainability Committee has identified the following key stakeholder groups who are crucial to the REIT's performance and long-term business strategy.

Stakeholder Group	Forms of Engagement	Key Topics Raised	How We Responded
 **Investment Community (Institutional and Retail Investors, Analysts and the Media)**	• Dedicated investor relations team pro-actively communicates with the investment community to keep them updated on operational and financial performance, as well as ESR-LOGOS REIT's long-term strategy • Regular financial and non-financial performance updates • Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs") • Investor conferences, face-to-face meetings and Non-Deal Roadshows	• Long-term, sustainable and recurring distributions • Total investment returns • ESR-LOGOS REIT's strategic outlook and growth prospects • Timely updates on ESR-LOGOS REIT's portfolio performance, asset and capital management, AEIs, acquisitions and divestments, as well as major corporate developments	• Announcement of half-yearly and annual financial results, with interim updates in between the results periods • Half-yearly briefings for analysts and media • Comprehensive investor relations section on ESR-LOGOS REIT's website • Provided written responses to key questions from Unitholders ahead of our AGMs and EGMs

Stakeholder Group	Forms of Engagement	Key Topics Raised	How We Responded
Board of Directors	• Regular face-to-face or virtual meetings, online communication and calls • Orientation and training programmes for new and existing Directors • Annual Board evaluation	• ESR-LOGOS REIT's overall corporate governance and sustainability framework and initiatives • Setting of ESR-LOGOS REIT's strategic objectives, broad policies, procedures and targets • Ensuring regulatory compliance • Ensuring that the organisation meets the needs and expectations of stakeholders	• Timely and regular updates from key management on business activities
Government Agencies and Industry Organisations	• Periodic participation in industry forums and dialogues • Membership in industry associations such as the REIT Association of Singapore	• Compliance with applicable laws and regulations • ESR-LOGOS REIT's economic, environmental, social and governance impacts on the communities the REIT operates in	• Ensure compliance with all applicable laws and regulations • Regular monitoring and evaluation of ESG impact
Existing and Potential Tenants	• 24/7 call centre with specialised functions, to address tenants' concerns • Open communication • Frequent site visits and face-to-face discussions • Social and networking events • Tenant satisfaction survey	• Competitive rental rates and locations • Conducive and secure working environment with adequate facilities • On-site security practices and management	• Support for key tenants' corporate milestone events • Responsiveness towards tenants' feedback • Health and safety initiatives
Local Communities	• Regular monitoring of community needs via feedback sessions with Members of Parliament and community centres for respective constituencies • Social and networking events	• Responsible operations • Support in community development and activities • Creation of employment opportunities • Compassion and care for the underprivileged in society	• Partnerships and sponsorships for events and programmes • Giving back to the community through donations and participation in meaningful community outreach activities (see pages 207 to 208) • Supporting tenants' Corporate Social Responsibility programmes where possible

2023 SUSTAINABILITY REPORT

Stakeholder Group	Forms of Engagement	Key Topics Raised	How We Responded
Management Team and Employees	• Weekly/bi-weekly department meetings • Bi-weekly Heads of Departments' meetings	• Recruitment updates • Competitive remuneration and benefits • Job security, stability and pathways for career progression • Health, workplace safety and work-life balance • Equality and diversity at the workplace	• Empowerment and activate engagement • Orientation and training programmes for new employees • Annual performance review • Training and development programmes • Team bonding activities • Employee loyalty recognition programmes • Annual employee engagement survey • Annual wellness talks and quarterly exercise programmes

Materiality Assessment and Our Material Factors

ESR-LOGOS REIT conducts regular materiality reviews to proactively identify and address risks and opportunities material to our business. In FY2022/23, the Sustainability Working Committee conducted a comprehensive materiality review, involving stakeholders and refreshed both material topics and targets to reflect our ambition as an enlarged REIT, with the assistance of an external consultant. The review considered topics that reflect most significant ESG and financial impacts on the economy, environment and people along our value chain, as well as those impacting our business operations. This resulted in strengthened accountability for sustainability efforts across the different functions.

The topics are also aligned with our sponsor, ESR Group Limited and considers the relevance to the UN SDGs.

Refer to the table below for our material issues, the corresponding GRI topics and the mapped UN SDGs.

CATEGORY	MATERIAL FACTOR	RELATED GRI TOPICS	PRIORITY UN SDGs
Economic	Investment Management — Quality of Assets and Services	Non-GRI Topic	8 DECENT WORK AND ECONOMIC GROWTH
	Tenant Engagement and Satisfaction	Non-GRI Topic	
Environmental	Energy and Carbon Footprint	Energy Emissions	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
	Climate Change Adaptation	Non-GRI topic	
	Water	Water and Effluents	
	Waste	Waste	
Social	Employee Engagement and Satisfaction	Employment Training and Education	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
	Diversity and Equal Opportunity	Diversity and Equal Opportunity	
	Health and Safety	Occupational Health & Safety	
	Supply Chain Management	Supplier Environmental Assessment Supplier Social Assessment	
	Our Community	Local Communities	
Governance	Governance and Enterprise Risk Management	Anti-Corruption	
	Regulatory Compliance	Compliance with Laws and Regulations	

2023 SUSTAINABILITY REPORT

ECONOMIC

ESR-LOGOS REIT strives to create value for investors and tenants while minimising our environmental impact. This is enabled by integrating sustainability principles into our investment policies and tenant engagement efforts.

MATERIAL TOPIC: INVESTMENT MANAGEMENT — QUALITY ASSETS AND SERVICES

TARGETS	TIME HORIZON	PROGRESS
• Achieve Green Mark Certifications for 80.0% of Singapore buildings (by floor area) by FY2030	Medium term	11.6% of properties have obtained Green Mark certifications as at FY2023

Impact of Material Topic

Prudent management of our REIT portfolio helps deliver long-term, quality returns and promote sustainable development through improving resource use and investment in green buildings. Improving the quality of assets can also positively impact the tenants and surrounding area where the property is situated, through better facilities and cost savings from more efficient resource use. On the other hand, there may be temporary disruption to rent revenue and tenant operations during periods of upgrading works. These impacts need to be communicated and coordinated with affected tenants to minimise disruption to their operations.

How We Manage This Issue

We employ investment and divestment strategies to ensure good quality and diversity of properties in our portfolio. Driven by a commitment to deliver long-term quality and responsible investments to our Unitholders, we actively build resilient portfolios of diverse, high-quality and yield-accretive assets. This approach mitigates risk, optimises returns and delivers stable income to the REIT and recurring distributions to the Unitholders.

We employ three strategies in managing our investments (see page 36 of the Annual Report for further details):

1. Active acquisition and development growth
2. Achieving organic growth
3. Exercising prudent capital management

The Manager is firmly committed to achieving building certifications such as the BCA Green Mark for both new developments and existing properties.

These certifications are correlated to higher investment returns and tenant satisfaction. For our properties in Australia and Japan, ESR-LOGOS REIT has plans to appoint an external consultant in FY2024 to provide guidance on achieving equivalent green building certifications in our new and existing properties, as aligned with our strategy.

To ensure compliance with regulations and preserve property value, we continually seek to improve existing properties through active asset management and strategic asset enhancement initiatives ("AEI"), beyond the routine upkeep. These initiatives revitalise older buildings, upgrade facilities to enhance tenant and visitor experiences and improve efficiency of resources used. Such AEIs include facade upgrades, improvement of drop-off points and lift lobbies, fire safety and Mechanical and Electrical ("M&E") systems upgrades and more efficient water and lighting fixtures. In FY2023, we completed one AEI project in 7002 Ang Mo Kio Avenue 5 and achieved Green Mark certification for three properties. In line with obtaining the green building certifications, we have also launched tenders to retrofit existing air-conditioning and mechanical ventilation equipment to improve the energy efficiency of our aging systems.

CASE STUDY

Artist Impression of 21B Senoko Loop

21B Senoko Loop Redevelopment

The asset rejuvenation for 21B Senoko Loop is a built-to-suit project that has converted an existing General Industrial to a High-Specifications asset, as part of our ongoing strategy of growing with our tenant and enhancing the quality of our assets for value preservation.

The design of the building takes into account the uniqueness of the immediate location and environment, and incorporated measures to minimise energy consumption and greenhouse gas emissions. This includes the use of energy-efficient chiller system which is able to achieve an efficiency of 0.64 kW/RT. Elevators with Variable Voltage & Variable Frequency motor drives, regenerative drive systems, and a sleep mode feature that switches off the lift car lighting and fan when not in use for a pre-determined period. Energy-efficient lighting fixtures are also used to reduce energy consumption by up to 30%. Additionally, the incorporation of a high-performance façade to reduce the Envelop Thermal Transmission Value to 33.77 W/m^2 and below is expected to further reduce the cooling load and further optimise the cooling efficiency of the Air-conditioning and Mechanical Ventilation ("ACMV") systems within the building. Dashboards showing common areas' energy and water consumption and trending are provided at lift lobbies to create environmental awareness among 21B Senoko Loop's visitors and users.

Finally, last mile connectivity for 21B Senoko Loop is enhanced by providing sheltered bicycle lots and changing facilities within the building. This not only encourages the use of bicycles amongst the building users, but also promotes the use of alternative form of transportation to reduce our carbon emissions.

Post redevelopment, the asset achieved BCA Green Mark "Gold" certification, which is in line with our ESG target of achieving at least 80.0% Green Mark certification for our buildings in Singapore.

2023 SUSTAINABILITY REPORT

PROPERTIES WITH GREEN BUILDING CERTIFICATIONS

BCA Green Mark Certifications

	Property	Year of Award & Certification Status
1	16 Tai Seng Street	2022 — Green Mark Gold
2	7002 Ang Mo Kio Avenue 5	2022 — Green Mark Gold
3	21B Senoko Loop	2022 — Green Mark Gold
4	19 Tai Seng Avenue	2022 — Green Mark Gold
5	86 & 88 International Road	2021 — Green Mark Certified
6	ESR BizPark@ Changi — 2 & 4 Changi Business Park Avenue 1 (Hotel) — 6 & 8 Changi Business Park Avenue 1 (Business Park)	2020 — Green Mark Gold 2020 — Green Mark Gold Plus
7	30 Marsiling Industrial Estate Road 8	2020 — Green Mark Certified

LEED Certifications

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

CASBEE Certification

Property	Year of Award & Certification Status
Japan Sakura DC	2022 — CASBEE Rank S

MATERIAL TOPIC: TENANT ENGAGEMENT AND SATISFACTION

TARGETS	TIME HORIZON	PROGRESS
• Maintain tenant satisfaction levels at 75.0% or more each year	Perpetual	Achieved tenant satisfaction rate of 78.0%

Impact of Material Topic

ESR-LOGOS REIT believes strong tenant relationships are fundamental to a REIT's success, as we need to leverage on these relationships to improve our facility while maintaining consistent tenancy and income to the REIT. This creates a collaborative environment to meet the needs of our tenants for quality infrastructure and facilities, while tapping on their efforts to create a safe and more sustainable environment.

How We Manage This Issue

Through proactive engagement, responsive feedback, timely resolution of issues and regular facility upgrades, we build trust that enables us to attract and retain our tenants. The engagements are conducted through site visits, emails, tenant engagement events and tenant satisfaction surveys.

In FY2023, our commitment to fostering a vibrant and inclusive community within our tenants was exemplified through a series of tenant engagement events. We organised unique gatherings, including a delightful Fruits Party and an energetic Oktoberfest celebration, designed to provide our tenants with opportunities to socialise and connect with one another. These events not only create a lively atmosphere but also serve as platforms for our tenants to share valuable feedback on their experiences and preferences. Our tenants' satisfaction is paramount to us, and by facilitating these events, we actively seek input on how we can enhance our services and amenities to better cater to their needs.

ESR-LOGOS REIT is dedicated to maximising tenant satisfaction and retention. Through tracking property occupancy and retention rates, we identified areas for improvement and achieved a portfolio occupancy rate of 92.8% in FY2023, which is a 2.6% increase from FY2022 levels. Our tenant occupancy rate excludes data from one property, 2 Fishery Port Road, that became vacant within the year to prepare for redevelopment. Our tenant retention rate, excluding short leases, was at 75.5% in FY2023, an increase of 6.2% from FY2022 levels.

Oktoberfest Celebrations

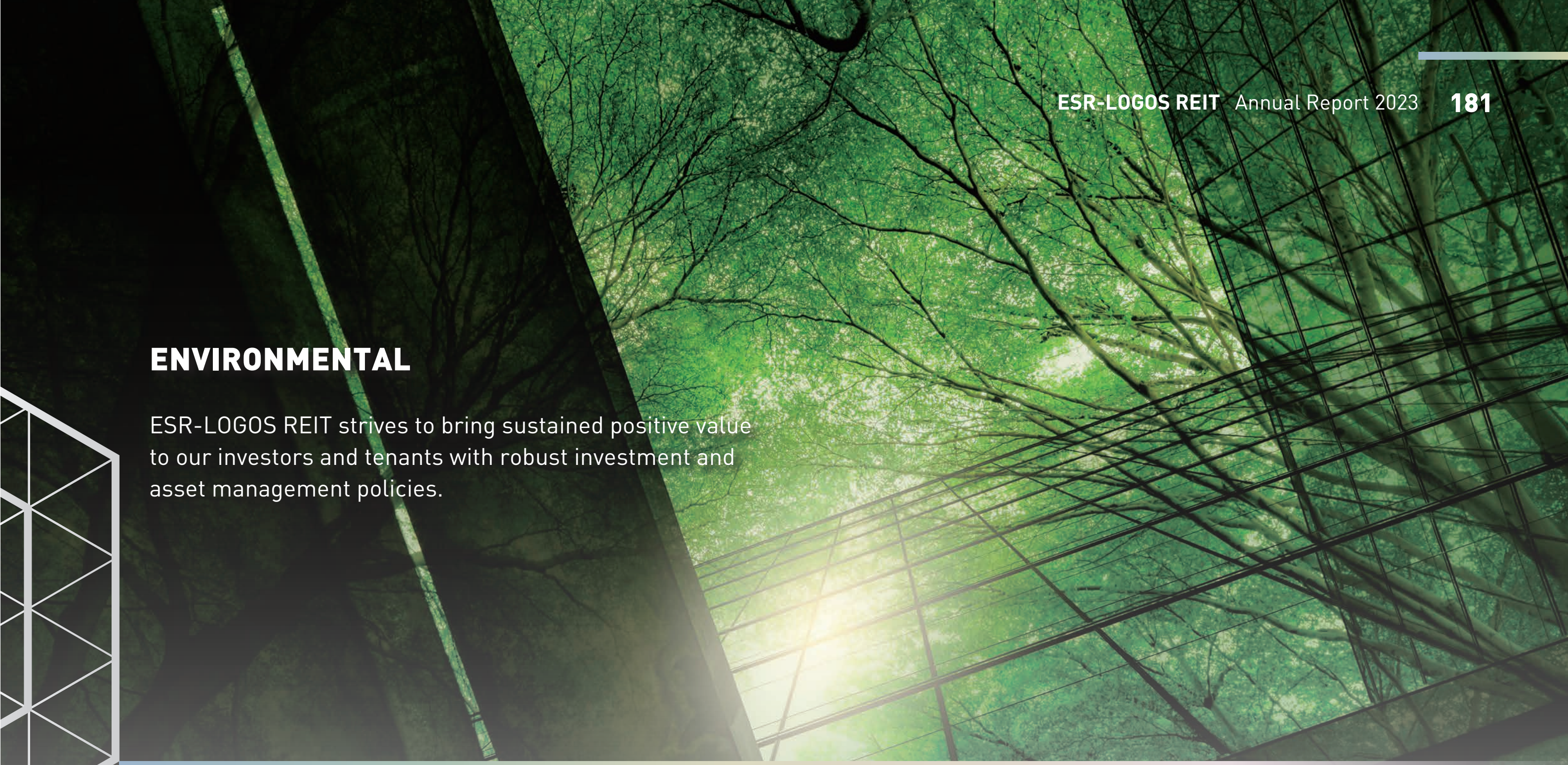
2023 SUSTAINABILITY REPORT

Fruits Party

ESR-LOGOS REIT's Annual Tenant Satisfaction Survey

	2021	2022	2023
Tenant Satisfaction Rate	78.0%	80.0%	78.0%

In FY2023, we saw a dip in the tenant satisfaction rate by 2.0% to 78.0%. The slight decline in satisfaction rate is assessed to be attributed to the surge in footfall and business activities post COVID-19, resulting in a dip in satisfaction with the day-to-day condition of the common facilities. We have completed a thorough review of the tenant satisfaction survey and identified opportunities for improvements, including enhancing our cleaning regime and uplifting the condition of our amenities.



ENVIRONMENTAL

ESR-LOGOS REIT strives to bring sustained positive value to our investors and tenants with robust investment and asset management policies.

MATERIAL TOPIC: ENERGY AND CARBON FOOTPRINT

TARGETS	TIME HORIZON	PROGRESS
• Achieve 7.0% reduction in total energy consumption for MTBs from FY2023 to FY2030	Medium term	Total energy consumption from MTBs across Singapore in FY2023 was 36,839 MWh Total energy consumption from MTBs across Singapore, Australia and Japan in FY2023 was 38,716 MWh
• Reduce energy intensity (kWh/m^2) for MTBs by 1.0% per year, from FY2023 to FY2030	Perpetual	Energy intensity increased by 68.5% from FY2022 to FY2023, from 149 kWh/m^2 to 251 kWh/m^2
• Achieve 50.0% increase in solar power generation by FY2025 (from base year FY2019)	Short term	MTBs in the portfolio generated 10,979 MWh of solar power in FY2023. This is an increase of 263.6% from FY2019

Impact of Material Topic

Based on the Bringing Embodied Carbon Upfront report by the World Green Building Council in 2019, buildings contribute to 39% of energy-related GHG emissions globally, most of which are from operational emissions such as heating and cooling. As a REIT, electricity consumption constitutes the bulk of our operational emissions. A reduction in the facilities' energy and carbon footprint lowers operational cost and increases profitability for both the Manager and tenants.

How We Manage This Issue

Our Property Management and Asset Management teams are responsible for monitoring and suggesting approaches to manage energy use and reduce energy intensity. In our Australia and Japan properties, for new tenants and tenants with refreshed lease terms, we introduced green lease clauses that request for their submission of environmental data. This seeks to address the issue of low data visibility from our Australia portfolio as tenants contract with their utilities service providers directly and do not have contractual obligations to provide environmental data to our Property Managers. By seeking cooperation from our tenants, we can provide more comprehensive environmental data to aid our decision making for any AEI required for the property, bolster our submissions to sustainability ratings, and prepare ourselves for future Scope 3 GHG reporting. We also conducted other initiatives to reduce energy use and consumption intensity, such as converting existing light fixtures in the common areas to LED fittings with motion sensors, installation of solar panels and incorporating natural light into some of our properties.

In FY2023, we engaged a consultant to assess our Singapore portfolio's energy profile and to develop a Decarbonisation Roadmap. The roadmap gives us clear action plans and initiatives to implement in the next six

2023 SUSTAINABILITY REPORT

years, till FY2030, covering EV implementation, supply chain management, green lease and green fit-out plans. This gives confidence and clarity for ESR-LOGOS REIT to achieve our environmental targets in the short to medium term.

As part of ESR-LOGOS REIT's continued efforts to improve the completeness of our data, we have included energy data from our Australia and Japan assets in this report. Going forward, we will be engaging with an external consultant to conduct a gap analysis on our Australia and Japan portfolio to develop decarbonisation plans for our assets.

To track our progress in managing our carbon footprint, we have set both absolute and intensity targets for energy use, as well as renewable energy targets to reduce our emissions. This is aligned to Singapore's Long-Term Low-Emissions Development Strategy to achieve net zero by 2050.

CASE STUDY

Solar Harvesting Programme

We have been steadily expanding our solar energy footprint across our properties since 2013 to reduce our reliance on brown energy consumption in our buildings. Today, 10[3] out of 72 single and multi-tenanted properties in our portfolio across Singapore, Australia and Japan have been retrofitted with rooftop solar panels and we are planning installations to increase our solar generation capacity by >16 MWp by 2025. In FY2023, 1.43 MWp was installed for 51 Alps Avenue in Singapore, bringing the total solar power capacity in Singapore to 15.25 MWp.

For the 28 MTBs in Singapore managed by our Property Manager, three have installed solar panels to generate energy to supplement the building's own consumption and/or to be exported back into the grid. We acquired 24 Penjuru Road in FY2022, which has a significant solar generation capacity and has generated over 7,578 MWh of solar energy over the reporting period.

Our most recent solar panel installation was in Australia, which saw the fitting of 100 kWh of solar panels at 41–51 Mills Road, Braeside. As at December 2023, it has generated 77.9 MWh of solar energy, of which 77.5 MWh has been consumed by the building and the rest exported to the regional grid.

In total, the five MTB properties with solar panels generated 10,979 Mwh, of which 4,379 MWh was exported and 6,599 MWh was consumed.

Solar Energy Generated, Exported and Consumed by our MTBs[4]

	No. of Buildings	Generation (MWh)	Export (MWh)	Consumption (MWh)
2019	3	1,811	918	893
2020	3	1,521	769	753
2021	3	1,535	835	701
2022	3	1,592	816	776
2023	5	10,979	4,379	6,599

To expand on the success of our Solar Harvesting Programme, we have identified a pipeline of properties to progressively install solar panels from FY2024 to FY2027.

3 Properties that have been retrofitted with rooftop solar panels during the reporting period include 5 Changi South Lane, 25 Pioneer Crescent, 43 Tuas View Circuit, 54 Serangoon North Ave 4, 30 Pioneer Road, 1 Greenwich Drive, 24 Penjuru Road, 51 Alps Avenue, 41-51 Mills Road and ESR Sakura DC.
4 MTBs with solar energy generation across Singapore, Australia and Japan.

CASE STUDY

Decarbonisation Roadmap
Savills (Singapore) Pte Ltd was appointed as the consultant to develop a Decarbonisation Roadmap for ESR-LOGOS REIT's properties in Singapore, which illustrates our plan to decarbonise our operations and contribute to a low-carbon future. It plays a pivotal role in our strategy to mitigate risks that have been identified in our Enterprise Risk Management Approach ("ERM") and enables us to proactively respond to evolving regulatory requirements surrounding sustainability and climate change. Through our roadmap, we aim to increase operational efficiency and cost reduction by:

- Greening our buildings together with optimising energy and water use
- Transitioning towards the use of solar power to reduce reliance on brown power
- Aligning with ESR Group's Net Zero Carbon strategy and Decarbonisation Roadmap as part of the Group's Net Zero Carbon commitment

Additionally, the roadmap is an undertaking that will be jointly executed by the various business units within ESR-LOGOS REIT, such as the Project Management, Property Management and Lease Management teams. This ensures that environmental sustainability remains a key focus across the organisation's business processes and across the lifecycle of ESR-LOGOS REIT's properties.

The metrics by which we track progress on our decarbonisation journey include:

- Green Building Certification
- Energy Intensity
- Water Intensity
- Solar Generation

Apart from these key metrics, other green initiatives were also conceived to further enhance the environmental sustainability of ESR-LOGOS REIT's and our tenants' operations.

2023 SUSTAINABILITY REPORT

CASE STUDY

Green Initiatives

Green Initiatives	Implementation Plan	Targets
EV Implementation	• To work with the appointed Charge Point Operator on the installation of EV chargers for SG portfolio based on a zero-CAPEX model. • Subjected to regulatory approval and viability of EV charge point operators, all MTBs to be progressively fitted with EV chargers.	100% of Singapore MTBs by FY2028
Supply Chain Management	• Establishing and formalising Green Procurement policy into current Procurement Policies. • To screen existing approved vendors and progressively tie in new contracts with green procurement policies.	100% compliance with Green Procurement Policy by FY2030
Green Lease & Green Fit-out Plans	• To work closely with lease management and property management team to develop Green Lease based on Green Mark renewal requirements • New leases to be incorporated with Green Leases from the onset, while Green Lease clauses will be progressively incorporated into existing leases during lease renewals.	100% of all lease renewals in Singapore to be incorporated with Green Lease by FY2026

FY2023 Performance: Electricity, Cooling and Carbon Emissions

Singapore

Electricity Consumption and Intensity[1, 2]	2021	2022	2023
Number of buildings	28	25	28
Grid Electricity Consumption (kWh)	23,252,257	19,967,081	36,383,905
Electricity Consumption Intensity (kWh/m^2)	167	149	251

Australia

Electricity Consumption and Intensity[1,3]	2023
Number of buildings	4
Grid Electricity Consumption (kWh)	1,536,739
Electricity Consumption Intensity (kWh/m^2)	8

Japan

Electricity Consumption and Intensity[1,3]	2023
Number of buildings	1
Grid Electricity Consumption (kWh)	795,623
Electricity Consumption Intensity (kWh/m^2)	203

1 Includes only MTBs with grid electricity consumption directly managed by the Property Manager.

2 FY2021 and FY2022 data are restated due to the exclusion of electricity consumption from chillers in 7000/7002 Ang Mo Kio Avenue 5 and the inclusion of additional areas of electricity consumption from the district cooling.

3 Data before FY2023 is not available as the Australian and Japanese assets were acquired in FY2022.

Singapore

District Cooling Consumption and Intensity[1, 2]	2021	2022	2023
Number of buildings	1	1	1
District cooling consumption (kWh)	595,556	575,910	575,727
District cooling consumption Intensity (kWh/m^2)	49	48	47

1 Includes only MTBs with district cooling consumption directly managed by the Property Manager.

2 FY2021 and FY2022 data are restated due to the inclusion of additional areas of electricity consumption from the district cooling.

Singapore

Carbon Emission and Intensity[1, 2]	2021	2022	2023
Scope 1 CO_2 Emissions (tCO_2e)	—	—	456
Scope 2 CO_2 Emissions (tCO_2)	9,499	8,322	15,165
CO_2 Emissions Intensity (tCO_2/m^2)	0.068	0.062	0.108

2023 SUSTAINABILITY REPORT

Australia

Carbon Emission and Intensity[1,3]	2023
CO_2 Emissions (tCO_2)	1,148
CO_2 Emissions Intensity (tCO_2/m^2)	0.006

Japan

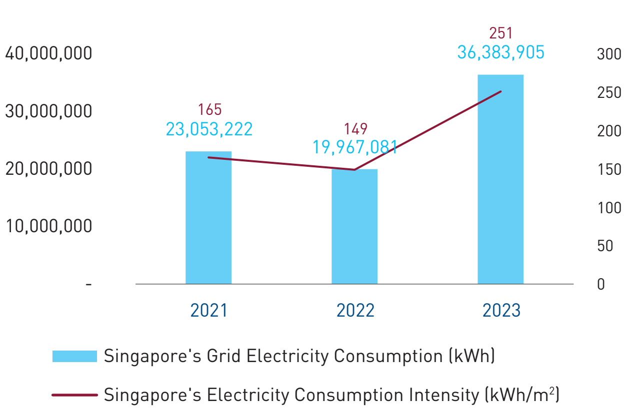
Carbon Emission and Intensity[1,3]	2023
CO_2 Emissions (tCO_2)	345
CO_2 Emissions Intensity (tCO_2/m^2)	0.088

1 Includes grid electricity and district cooling consumption. Average Operating Margin Grid Emissions Factor for FY2021 has been updated from 0.4057 kg CO_2/kWh to 0.4085 kg CO_2/kWh by the Singapore Energy Market Authority and for FY2022, from 0.4057 kg CO_2/kWh to 0.4168 kg CO_2/kWh. Carbon dioxide emissions from electricity for FY2023 were calculated based on Singapore Energy Market Authority's OM GEF for 2022 (0.4168 kg CO_2/kWh).

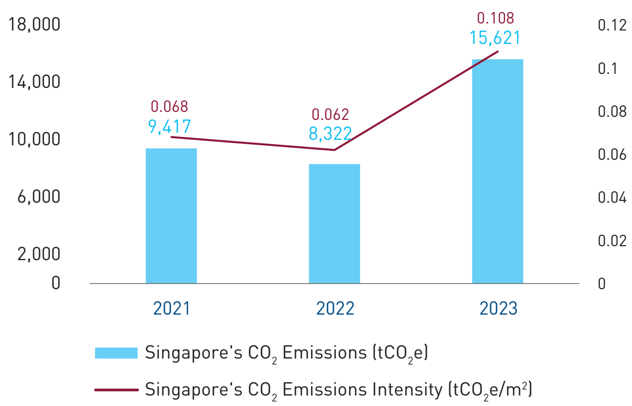
2 FY2021 and FY2022 data are restated due to the exclusion of electricity consumption from chillers in 7000/7002 Ang Mo Kio Avenue 5 and the inclusion of additional areas of electricity consumption from the district cooling.

3 Data before FY2023 is not available as the Australian and Japanese assets were acquired in FY2022.

Grid Electricity Consumption and Intensity



Carbon Emission and Intensity



Total grid electricity consumption across the MTBs in our Singapore, Australia and Japan portfolios in FY2023 was 38,716 MWh and total carbon emissions was 16,658 tCO_2e. Specifically for our properties in Singapore, we see a 82.2% increase of absolute electricity consumption from 19,967 MWh in FY2022 to 36,384 MWh in FY2023. In tandem, our Singapore MTBs' electricity consumption intensity increased by 68.5% from 149 kWh/m^2 to 251 kWh/m^2 due to newly acquired properties such as 2 Fishery Port Road, which is a cold storage facility that consumes high amounts of electricity for storage of frozen food products purposes. The higher footfall and tenant activities have also contributed to the increased energy consumption.

Similarly, absolute Scope 2 carbon emissions for Singapore increased by 82.2% from 8,322 tCO_2 to 15,165 tCO_2. District cooling consumption and consumption intensity remained around the same.

In FY2023, ESR-LOGOS REIT began tracking and reporting on Scope 1 emissions, in line with SGX-ST's proposed core ESG metrics. Across our Singapore portfolio, Scope 1 emissions totalled up to 456 tCO_2e, accounting for less than 3.0% of our total GHG emissions in Singapore. These emissions consisted of diesel used for generator sets and topping up of air-conditioning refrigerants. Totaling Scope 1 and 2 emissions, carbon intensity increased 74.0% from 0.062 tCO2/m^2 in FY2022 to 0.108 tCO2/m^2 in FY2023. As we strengthen the data completeness and accuracy, we will work towards improving Scope 1 disclosures for our Australia and Japan portfolios.

MATERIAL TOPIC: CLIMATE CHANGE ADAPTATION

TARGETS	TIME HORIZON	PROGRESS
• Disclose adaptation and mitigation plans aligned to TCFD by FY2025	Short term	Disclosed qualitative risks and alignment to TCFD's four core elements of governance, strategy, risk management and metrics and targets in FY2022. Disclosed adaptation and mitigation plans in FY2023 under our Decarbonisation Roadmap on page 183.

Impact of Material Topic

Climate change is a pressing issue for REITs, posing physical and transitional risks to the business. Physical risks such as rising sea levels, extreme weather events and shifting weather patterns can damage properties, increase insurance premiums and lead to lower property values and rental income. Governments are also implementing stricter regulations and carbon pricing mechanisms to address climate change, which increase compliance costs and in turn, impact the profitability of portfolios. On the other hand, climate change also presents opportunities through increased market demand for green buildings and more resilient properties. These push the REITs to create more robust portfolio, resulting in sustained long-term value for stakeholders.

Regulations and Frameworks

In Singapore, regulatory compliance for climate change risk is increasingly formalised. From reports published in 2025 onwards (i.e. disclosing FY2024 data), SGX-ST requires listed companies in the material and buildings industry to disclose all 11 TCFD recommended disclosures. The response to the Sustainability Reporting Advisory Committee ("SRAC") public consultation was received with majority support for all the SRAC's recommendations. This includes mandated climate reporting for SGX-ST listed issuers, using local reporting standards that mirror the IFRS S1 and S2 Standards, and to mandate external limited assurance on Scope 1 and 2 GHG emissions. The MAS also issued a set of Guidelines on Environmental Risk Management for Asset Managers, aimed to strengthen asset manager's resilience and management of environmental risk.

How We Manage This Issue

Recognising the potential risks and opportunities arising from climate change mitigation and adaptation, we worked with a consultant to conduct an environmental risk assessment in FY2021-22 for our portfolios in Singapore, Australia and Japan, following our merger with ARA LOGOS Logistics Trust in FY2022. In FY2023, we also conducted a climate scenario analysis with the help of a consultant, to understand the risks we should mitigate against and recognise opportunities for our exploration. The following section expands on the engagements and our climate strategy.

2023 SUSTAINABILITY REPORT

Taskforce on Climate-related Financial Disclosures

The Financial Stability Board ("FSB") created the TCFD in 2015 to improve and increase reporting of climate-related financial information. In 2017, the TCFD released climate-related financial disclosure recommendations designed to help companies provide better information to support market transparency and more informed capital allocation.

In adopting TCFD recommendations, ESR-LOGOS REIT conducted a qualitative assessment of climate-related risks that are most material to the business into our reporting in FY2022. In this year's Sustainability Report, we have expanded our assessment to include climate-related opportunities that our business can leverage on, to support the transition to a low carbon economy.

The climate scenario analysis has enabled us to identify financial impacts stemming from transition risks, such as more stringent green requirements under the BCA Green Building Masterplan and financial impacts from physical risks, such as extreme weather events and disasters. From a risk management perspective, such analysis seeks to enhance the prioritisation process of climate-related risks and opportunities, enabling ESR-LOGOS REIT to focus our efforts more strategically.

The table below reflects our current and planned actions against TCFD's recommended disclosures.

Recommended Disclosures	Our Current and Planned Actions
GOVERNANCE	
The Board's oversight of climate-related risks and opportunities	The Board is responsible for establishing the overall enterprise risk management approach and governance, which encompasses climate-related risks and opportunities. In addition, the Board approves and monitors the statements outlining the Manager's risk appetite and tolerance, setting out the nature and extent of risks permissible to fulfill the Manager's business objectives. The Board is supported by the Audit, Risk Management and Compliance Committee ("ARCC") in the assessment of the adequacy and effectiveness of the internal control and risk management systems. A dedicated BSC (a sub-committee of the Board) has also been established to assist the Board to better oversee the implementation of climate-related strategies into business operations, including the on-going oversight of climate-related risks and opportunities of the REIT. The BSC is chaired by a Board member, Mr. Trent Iliffe.
Management's role in assessing and managing climate-related risks and opportunities	The management of the REIT's climate-related risks and opportunities is helmed by the Sustainability Working Committee, chaired by our CEO, Mr. Adrian Chui, and comprises key members from different business functions. The Sustainability Working Committee periodically reviews the progress and effectiveness of sustainability objectives and strategies. ESG risk has been assessed and identified as a key risk within the REIT's ERM Framework. Accordingly, the Sustainability Working Committee monitors, manages and reports on the policies, procedures and controls in place to mitigate ESG risks as well as ensuring climate-related factors are taken into consideration as part of investment and asset management decisions.

<table>
<tr><th colspan="2">STRATEGY</th></tr>
<tr><td>The climate-related risks and opportunities ESR-LOGOS REIT has identified over the short, medium and long term</td><td>ESR-LOGOS REIT has conducted a climate risk scenario analysis to identify and assess the potential impacts of transition and physical risks, under Net Zero (RCP 2.6, limit warming to within 1.5°C from pre-industrial levels by 2100) and Business-as-usual (RCP 8.5, about 4°C warming from pre-industrial levels by 2100) scenarios across the short term (by 2025), medium term (by 2030) and long term (by 2050).

Through scenario analysis, the following risks across our geographies and activities have been identified:

• Physical: Flooding, extreme weather and significant changes in average temperatures

• Transition: Increased carbon pricing, enhanced regulatory requirements (i.e. energy efficiency requirements and green building certifications) and changes in stakeholder expectations.

ESR-LOGOS REIT has also explored opportunities in embedding smart technologies into our flood control measures. Beyond climate proofing our assets, we also recognise the importance of climate proofing our workforce by building sustainability knowledge. Over the past few years, we have been sending our employees for sustainability and climate-related training to upskill them in ESG matters.

During FY2023, our employees have attended the following sustainability and climate-related trainings:

• Sustainability for REITs
• Sustainability: The Next Challenge
• Sustainability Reporting: A Practical Overview for Accounting and Finance Professionals
• SRAC Mandatory Climate Reporting Proposal</td></tr>
<tr><td>The impact of climate-related risks and opportunities on ESR-LOGOS REIT's businesses, strategy and financial planning</td><td>Although ESR-LOGOS REIT may not be directly affected by the carbon tax hike in Singapore at present, electricity generation companies impacted by the carbon tax are expected to pass on a portion of costs to electricity retailers, which could subsequently pass these additional costs to customers, including asset owners. By leveraging our decarbonisation and renewable energy initiatives, ESR-LOGOS REIT has the opportunity to reduce reliance on grid electricity and reduce utilities consumption from the grid.

In FY2023, we began exploring a Sustainable Finance Framework to leverage on opportunities in the areas of Green Financing. Such a framework would provide us with a guide on how to allocate and manage proceeds raised from green bonds or green loans. Proceeds from the green bonds or green loans will be used to fund green projects that align with the UN SDGs, covering the areas of green buildings, renewable energy, energy efficiency, waste management, sustainable water management and clean transportation. We will provide further details of our Sustainable Finance Framework in future Sustainability Reports as we formalise it in FY2024.</td></tr>
</table>

2023 SUSTAINABILITY REPORT

The resilience of ESR-LOGOS REIT's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	ESR-LOGOS REIT has conducted a climate scenario analysis to identify potential physical and transition risks and assessed their impacts on the business across our countries of operations. We have considered both Net Zero (1.5°C) and business-as-usual (4°C) warming scenarios to understand the likelihood and impact of identified transition risks across a short-, medium- and long-term horizon. Under both scenarios, mandated regulations of baseline energy standards were identified as the key transition risk. When assessing the physical risks to our operations, we considered the business-as-usual (4°C) warming scenario as physical risks are most significant under this scenario. Across our portfolio, the most significant physical risks are observed to be the risk of flooding, extreme weather events such as water stress and rising temperatures. Summary details of identified physical and transition risks, at country level, are provided below.

RISK MANAGEMENT

	Singapore	**Transition Risks**
ESR-LOGOS REIT's processes for identifying and assessing climate-related risks		Part of the Singapore's Green Plan 2030, Green Building Masterplan (SGBMP) aims to deliver three key targets of "80–80–80 in 2030". Under this plan, Singapore has set a target of greening 80% of buildings by GFA, by 2030. In addition, the Building and Construction Authority (BCA) has raised the mandatory environmental sustainability standards for new buildings and existing buildings that undergo major retrofit. These standards include raising the minimum energy performance requirements and introducing mandatory sustainable construction practices to lower the carbon footprint of such buildings. Following the government's lead in bringing Super Low Energy (SLE) buildings into the public sector, BCA will also be exploring further measures to drive adoption of SLE buildings in the private sector. Such measures and transition opportunities include bonus GFA incentive for delivering higher-tier Construction Industry Transformation Map (ITM) outcomes in private sector developments under the Built Environment Transformation Gross Floor Area Incentive Scheme. BCA also aims to achieve 80% improvement in energy efficiency for best-in-class green buildings by 2030 through the Green Buildings Innovation Cluster (GBIC) programme, with enhanced funding of $45 million for the GBIC programme. Singapore's carbon tax rate will be raised to $25/tCO_2e$ in 2024 and 2025 and $45/tCO_2e$ in 2026 and 2027, with a view of reaching $50-$80/tCO_2e$ by 2030. Stakeholders are increasingly expecting companies to be proactive in managing climate change. Changing perceptions may lead to more tenants including sustainable building criteria in shortlisting lease options. Therefore, we have been actively pursuing opportunities surrounding green buildings to capitalise on shifting perceptions and reaffirm our commitment to the national and international climate agenda.

Singapore	Physical Risks
	Rising temperature: These are categorised as chronic long-term risks that may lead to extreme heat events and overheating in buildings, requiring higher cooling loads. These in turn lead to increased energy consumption and higher carbon emissions. ESR-LOGOS REIT will therefore face increased costs in retrofitting and/or operational costs of running air conditioning systems. **Flooding:** These are categorised as acute short-term risks (event-driven). Climate change has led to greater and more intense rainfall in Singapore. According to updated projections from Singapore's third National Climate Change Study, the mean sea level around Singapore will rise by 1.15m by 2100, exceeding previous estimates. The study also projected a mean sea level rise of up to 2m by 2150 under a high carbon emissions scenario. With 30% of Singapore's land laying less than 5m above the mean sea level, extreme weather events such as high tides and storm surges are likely to cause levels to spike by a further 4m to 5m. **Water stress:** These are categorised as chronic long-term risks that put Singapore at a high risk of water stress. Singapore is heavily dependent on rainfall due to the lack of alternate natural water resources and exacerbated by limited area for water storage facilities.
Australia	**Transition Risks**
	In 2019, Australia introduced a national plan "Trajectory for Low Energy Buildings" that aims to achieve zero energy and carbon-ready commercial (including offices and industrial premises) and residential buildings. This is also a key initiative to address Australia's 40% energy productivity improvement target by 2030 under the National Energy Productivity Plan, as well as to reach net zero by 2050. In July of 2023, the Energy and Climate Change Ministerial Council agreed to update the "Trajectory for Low Energy Buildings" by the end of 2024. These updates are aimed at supporting the delivery of a low energy, net zero emissions residential and commercial building sector by 2050, as well as help develop the policy pathway for the building sector to achieve net zero by 2050.
Australia	**Physical Risks**
	Flooding: Floods are common in parts of Australia due to heavy rainfall, high tides and drainage problems, especially in low-lying areas. Climate change is expected to lead to more intense rainfall, exacerbating flood risk, while rising sea levels also increase the risks of coastal flooding. **Water stress:** According to the Australian Government, Bureau of Meteorology's Annual Climate Statement 2023, Australian rainfall is highly variable and is strongly influenced by drivers such as El Niño, La Niña, the Indian Ocean Dipole and the Southern Annular Mode. Nationally, the area-average annual rainfall total for Australia was 473.7 mm, 1.6% above the 1961–1990 average of 466.0 mm.

2023 SUSTAINABILITY REPORT

	Japan	**Transition Risks**
		In 2021, Japan strengthened the Building Energy Efficiency Act of 2016, where energy saving standards will also become mandatory for mid-size buildings (those with a floor area exceeding 300 sqm). In 2023, Japan revised its Building Energy Conservation Act to require zero-energy performance for all new residential and non-residential buildings by 2030, and for all existing buildings by 2050. The Ministry of Environment, Trade and Industry (METI) is also in the process of revising targets for energy conservation, including for the buildings sector. In a preliminary document, it noted that energy conservation efforts in the residential and commercial sectors could be raised by about 10%.
	Japan	**Physical Risks**
		Flooding: Japan receives double the global average rainfall annually and research by the Bank of Japan highlight flood damage to be set to increase by a factor of 9 by the year 2100. **Earthquakes:** Though these are not a climate risk, they are considered together with physical climate risks given similar nature of impact to our portfolio. Japan's geographical location leaves it vulnerable to earthquakes. Growing scientific evidence show that climate change may contribute to geological phenomena, hence there is a risk that earthquake frequency would increase in future.
ESR-LOGOS REIT's processes for managing climate-related risks	For physical risks, our mitigating plans include augmenting existing flood control features and measures, such as flood barriers, sensors, water level pumps and flood emergency response plans for our existing properties, as well as regular scanning for exposure of our existing properties to physical risks. We will also identify AEIs to improve environmental performance where feasible and incorporate environmental risk due diligence as part of our investment consideration. In addition, periodic scanning will be conducted to identify our exposure to any new environmental risks or changes to prevailing transition risks in the evolving ESG landscape including climate risks. For Singapore properties, we conduct annual checks against Public Utilities Board ("PUB") data on flood prone areas to inform the asset's risk to flooding and ponding.	
ESR-LOGOS REIT's processes for identifying, assessing and managing climate-related risks are integrated into risk management	We have integrated environmental risk management into our existing ERM Framework to identify, assess, monitor and manage climate-related risks and opportunities across our portfolio. With the climate risks identified above, we are in the process of reviewing existing and potential mitigation and adaptation actions to enhance climate resilience throughout our operations and we look forward to disclosing these in our future sustainability reports. We will also continue working with relevant stakeholders to further refine our governance and management of climate-related risks and opportunities.	

METRICS AND TARGETS	
The metrics used by ESR-LOGOS REIT to assess climate-related risks and opportunities in line with its strategy and risk management process	ESR-LOGOS REIT uses the following metrics to assess climate-related risks and opportunities: • GHG emissions • Energy consumption • Solar power generation • Water intensity • Green Mark certification We will continue to explore other relevant metrics to measure climate-related risks and opportunities.
ESR-LOGOS REIT's Scope 1, Scope 2 and, Scope 3 (where applicable) GHG emissions and the related risks.	**FY2023** **Scope 1 GHG emissions**: 456 tCO_2e **Scope 2 GHG emissions**: 16,874 tCO_2e **Scope 3 GHG emissions**: ESR-LOGOS REIT is building capabilities to account for our Scope 3 emissions and will disclose it once ready, in line with SGX-ST and ACRA requirements for listed companies.
The targets used by ESR-LOGOS REIT to manage climate-related risks and opportunities and the performance against targets.	**Energy and Carbon Footprint** • Achieve Green Mark certifications for 80.0% of Singapore buildings (by floor area) by FY2030 • Achieve 7.0% reduction in total energy consumption for Singapore MTBs from FY2023 to FY2030 • Achieve 50.0% increase in solar power generation by FY2025 (from base year FY2019) **Climate Change Adaptation** • Disclose adaptation and mitigation plans aligned to TCFD by FY2025 **Water** • Obtain WEB certifications for all Singapore MTBs by FY2025 • Achieve WEB certification for 10.0% of the new MTBs every year • Reduce water intensity for MTBs by 2.0% annually or by 14.0% from FY2023 to FY2030

2023 SUSTAINABILITY REPORT

MATERIAL TOPIC: WATER

TARGETS	TIME HORIZON	PROGRESS
• Obtain WEB certification for all MTBs in Singapore by FY2025	Short term	27 out of 28 MTBs in Singapore are WEB certified as at FY2023
• Achieve WEB certification for 10.0% of the new MTBs every year	Perpetual	5 out of 5 (100%) new MTBs invested in FY2023 are WEB certified
• Reduce water intensity for MTB by 2.0% annually or by 14.0% from FY2023 to FY2030.	Medium term	Water intensity from MTBs across Singapore was 2.4 m^3/m^2. The water intensity value is a 11.1% decrease from FY2022.

Impact of Material Topic

REIT's exposure to water risks is largely related to the locality they are situated in. Based on a 2020 study by BlackRock[5], around 60% of global REIT properties are projected to face water stress by 2030, while almost all REIT properties in Australia and Japan, among others, would potentially face high water stress by 2030.

How We Manage This Issue

For Singapore, we are aligned with the national efforts under the PUB by retrofitting our existing water fittings in the Singapore MTBs with products rated at 3-ticks against PUB's Water Efficiency Labelling Scheme. We are on track to achieve WEB certifications for all Singapore MTBs by FY2025. Our Project Managers also ensure that new developments conform to the WEB certification requirements, and we have achieved that for all five of the new MTBs invested in FY2023.

5 Troubled Waters, https://www.blackrock.com/us/individual/literature/whitepaper/bii-water-risks-july-2020.pdf

FY2023 Performance: Water Withdrawal

Singapore

	2021	2022	2023
Number of buildings[1]	28	25	28
Water withdrawal (megalitres)	424	356	350
Water intensity (m^3/m^2)[3]	3.0	2.7	2.4

Australia[5]

	2023
Number of buildings[1, 3]	2
Water withdrawal (megalitres)[4]	0.003
Water intensity (m^3/m^2)	0.00001

Japan[5]

	2023
Number of buildings[1]	1
Water withdrawal (megalitres)[2]	1.73
Water intensity (m^3/m^2)	0.44

1 Includes MTBs with water withdrawal directly managed by the Property Manager.
2 All water withdrawn from municipal water sources.
3 Water data only available from two out of four properties.
4 Water sourced from harvested rainwater.
5 Data before FY2023 is not available as the Australian and Japanese assets were acquired in FY2022.

27 out of 28

MTBs in Singapore obtained WEB (Basic) certifications as at FY2023

For the Singapore properties, water intensity in FY2023 was reduced by 11.1% from 2.7 m^3/m^2 to 2.4 m^3/m^2 due to optimisation of cooling tower operations and retrofitting with water-saving measures like efficient taps and flush. Our water intensity value from FY2023 will be the baseline for our comparison against our FY2030 target to reduce water intensity by 14.0%. We will continue to upgrade existing fittings and manage the efficient use of water across our properties and attain the annual target of achieving WEB certifications for at least 10.0% of the new MTBs we acquire every year.

For the Australian and Japan properties, we are planning to appoint an external consultant in FY2024 to recommend reasonable and sustainable targets for water consumption management.

2023 SUSTAINABILITY REPORT

MATERIAL TOPIC: WASTE

Impact of Material Topic

REITs can contribute to waste through the vast property footprints and potential for inefficient management. Tenants also have a role in waste management and reducing waste generation. It is opportune for the Property Manager to implement proper waste management practices and engage their tenants in such initiatives to improve the collective baseline. When the initiatives are done at scale, it reduces unnecessary resource consumption and diverts waste from landfills.

How We Manage This Issue

We see effective waste management to reduce cost, resource consumption and environmental pollution. The Manager is guided by Singapore's Zero-Waste Masterplan and the waste hierarchy of Reduce, Reuse, Recycling and prioritises waste reduction. Waste reduction and recycling was done through tackling waste at the source across our portfolio. In Singapore properties, recycling and e-waste bins are provided at selected properties to encourage the recycling of e-waste, while for the Japan property, recycling bins for non hazardous waste are provided.

ESR-LOGOS REIT also participates in the National Environment Agency's ("NEA") Mandatory Waste Reporting scheme and reports on the monthly waste disposal and recycling rate of our properties. To improve on the waste collection data, we launched a tender in FY2023 to amalgamate Singapore's waste disposal contracts into a single waste disposal vendor, to streamline the process of data collection and reporting from our waste vendor.

FY2023 Performance: Waste Management

9.1%
Waste diverted to recycling

90.9%
Waste sent to waste-to-energy facilities

The Manager has tracked waste generation and recycling across its Singapore MTBs since FY2019. This data reveals opportunities for reduction of specific waste sources, targeted tenant engagements and identification of effective waste diversion methods. In FY2023, 9.1% of waste was recycled, with the remainder sent to waste-to-energy plants. The MTBs that ESR-LOGOS REIT has operational control over produced 2,034 tonnes of non-hazardous waste and zero hazardous waste.

Total waste generated increased mainly due to the enlarged portfolio and increase in business activities and footfall in the buildings post COVID-19, whereas total waste recycled reduced due to an increase in the proportion of non-recyclable waste generated in FY2023 from business activities.

To improve the recycling rate moving forward, our Property Managers will be introducing more recycling streams and recycling bins, such as e-waste recycling bins.

Singapore

	2021	2022	2023
No. of buildings[1]	30	25	27
Total waste generated (tonnes)[2]	2,206	1,999	2,250
Total waste recycled (tonnes)	344	296	206
Recycling rate (%)	15.6	14.8	9.1

1 Includes only MTBs with waste disposal directly managed by the Property Manager.
2 Data excludes e-waste.

SOCIAL

ESR-LOGOS REIT recognises that our employees are the foundation of our success. Our human capital allows us to deliver consistent quality services, driving long-term growth for the REIT. We also recognise the potential impact of our value chain and the responsibility we have to the community which we operate in. Building effective partnerships between our internal and external stakeholders gives us the social license to operate.

MATERIAL TOPIC: EMPLOYEE ENGAGEMENT AND SATISFACTION

TARGETS	TIME HORIZON	PROGRESS
• Maintain employee satisfaction level at 75.0% or more each year with a response rate of at least 80.0%	Perpetual	Achieved employee satisfaction rate at 80.2% Achieved employee response rate at 89.0%
• Maintain an average of 16 training hours per employee per year	Perpetual	Average of 28.9 training hours per employee

Impact of Material Topic

Skilled property managers, market analysts and operational staff work together to optimise returns, identify new opportunities and navigate changing market trends. Developing the human capital is critical for a REIT to adapt, innovate and grow. Implementation of initiatives requires coordinated effort and buy-in from employees to maximise the intended impact.

How We Manage This Issue

We believe in empowering individuals through effective talent development, equipping them with the diverse skills and knowledge needed to tackle challenging tasks. For new hires, we conduct New Hire Trainings for them to understand the job scope and dynamics of their respective departments. From 10 Nov 2023 to 15 Dec 2023, ESR Group provided employees with free access to a wide range of courses spanning various disciplines such as technology, business, arts, language, offered via Udemy's online learning platform for members of the National Library Board. ESR-LOGOS REIT conducted internal trainings for employees to refresh important topics on compliance and IT security. Managers are supportive of employees to attend trainings provided by external parties that are related to their function, managing of self and others and to understand the REIT industry.

We also emphasise on our employees' wellbeing. Teams organise sports-related quarterly outings with the team to promote team bonding while keeping active. The Manager also regularly analyses workforce data, such as employee turnover, absences, overtime and training, to optimise employee well-being and ensure effective resource management.

2023 SUSTAINABILITY REPORT

Employee Quarterly Outings

Company Lunar New Year and Year-End Gatherings

ESR-LOGOS REIT is also guided by ESR Group's Human Right Policy and Diversity, Equity and Inclusion Policy, which sets the tone in relation to the Group's stance and position against discrimination or harassment based on race, colour, religion, sex, age, disability, or national origin. More details on the policy can be found at: https://www.esr.com/environmental-social-governance/. The rules of conduct apply to all employees of ESR Group and its subsidiary companies. ESR-LOGOS REIT upholds the five principles set out in the International Labour Organisation ("ILO")'s Declaration on Fundamental Principles and Rights at Work:

a. Freedom of association and the right of collective bargaining;
b. Abolition of all forms of forced or compulsory labour;
c. Effective abolition of child labour;
d. Elimination of discrimination in respect of employment and occupation;
e. Providing a safe and healthy working environment.

For employees facing retirement or termination of employment, Career Advisory and Employment Assistance from the Institute of Banking & Finance and NTUC's Employment and Employability Institute were introduced to employees who were made redundant to facilitate continued employability and management of career. HR will link the employee with the institutions if they express interest for support.

FY2023 Performance: Employee Satisfaction

To gauge employee satisfaction and identify areas for improvement, the REIT participated in ESR Group's group-wide Employee Engagement Survey in FY2023 which comprises of 44 closed and four open-ended questionnaire. The survey covered the following areas:

1. Career Development
2. Communication
3. Engagement
4. Immediate Supervision
5. Inclusion and Respect
6. Job Satisfaction
7. Leadership
8. Mental Health and Well-Being
9. Productivity
10. Purpose and Values
11. Teamwork
12. Workplace Conditions and Safety

The survey achieved an 89.0% response rate and had a satisfaction rating of 80.2%. We are proud of our progress in creating a consistently positive work environment, with satisfaction scores of 80.0% and above for seven consecutive years.

FY2023 Performance: Training and Education

The Manager values employees' growth through holistic learning of both professional and personal growth. Our Human Resources Department spearheads our training and education initiatives by sourcing and promoting training opportunities. We offer curated courses and encourage independent exploration for growth.

28.9

Average hours of training per employee in FY2023

In FY2023, all employees participated in professional training ranging from skills related to their work functions, as well as soft skills.

	Average no. of training hours
By Gender	
Male	32.8
Female	27.0
By employee category	
Senior management level	26.4
Middle management level	30.1
Executive level	28.2
Total average	**28.9**

2023 SUSTAINABILITY REPORT

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

TARGETS	TIME HORIZON	PROGRESS
• To possess core competencies and experience in eight different areas for short term (0–3 years) target and 10 different areas for medium term (3–5 years) target	Short and medium term	Board members possess core competencies and experience in eight different areas
• To have board members from at least two different ethnic groups	Perpetual	Three ethnic groups have been represented on the Board
• To have four different age group categories represented	Perpetual	Four different age group categories have been represented
• To have board members with various tenures with the Manager's Board	Perpetual	Board members are from the '0–3', '3–5' and '5–7' years tenures
• To have at least two women directors on the Board	Perpetual	Two women directors are represented on the Board
• To appoint a woman to be the Board Chair or NRC Chair	Perpetual	Board Chair is a woman
• To have at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment. Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at the date of this report, they do not have other listed company board representation besides the Board of the Manager. Also, one of the two board members has not worked in either a real estate or funds management industry.
• To have at least 50.0% of the Board to be independent	Perpetual	Met regulatory requirement of having at least 50.0% of the Board being independent

Impact of Material Topic

At ESR-LOGOS REIT, diversity and equal opportunity is a key part of our value and operational strategy. We believe that by fostering a diverse and inclusive environment, we tap into a wealth of unique talent, perspectives and skills. This ensures that our workforce reflects the vibrant communities we serve and that our organisation benefits from the diverse backgrounds and experiences.

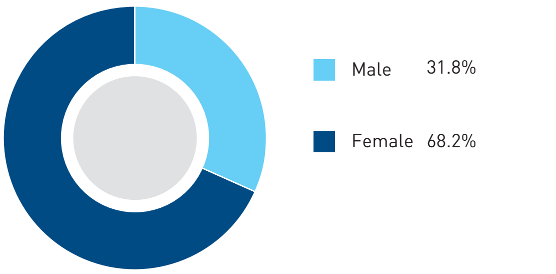
How We Manage This Issue

We adhere to the employment principles as set out in the Tripartite Guidelines on Fair Employment Practices and the Ministry of Manpower's Fair Consideration Framework, with inclusive hiring practices such as open job advertisements and unbiased talent assessment. This ensures a level playing field with fair and equal opportunities for individual merit to determine success.

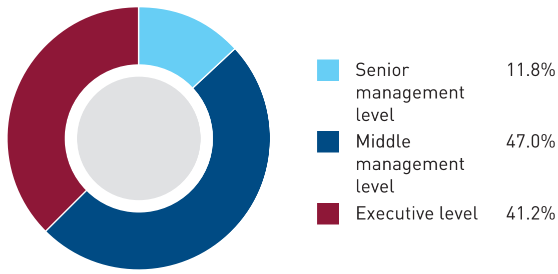
Our People

ESR-LOGOS REIT established a formal Board Diversity Policy in FY2019 which has been reviewed and enhanced in FY2023. This framework prioritises talent and diverse perspectives by actively considering factors like industry expertise, various facets of diversity (e.g. age, gender, ethnicity, tenure) and alignment with SGX-ST's requirements regarding diversity targets, plans and timelines. These enhancements to the framework bolster the Board's decision-making capabilities, enabling it to effectually mentor and monitor Management in achieving the REIT's long-term goals, thereby securing value for both ESR-LOGOS REIT and our Unitholders.

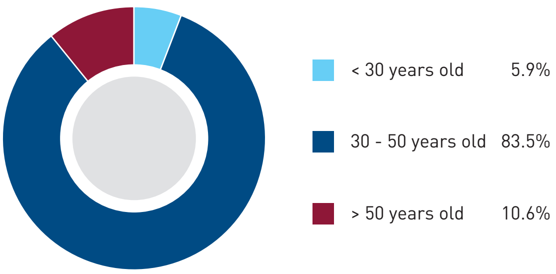
Employees by gender



Employees by employment category



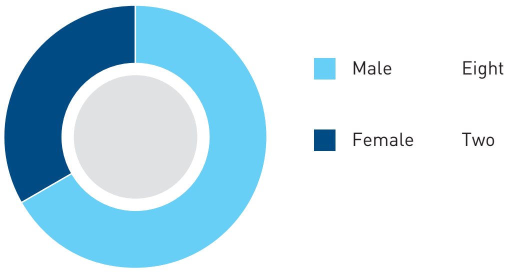
Employees by age group



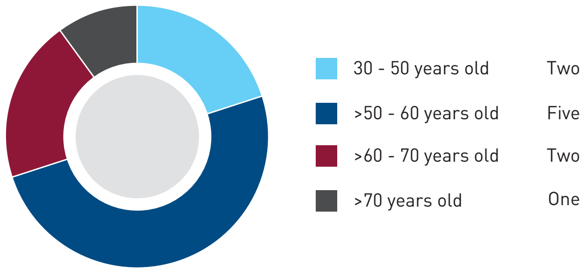
Intentional efforts to ensure diversity is shown across our Board and employees. As at 31 December 2023, we have 77 permanent full-time employees, one contracted part-time employee and seven contracted full-time employees, all located in Singapore. Out of the 85 employees, 41.2% are at the executive level, 47.0% at the middle management level and 11.8% at the senior management level. 5.9% were less than 30 years old, 83.5% were between 30 to 50 years old and 10.6% were above 50 years old. All employees are Singapore citizens or Permanent Residents. We also have 189 workers who are not employees, which include on-site technicians, cleaning staff and security personnel in our MTBs.

2023 SUSTAINABILITY REPORT

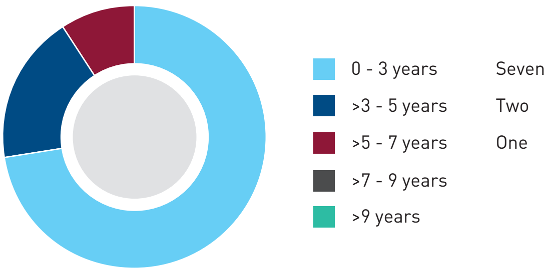
Board of Directors by gender



Board of Directors by age group

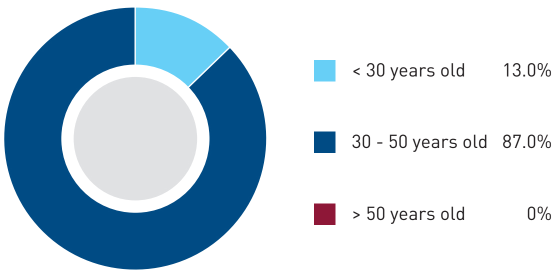


Board of Directors by tenure

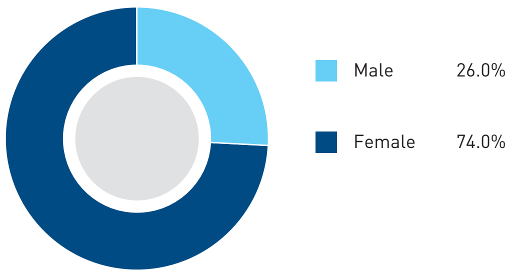


There are ten Board members, two of whom are female and eight are male. On the age distribution, two are between 30 to 50 years old, five are between 50 to 60 years old, two are between 60 to 70 years old and one is >70 years old. In terms of their length of service on the Board, seven of them are between 0 to 3 years, two are between 3 to 5 years and one between 5 to 7 years. More information regarding the Board members can found in our Annual Report pages 26 to 31.

New hired employees by age group

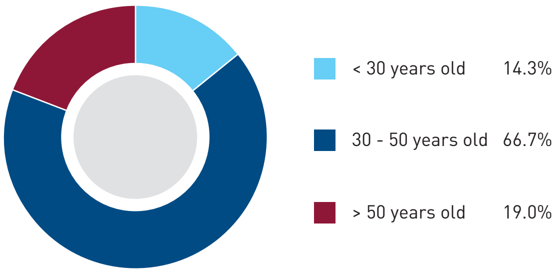


New hired employees by gender

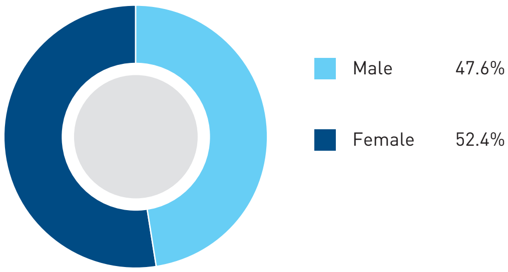


In the same year, there were 23 new hires, of which 13.0% are <30 years old and 87.0% are between 30 to 50 years old. 26.0% are male and 74.0% are female.

Employees turnover by age



Employees turnover by gender



There were 21 employees who left the company, of which 14.3% are <30 years old, 66.7% are between 30 to 50 years old and 19.0% are >50 years old.

MATERIAL TOPIC: HEALTH AND SAFETY

TARGETS	TIME HORIZON	PROGRESS
• To achieve Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR") of zero	Perpetual	Achieved zero WFIR and zero MIR in FY2023
• Conduct health and safety committee meetings quarterly	Perpetual	Monthly health and safety committee meetings were held to review and improve on the WSH practices

Impact of Material Topic

Robust occupational health and safety ("OHS") practices prevent or minimise workplace hazards, leading to fewer accidents, injuries and work-related illnesses. Healthy workplaces ranging from infrastructural to social support promotes overall physical health and well-being for employees. Fewer accidents and illnesses also translate to lower healthcare and insurance costs for companies, whereas reduced downtime and improved productivity can lead to increased profitability. A strong OHS program is important to create healthy, happy and productive workforce. This contributes to a positive work environment that benefits both individuals and the organisation.

How We Manage This Issue

We prioritise safety and well-being through the implementation of our comprehensive Workplace Safety and Health ("WSH") policies. The policy encompasses employees, vendors appointed by ESR-LOGOS REIT, tenants and occupants within our properties. Our WSH policies are enforced in our buildings through the implementation of Safety Management Systems (e.g. Permit-to-Work system, Risk Management) that must be complied by all contractors working in our buildings.

As the world emerges from COVID-19, Singapore has established an endemic COVID-19 as the new norm. We continued to monitor the situation, while turning our attention to other workplace hazards.

Our WSH System

ESR-LOGOS REIT implements our OHS practices through a collaborative WSH committee. The 10-member committee is made up of representatives across all departments and chaired by the General Manager of ESR-LOGOS REIT's Property Management. The committee has monthly meetings to review any WSH incidents in the past month, trends and case studies from the industry, as well as updates on any WSH findings from the properties in Singapore. The insights help us improve on the WSH practices to strengthen our management systems and preventive measures. We also appoint an external consultant to conduct WSH inspections on all properties in Singapore to identify any WSH non-compliances. Results of the audit is updated via the monthly WSH committee meetings. Any findings by the WSH consultant are shared with the Property Managers for immediate rectifications. In FY2023, there were no major non-compliances reported and all WSH findings were rectified and corrected.

2023 SUSTAINABILITY REPORT

We take a multi-faceted approach to WSH through the following standards and initiatives:

- We are certified to ISO 45001:2018 Occupational Health and Safety management system and have been internally and externally audited. This is in line with the regulations and guidelines of Singapore's Ministry of Manpower ("MOM"). Having this system in place minimises hazards and risks across all project sites and properties. All ESR-LOGOS REIT's 77 permanent employees, eight contracted employees, 189 outsourced workers, contractors and vendors are expected to comply with the standard.
- We conduct routine inspections and day-to-day operations of our tenants and contractors, which contributes to active identification of work-related hazards. Every incident, however minor, needs to be reported to the MOM and triggers a formal investigation. Remedial actions are taken by the Property Manager or project manager in-charge, who works with vendors to put in place prevention measures.
- We engage external consultants to conduct monthly WSH audits of our buildings, workplace and fire and safety. By December 31, 2023, 51 properties have been audited.

We adhere strictly to all relevant OHS regulations set by the MOM in Singapore, including immediate reporting of any on-site work-related incident. We encourage everyone, from employees to contracted workers, to be active participants in creating a safe environment by reporting any potential hazard they encounter. If they find themselves to be in situations they deem unsafe, they are expected to safely remove themselves and report it immediately.

All new employees are equipped with essential OHS knowledge through the new hire training, such as fire escape plans, appointed first aiders, location of safety kits and department-specific safety education. Every year, the property management team also receives compulsory trainings in occupational first aid, implementation of incident management process ("IIMP") and responding to fire incidents at the workplace ("RFIW") trainings. These trainings refresh their responses and keeps them updated on the best practices. The occupational first aid certificate requires recertification every two years, while the IIMP and RFIW are one-off trainings. In FY2023, the majority of Property Managers and Executives completed the IIMP and RFIW training.

FY2023 Performance: Occupational Health & Safety

0

Workplace Fatal Injury Rate "WFIR" and Major Injury Rate "MIR" (per 100,000 employees)

	Employees		Other workers[1]	
	2022	2023	2022	2023
No. of work-related fatalities	0	0	0	0
Fatality rate (per 1,000,000 hours worked)	0	0	0	0
No. of recordable work-related injuries	0	0	0	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	0	0	0	0
No. of high-consequence work-related injuries	0	0	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	0	0	0	0
Total manhours worked	168,553	165,360	1,213,209	827,820

1 Workers include those involved in development projects and property maintenance (i.e. technicians, cleaners and security officers). Worker manhours were estimated from daily rosters.

There were no employee work-related injury and work-related fatality in FY2023.

Supporting Employee Health & Wellbeing

We believe employees' well-being extends beyond the physical workplace. As such, the Manager provides a diverse suite of health and wellness initiatives for our employees:

- Employee Insurance Cover: Term Life, Personal Accident and Permanent Disability, Hospital and Surgical, Outpatient Specialist and Travel
- Flexi-benefits scheme allowing reimbursements for approved expenditures
- Comprehensive leave entitlements, including exam leave and study leave
- Flexible work arrangements
- Wellness webinar series
- Weekly tasty treats bonding sessions at the office pantry
- Employee quarterly outing e.g. badminton, bowling, brisk walk
- Ad-hoc reaching out to HR for support when needed

MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT

TARGETS	TIME HORIZON	PROGRESS
• To obtain 100% supplier compliance with green procurement policy by 2030	Medium term	100% of new suppliers in FY2023 meet the green procurement policy 10.7% of existing suppliers meet the green procurement policy

Impact of Material Topic

For REITs, effective supply chain management reduces expenses through optimised procurement and logistics, minimises operational and reputational risks through reliable materials and ethical practices and fuels growth through smooth project turnaround. While optimising supply chains can reduce costs and boost returns, the environmental and social impacts should also be considered. Efficient practices can minimise wastage and emissions, while compliance to social legislations can ensure compliance to fair labour practices. Conversely, negligence can lead to pollution, resource depletion, unfair labour practices and community displacement.

How We Manage This Issue

Recognising the social and environmental impact our operations have throughout our supply chain, we developed and implemented our Green Procurement Policy in FY2021. This policy guides the implementation of sustainable practices throughout our supply chain, aligning with our broader commitment to be a responsible business. It covers vendors who provide goods and services to the Property Management team and includes contractors who are appointed to carry out development activities for ESR-LOGOS REIT. More details on the policy can be found on our website at https://www.esr-logosreit.com.sg/sustainability_corporate_policies.html.

Screening of Suppliers

Our portfolio in Singapore relies on a diverse range of local suppliers, from service vendors and utility providers to cleaning, security and building maintenance. We have directly managed our properties since FY2019, delivering quality service to our tenants.

We ensure these by conducting due diligence checks at the point of engagement by notifying them on the requirement to comply with our Green Procurement Policy and assessing them against our vendor tender pre-qualification assessment. A vendor will not be qualified to participate in tenders or Request for Quotations if they do not qualify as an approved vendor. During the tender evaluation, we give preference to suppliers who demonstrate commitment to environmental sustainability, which includes the following:

1. Vendors use products with international and/or local environmental product standards e.g. Energy Star, Singapore Green Building Product ("SGBP")
2. Vendors meet environmental process standards and practices e.g. ISO 14001, Singapore Green Building Services ("SGBS")
3. Vendors implement good labour, occupational health and safety practices aligned with international and/or local standards e.g. ISO 45001, BizSafe Level 3

2023 SUSTAINABILITY REPORT

Depending on the scope of services provided, vendors may also be approved if their scope of services do not entail the use of green products, such as security service providers.

Only approved vendors are permitted to participate in tenders or Request for Quotation exercises. As a baseline, we expect all contractors and vendors to comply with relevant laws and regulations. We also expect them to conduct ethical business practices aligned with our internal Code of Conduct and Business Ethics. More details on the policy can be found at: https://www.esr.com/environmental-social-governance/.

FY2023 Performance: Supply Chain Management

100%
Of new suppliers underwent environment criteria screening

At the point of contract renewal, we assess our suppliers and vendors to ensure that they remain compliant with our Green Procurement Policy. This is done by verifying their policies, conduct and relevant process documentation, including noting of any new relevant sustainability-related certifications as listed above. For vendors who are unable to comply, they are given time to improve in meeting the requirements before the next contract renewal. If they remain non-compliant, they will be removed from our approved vendor list and will not be eligible to participate in our tenders. These assessments are conducted either by our internal Contracts and Procurement team or by engaging an independent third party.

MATERIAL TOPIC: OUR COMMUNITY

TARGETS	TIME HORIZON	PROGRESS
• Achieve at least 500 hours of employee volunteerism	Perpetual	Achieved 528.5 hours in FY2023

Impact of Material Topic

Close community engagement establishes strong relationships to collectively build a sustainable business environment and enhanced civic responsibility.

Community engagement and environmental impact are also interconnected. Collaborative efforts between communities, governments, and other stakeholders play a vital role in addressing environmental challenges while promoting the well-being of societies.

FY2023 Performance: Our Community

100%
Of our employees participated in ESR-LOGOS REIT's organised community engagement activities, totalling 528.5 hours of staff volunteerism collectively

How We Manage This Issue

The Manager is committed to making a positive impact and contributing to the broader community. To achieve this, we hold regular dialogue with grassroot organisations and develop strategic programmes based on community needs. This can include providing financial support (cash or in-kind donations), offering resources or manpower for specific causes, or supporting community initiatives in other ways.

Employees are encouraged to do their part for the community and are provided with two days of volunteer leave annually.

Reducing Food Waste

Lunch Time Rescue Vegetable Distribution

In 2Q2023, the Manager rolled out a new CSR initiative, the Lunch Time Rescue Vegetable Distribution initiative. This initiative helps to tackle food wastage by rescuing edible "ugly" vegetables that would otherwise be thrown away from the Pasir Panjang Wholesale Center, while also helping to defray grocery costs for needy families.

Twice a month on a rotational basis, ESR-LOGOS REIT employees, head to the heartlands to sort and distribute vegetables to residents during their lunch break. The Manager also sponsors the transportation of these vegetables from the wholesale centres to Kembangan-Chai Chee for distribution.



Employees sorting and distributing rescued vegetables to residents at Kembangan-Chai Chee

Protecting Biodiversity

Beach Clean-Up

ESR-LOGOS REIT employees and their families took a step towards creating a sustainable and cleaner environment by participating in the East Coast GRC Beach Clean Up initiative. Our team along with their family members rolled up their sleeves and collectively removed close to 82 kg of plastics and non-organic trash from our shoreline. The program reinforces our dedication to contributing to a cleaner, greener environment for the future generations.



Deputy Prime Minister, Coordinating Minister for Economic Policies and Member of Parliament for East Coast GRC, Mr. Heng Swee Keat, together with ESR-LOGOS REIT's employees and family members at the Beach Clean-Up.

2023 SUSTAINABILITY REPORT

Marine Parade Ecofest and Tree Planting

Our aim to nurture sustainable practices and foster unity within our communities were exemplified as we participated in the Marine Parade Ecofest. The Manager sponsored a food truck for residents and all participants of the event. Our CEO, Mr. Adrian Chui and Deputy CEO, Ms. Karen Lee, planted a tree in the Marine Parade estate, symbolising ESR-LOGOS REIT's commitment to be stewards for the environment.


CEO and Executive Director of the Manager, Mr. Adrian Chui and Deputy CEO of the Manager, Ms. Karen Lee at the Marine Parade Ecofest.

Nurturing our Youths

Kidzcare Tuition Centre

The Manager continues with its collaboration with Kidzcare@Kembangan-Chai Chee, an initiative to provide a tuition centre for underprivileged primary school students. The Manager has provided three air-conditioned units at ESR BizPark @ Chai Chee for the lessons to be conducted. This program gives the youths access to a safe and conducive environment for them to pursue and excel in their education. Going forward, the Manager is planning to also provide non-academic enrichment lessons such as music or art classes for a more holistic and all rounded approach to the development of our youths.


Youths of Kembangan-Chai Chee attending tuition lessons at ESR BizPark@ChaiChee tuition centre.

SportsCares Community Futsal Programme

The Manager continues their partnership with Sport Singapore by sponsoring a futsal team under the SportCares Community Futsal Program for vulnerable youths. The program works toward empowering youths and to create positive character and behavioural changes in youths at risk through sports.

GOVERNANCE

The Manager upholds governance and compliance standards to safeguard the REIT's assets while fostering enduring trust with stakeholders.

MATERIAL TOPICS: REGULATORY COMPLIANCE, GOVERNANCE AND ENTERPRISE RISK MANAGEMENT

TARGETS	TIME HORIZON	PROGRESS
• Zero lapses in corporate governance or corruption	Perpetual	Zero lapses in corporate governance or corruption
• Provide training to all employees on compliance with relevant governance policies	Perpetual	Provided bite-sized trainings on Compliance Policies and Procedures to all employees in FY2023
• Ensure procedures and business continuity plans are in place for pandemic preparedness and resilience	Perpetual	Business continuity plan as well as influenza Pandemic Preparedness Plan are in place
• Zero material incidents of noncompliance with socioeconomic or environmental laws	Perpetual	Zero material incidents of non-compliance with socioeconomic or environmental laws

Impact on Governance

For REITs, strong governance and compliance safeguards investor trust and assets, attracts responsible capital and fosters positive stakeholder relationships. It minimises risks of fraud and mismanagement, boosts reputation and promotes long-term value creation. Ensuring compliance with regulatory requirements also helps to avoid legal complications, fines and potential reputational damage, thereby ensuring smooth operations. Overall, this creates a positive and collaborative environment for investors, tenants, employees and the community.

How We Manage This Issue

The Manager fosters a culture of ethical conduct and responsible governance through integrated initiatives across the company. This includes establishing compliance policies and procedures, proactive risk management and comprehensive employee training.

Strict Policies and Procedures

Internal policies and procedures are in place to ensure ESR-LOGOS REIT upholds all applicable laws and regulations, including the Code of Corporate Governance 2018, the Code on Collective Investment Schemes, the Trust Deed and SGX-ST's Listing Rules.

Training and Awareness for Employees

The Manager champions a culture of compliance through annual updates and trainings on compliance policies and procedures. The Compliance and Risk Management Department also conducts regular bite-sized compliance training sessions designed to reinforce employee understanding of internal policies and procedures, thereby minimising compliance risks. In FY2023, we conducted two bite-sized compliance training sessions.

As part of the ESR Group's compliance training program, all employees are required to complete mandatory compliance online training which covers topics that are relevant to the corporate compliance policies and other governance related matters such as conflict of interest, anti-bribery and anti-corruption. More details on the policy can be found at: https://www.esr.com/environmental-social-governance/.

2023 SUSTAINABILITY REPORT

Open Communication for Transparency

The ARCC and the Board emphasise transparency and open communication throughout the organisation, which is underscored in the Policy on Conflict of Interest. The Manager bolsters this by upholding a zero-tolerance stance on corruption. Ethical conduct and anti-corruption measures include incorporating internal guidelines on the receipt and offering of gifts and entertainment within the policy, ensuring employees are equipped with the knowledge and resources to navigate potential conflicts.

Whistleblowing Policy and Grievance Mechanism

ESR-LOGOS REIT offers a safe and confidential whistle-blowing platform for employees and external parties to report potential improprieties, including financial concerns.

The Policy on Whistleblowing has been communicated to all employees and details of the policy are also available to the public on the corporate website at https://www.esr-logosreit.com.sg/sustainability_corporate_policies.html. Employees of the Managers and external parties can raise their concerns by filling in a form found on ESR-LOGOS REIT's website and submitting it to whistleblowing@esr-logosreit.com.sg. The case will be routed directly to the ARCC Chairman and designated officers, to allow independent investigation of the matter raised and appropriate follow-up actions. Internally, employees can also choose to report any observed incident to their immediate supervisor, any Heads of Departments, the Head of Compliance and Risk Management, the ARCC Chairman or the CEO. Employees can refer to the internal telephone directory for the contacts information of the various points of contact.

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

Separately, employees may consult their Head of Departments for advice on the company's policies and practices for responsible business conduct, or to raise any feedback or conflicts in the workplace by themselves. Issues may include perceived unfairness in pay, working hours, or interpersonal issues within the workplace. There is also an escalation mechanism in place through our Grievance Handling Policy to raise the issue to the management.

Enterprise Risk Management

The Manager has put in place a risk management system to identify, measure, prioritise and respond to potential risks that may significantly affect the REIT's operations. The Manager adopts the following four-step risk management process:

1. Risk identification and assessment;
2. Risk management application;
3. Risk monitoring; and
4. Reporting.

For more information on our corporate governance practices and risk management activities, please refer to Corporate Governance and Risk Management sections in pages 128 to 160 of the Annual Report.

2023 Performance: Governance and Compliance

0

Material incident of non-compliance with socioeconomic or environmental laws and regulations

0

Lapses in corporate governance or corruption

In our Singapore properties, there were three cases of mosquito breeding that were detected by NEA. The cases were due to negligence of pest control contractors who have since paid the fines to NEA. There was no material incident of non-compliance with socioeconomic or environmental laws and regulations in FY2023.

GRI CONTENT INDEX

ESR-LOGOS REIT has reported in accordance with the GRI Universal Standards 2021 for the period 1 January 2023 to 31 December 2023.

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
The Organisation and its Reporting Practices			
2–1	Organisational details	Annual Report: About Us, page ii Sustainability Report: About This Report, page 161	—
2–2	Entities included in the organisation's sustainability reporting	Annual Report: Singapore Property Portfolio Map, page 104 Sustainability Report: About This Report, page 161 Annual Report: Australia and Japan Property Portfolio Map, page 109	—
2–3	Reporting period, frequency and contact point	Sustainability Report: About This Report, page 161 Sustainability Report: Feedback, page 162	—
2–4	Restatements of information	Sustainability Report: Restatement of Information, page 162 Sustainability Report: Material Topic: Energy and Carbon Footprint — FY2023 Performance: Electricity, Cooling and Carbon Emissions, pages 185 – 186	—
2–5	External assurance	Sustainability Report: About This Report, page 162	—
Activities and Workers			
2–6	Activities, value chain and other business relationships	Annual Report: About Us, page ii Annual Report: Message to Unitholders, page 12 Annual Report: FY2023 Key Highlights, pages 20 – 21 Annual Report: Five-Year Financial Highlights, pages 22 – 23 Sustainability Report: About This Report, page 161 Sustainability Report: Stakeholder Engagement, pages 172 – 174	—
2–7	Employees	Sustainability Report: Material Topic: Diversity and Equal Opportunity — Our People, pages 201 – 203	—
2–8	Workers who are not employees	Sustainability Report: Material Topic: Diversity and Equal Opportunity — Our People, page 201	—

GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Governance			
2–9	Governance structure and composition	Annual Report: Board of Directors, pages 26 – 31 Sustainability Report: Our Sustainability Leaders at ESR-LOGOS REIT, page 170 Sustainability Report: Material topic: Diversity and Equal Opportunity — Our People, page 202	—
2–10	Nomination and selection of the highest governance body	Annual Report: Corporate Governance, Selection and Appointment of Directors, page 143	—
2–11	Chair of the highest governance body	Annual Report: Corporate Governance, Principle 2: Board Composition and Guidance, page 138	—
2–12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report: A Statement from our Board, pages 165 – 166 Sustainability Report: Sustainability Governance, page 171	—
2–13	Delegation of responsibility for managing impacts	Sustainability Report: A Statement from our Board, pages 165 – 166 Sustainability Report: Sustainability Governance, page 171 Sustainability Report: Our Sustainability Leaders at ESR-LOGOS REIT, page 170	—
2–14	Role of the highest governance body in sustainability reporting	Sustainability Report: A Statement from our Board, pages 165 – 166 Sustainability Report: Sustainability Governance, page 171	—
2–15	Conflicts of interest	Annual Report: Corporate Governance, Role of Board, pages 135 – 136 Annual Report: Corporate Governance, Principle 8: Disclosure on Remuneration, page 145 Annual Report: Corporate Governance, Dealings With Potential Conflicts of Interest, page 157 – 158	—
2–16	Communication of critical concerns	Sustainability Report: Stakeholder Engagement, pages 172 – 174	—
2–17	Collective knowledge of the highest governance body	Sustainability Report: Our Sustainability Leaders at ESR-LOGOS REIT, page 170	—

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
2–18	Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance, Principle 5: Board Performance, page 144	—
2–19	Remuneration policies	Annual Report: Corporate Governance, Principle 4: Board Membership, pages 142 – 143	—
2–20	Process to determine remuneration	Annual Report: Corporate Governance, Principle 4: Board Membership, pages 142 – 143 Annual Report: Corporate Governance, Remuneration Matters pages 144 – 145	—
2–21	Annual total compensation ratio	NIL	Not disclosed due to confidentiality constraints.
Strategy, Policies and Practices			
2–22	Statement on sustainable development strategy	Sustainability Report: A Statement from Our Board, pages 165 – 166	—
2–23	Policy commitments	Sustainability Report: Environmental, pages 181 – 196 Sustainability Report: Social, pages 197 – 208 Sustainability Report: Governance, pages 209 – 210	—
2–24	Embedding policy commitments	Sustainability Report, Governance, pages 209	—
2–25	Processes to remediate negative impacts	Sustainability Report: Material topics: Regulatory Compliance, Governance and Enterprise Risk Management, page 210	—
2–26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Stakeholder Engagement, pages 172 – 174 Sustainability Report: Compliance, Governance and Enterprise Risk Management, page 210	—
2–27	Compliance with laws and regulations	Sustainability Report: Compliance, Governance and Enterprise Risk Management, page 209 – 210	—
2–28	Membership associations	Sustainability Report: Stakeholder Engagement, page 173	—

GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Stakeholder Engagement			
2–29	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement, page 172	—
2–30	Collective bargaining agreements	NIL	All employees within the scope of this report are not covered by collective bargaining agreements, as they are considered as professionals.
Topic Specific Disclosures			
Disclosures on Material Topics			
3–1	Process to determine material topics	Sustainability Report: Stakeholder Engagement, page 172 Sustainability Report: Materiality Assessment and Our Material Factors, page 174	—
3–2	List of material topics	Sustainability Report: Materiality Assessment and Our Material Factors, page 174	—
Investment Management — Quality of Assets and Services			
N/A	Responsible investing and quality of assets and services	Sustainability Report: Material Topic: Investment Management — Quality Assets and Services, page 176	—
3–3	Management of material topics	Sustainability Report: Material Topic: Investment Management — Quality Assets and Services, page 176	—
Tenant Engagement and Satisfaction			
N/A	Tenant engagement and satisfaction	Sustainability Report: Material Topic: Tenant Engagement and Satisfaction, page 179	—
3–3	Management of material topics	Sustainability Report: Material Topic: Tenant Engagement and Satisfaction, page 176	—

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Energy and Carbon Footprint			
3–3	Management of material topics	Sustainability Report: Material Topic: Energy and Carbon Footprint, pages 181 – 182	—
302–1	Energy consumption within the organisation	Sustainability Report: Material Topic: FY2023 Performance: Electricity, Cooling and Carbon Emissions, page 185 – 186	—
302–3	Energy intensity	Sustainability Report: Material Topic: Energy and Carbon Footprint, FY2023 Performance: Electricity, Cooling and Carbon Emissions, pages 185 – 186	—
305–1	Direct (Scope 1) GHG emissions	Sustainability Report: Material Topic: Energy and Carbon Footprint, FY2023 Performance: Electricity, Cooling and Carbon Emissions, pages 185 – 186	—
305–2	Energy indirect (Scope 2) GHG emissions	Sustainability Report: Material Topic: Energy and Carbon Footprint, FY2023 Performance: Electricity, Cooling and Carbon Emissions, pages 185 – 186	—
305–4	GHG emissions intensity	Sustainability Report: Material Topic: Energy and Carbon Footprint, FY2023 Performance: Electricity, Cooling and Carbon Emissions, pages 185 – 186	—
Climate Change Adaptation			
N/A	Climate change adaptation	Sustainability Report: Material Topic: Climate Change Adaptation, page 187	—
3–3	Management of material topics	Sustainability Report: Material Topic: Climate Change Adaptation, page 187	—
Water			
3–3	Management of material topics	Sustainability Report: Material Topic: Water, page 194	—
303–1	Interactions with water as a shared resource	Sustainability Report: Material Topic: Water, pages 194 – 195	—
303–3	Water withdrawal	Sustainability Report: Material Topic: Water, FY2023 Performance: Water Withdrawal, page 195	—

GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Waste			
3–3	Management of material topics	Sustainability Report: Material Topic: Waste, page 196	—
306–1	Waste generation and significant waste-related impacts	Sustainability Report: Material Topic: Waste, FY2023 Performance: Waste Management, page 196	—
306–2	Waste by type and disposal method	Sustainability Report: Material Topic: Waste, FY2023 Performance: Waste Management, page 196	—
306–3	Waste generated	Sustainability Report: Material Topic: Waste, FY2023 Performance: Waste Management, page 196	—
306–4	Waste diverted from disposal	Sustainability Report: Material Topic: Waste, FY2023 Performance: Waste Management, page 196	—
Employee Engagement and Satisfaction			
3–3	Management of material topics	Sustainability Report: Material Topic: Employee Engagement and Satisfaction, page 197	—
404–2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report: Material Topic: Employee Engagement and Satisfaction, FY2023 Performance: Training and Education, page 199	—
Diversity and Equal Opportunity			
3–3	Management of material topics	Sustainability Report: Material Topic: Diversity and Equal Opportunity, page 200	—
401–1	New employee hires and employee turnover	Sustainability Report: Material Topic: Diversity and Equal Opportunity, Our People, pages 201 – 203	—
405–1	Diversity of governance bodies and employees	Sustainability Report: Material Topic: Diversity and Equal Opportunity, Our People, pages 201 – 202	—

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Health and Safety			
3–3	Management of material topics	Sustainability Report: Material Topic: Health and Safety, page 203	—
403–1	Occupational health and safety management system	Sustainability Report: Material Topic: Health and Safety, Our WSH System, pages 203 – 204	—
403–2	Hazard identification, risk assessment and incident investigation	Sustainability Report: Material Topic: Health and Safety, Our WSH System, pages 203 – 204	—
403–3	Occupational health services	Sustainability Report: Material Topic: Health and Safety, Supporting Employee Health & Wellbeing, page 205	—
403–4	Worker participation, consultation and communication on occupational health and safety	Sustainability Report: Material Topic: Health and Safety, Our WSH System, pages 203 – 204	—
403–5	Worker training on occupational health and safety	Sustainability Report: Material Topic: Health and Safety, Our WSH System, pages 203 – 204	—
403–6	Promotion of worker health	Sustainability Report: Material Topic: Health and Safety, Supporting Employee Health & Wellbeing, page 205	—
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report: Material Topic: Health and Safety, Our WSH System, pages 203 – 204	—
403–9	Work-related injuries	Sustainability Report: Material Topic: Health and Safety, 2023 Performance: Occupational Health & Safety, page 204	—
Supply Chain Management			
3–3	Management of material topics	Sustainability Report: Material Topic: Supply Chain Management, page 205	—
308–1	New suppliers that were screened using environmental criteria	Sustainability Report: Material Topic: Supply Chain Management, FY2023 Performance: Supply Chain Management, page 206	—
308–2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report: Material Topic: Supply Chain Management, pages 205 – 206	—

GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Section/ Page Number	Omissions
Our Community			
3–3	Management of material topics	Sustainability Report: Material Topic: Community, page 206	—
413–1	Operations with local community engagement, impact assessments and development programs	Sustainability Report: Material Topic: Community, page 206	—
Governance and Enterprise Risk Management			
3–3	Management of material topics	Sustainability Report: Material Topic: Regulatory Compliance, Governance and Enterprise Risk Management, page 209	—
205–1	Operations assessed for risks related to corruption	Annual Report: Risk Management, pages 130 – 132	—
205–2	Communication and training about anti-corruption policies and procedures	Annual Report: Risk Management, page 132	—
205–3	Confirmed incidents of corruption and actions taken	Sustainability Report: Material Topic: Regulatory Compliance, Governance and Enterprise Risk Management, FY2023 Performance: Governance and Compliance, page 210	—
Regulatory compliance			
3–3	Management of material topics	Sustainability Report: Material Topic: Regulatory Compliance, Governance and Enterprise Risk Management, page 209	—
2-27	Compliance with laws and regulations	As described in GRI 2-27 above	—

SASB CONTENT INDEX

Topic	SASB Code	Accounting Metric	FY2023 Business Park	FY2023 High-Specs Industrial	FY2023 Logistics & Warehouse	FY2023 General Industrial
Energy MGMT	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	66%	49%	0.1%	91%
	IF-RE-130a.2	(1) Total energy (GJ) consumed by portfolio area with data coverage, by property subsector	45,387	13,983	79,505	10,036
	IF-RE-130a.2	(2) Percentage of energy consumed that was supplied from grid electricity, by property subsector	100%	100%	82.0%	99.6%
	IF-RE-130a.2	(3) Percentage of energy consumed that was renewable energy, by property subsector	0%	0%	18.0%	0.4%
	F-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	107.51%	24.26%	111.91%	90.28%
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Building energy management considerations are integrated into our climate targets. ESR LOGOS-REIT aims to reduce energy intensity by 1% per annum for MTBs, or 7% by FY2023. We also aim to achieve a 50% increase in solar power generation by FY2025 (against base year FY2019).			
Water MGMT	IF-RE-140a.1	(1) Water withdrawal data coverage as a percentage of total floor area, by property subsector	100%	100%	93.2%	100%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage	164,889.69 m^3	20,280.13 m^3	109,864.39 m^3	63,371.08 m^3
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	111%	16%	115%	105%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	To mitigate our water management risk, ESR-LOGOS REIT has set targets to reduce water intensity by 2% per annum for MTBs, and for 10% of new buildings to be certified Water Efficient Building.			
MGMT Tenant Sustainability Impacts	IF-RE-410a.3	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	ESR-LOGOS REIT has introduced green lease clauses into new leases and lease renewals. The key elements of the green lease clauses include (i) compliance to green building certification requirements into tenants' fit-out plans, e.g. fulfilling lighting power budget and (ii) use of Green labeled products for fitting out.			

FINANCIAL CONTENTS

REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of ESR-LOGOS REIT (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the Listing Manual, the Trustee shall monitor the activities of ESR-LOGOS Funds Management (S) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 31 March 2006 (as amended), including the Deed of Retirement and Appointment of Trustee of the Trust dated 14 April 2022 between the Trustee and the Manager (the "Trust Deed") in each annual accounting year and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 227 to 331 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Matthew Allen
Director

Singapore

20 March 2024

STATEMENT BY THE MANAGER

In the opinion of the directors of ESR-LOGOS Funds Management (S) Limited, the accompanying financial statements of ESR-LOGOS REIT (the "Trust") and its subsidiaries (the "Group") set out on pages 227 to 331 comprising the Statements of Financial Position, Consolidated Statement of Total Return, Consolidated Distribution Statement, Statements of Movements in Unitholders' Funds, Investment Properties Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including material accounting policy information, are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 December 2023, and the financial performance, distributable income, movements in Unitholders' funds and cash flows of the Group and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
ESR-LOGOS Funds Management (S) Limited

Ms. Stefanie Yuen Thio
Chairperson

Singapore

20 March 2024

INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ESR-LOGOS REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and investment properties portfolio statements of the Group and the Trust as at 31 December 2023, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and present fairly, in all material respects, the consolidated financial position and consolidated portfolio holdings of the Group and the financial position and portfolio holdings of the Trust as at 31 December 2023 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2023

Key audit matters (continued)

Valuation of investment properties held either directly or through joint venture and investments at fair value through profit or loss

The Group's investments in property assets comprise investment properties held either directly or through joint venture and investments in unquoted property funds. As at 31 December 2023, the respective carrying value of directly held investment properties is $4.7 billion, investment in joint venture is $41.2 million, and investments at fair value through profit or loss is $300.3 million. The underlying investment properties, held directly or indirectly, are stated at fair values based on independent external valuations.

The valuation of investment properties is considered a key audit matter because it requires significant judgement in the determination of the appropriate valuation methodology and the assumptions and estimates that are to be applied in the valuation. The valuation of the investment properties is sensitive to changes in the key assumptions applied, which is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions.

We have assessed the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and the review of the valuation reports issued by the external valuers. We evaluated the independence, objectivity and competency of the valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the valuation methodologies adopted and compared them against those applied by other valuers for similar property types. We tested the key inputs in the projected cash flows and net operating income used in the valuations to supporting key information such as contractual terms of the leases and externally available industry and economic data.

We assessed the reasonableness of key assumptions used in the valuations, including market rental growth, price per square metre, terminal yield, capitalisation and discount rates, by comparing them against current and historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures and, where necessary, held discussions with the valuers to understand the effects of additional factors taken into account in the valuations and assessed whether the assumptions and market data used were reasonable in the context of the current environment.

We have reviewed the appropriateness of the disclosures in Notes 4 and 29 of the financial statements.

Other information

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2023

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO UNITHOLDERS OF ESR-LOGOS REIT

For the financial year ended 31 December 2023

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

20 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Trust	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Assets					
Non-current assets					
Investment properties	4	4,686,985	5,103,400	1,292,290	1,570,449
Investments in subsidiaries	5	–	–	1,953,875	2,104,974
Investment in joint venture	6	41,233	41,233	41,233	41,233
Investments at fair value through profit or loss ("FVTPL")	7	300,347	342,665	75,910	77,320
Loans to subsidiaries	8	–	–	667,506	725,755
Derivative financial instruments	9	5,075	19,617	–	10,419
		5,033,640	5,506,915	4,030,814	4,530,150
Current assets					
Trade and other receivables	10	27,258	40,684	49,401	52,177
Derivative financial instruments	9	3,426	4,385	3,260	4,385
Cash and bank balances	11	41,985	45,579	10,131	9,539
		72,669	90,648	62,792	66,101
Investment properties held for divestment	4	–	56,595	–	8,141
		72,669	147,243	62,792	74,242
Total assets		5,106,309	5,654,158	4,093,606	4,604,392
Liabilities					
Current liabilities					
Trade and other payables	12	77,924	91,560	35,693	42,796
Lease liabilities for leasehold land	13	17,073	16,180	2,735	2,895
Interest-bearing borrowings	14	163,088	229,349	163,088	229,349
Derivative financial instruments	9	182	–	182	–
Amount due to non-controlling interest	15	70,928	63,316	–	–
		329,195	400,405	201,698	275,040
Liabilities directly attributable to investment properties held for divestment	13	–	6,328	–	1,076
		329,195	406,733	201,698	276,116
Non-current liabilities					
Trade and other payables	12	35,854	20,530	15,909	5,537
Lease liabilities for leasehold land	13	574,972	521,440	129,355	155,154
Interest-bearing borrowings	14	1,392,799	1,846,707	984,165	1,410,387
Derivative financial instruments	9	2,674	1,907	2,674	1,907
Deferred tax liabilities	24	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	16	302,128	302,128	302,128	302,128
Non-controlling interest - perpetual securities	17	–	102,306	–	–
		2,765,278	2,849,087	2,755,479	2,751,083
Units in issue ('000)	18	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Gross revenue	19	386,350	343,232
Property expenses	20	(113,191)	(98,989)
Net property income		273,159	244,243
Income from investments at FVTPL		9,215	11,129
Management fees	21	(21,924)	(21,201)
Trust expenses	22	(6,348)	(5,172)
Borrowing costs, net	23	(76,013)	(62,247)
Finance costs on lease liabilities for leasehold land	13	(32,176)	(23,743)
Net income		145,913	143,009
Foreign exchange loss		(1,240)	(2,256)
Change in fair value of investments at FVTPL		(39,839)	8,360
Change in fair value of financial derivatives		(16,346)	27,570
Change in fair value of investment properties	4	(166,818)	(22,511)
Fair value adjustments relating to the Merger		–	(427,055)
Change in fair value of right-of-use of leasehold land	13	8,685	5,593
Share of results of joint venture	6	3,876	5,343
Total loss for the year before income tax		(65,769)	(261,947)
Income tax credit/(expense)	24	2,104	(9,492)
Total loss for the year after income tax		(63,665)	(271,439)
Attributable to:			
Unitholders of the Trust and perpetual securities holders		(67,449)	(278,261)
Non-controlling interest - perpetual securities holders		467	3,828
Non-controlling interest - others		3,317	2,994
Total loss for the year		(63,665)	(271,439)
Earnings per Unit (cents)			
Basic and diluted	25	(1.150)	(4.972)
Distribution per Unit (cents)	25	2.564	3.000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2023

	Group	
	2023 $'000	**2022 $'000**
Total loss after income tax, before distribution for the year	**(67,449)**	(278,261)
Add: Distribution adjustments (Note A)	**243,938**	437,871
	176,489	159,610
Amount reserved for distributions to perpetual securities holders	**(18,198)**	(12,049)
Net income available for distribution to Unitholders	**158,291**	147,561
Total amount available for distribution comprising:		
– Taxable income	**158,291**	147,561
– Tax-exempt income	**4,084**	12,049
– Capital distribution	**30,323**	17,487
	192,698	177,097
Less: Distributions (Note B)	**(101,508)**	(73,606)
Net amount available for distribution to Unitholders as at 31 December	**91,190**	103,491
Note A — Distribution adjustments		
Non-tax deductible/(chargeable) items and other adjustments:		
Management fees paid/payable in Units	**12,352**	10,837
Property Manager's fees paid/payable in Units	**3,200**	3,257
Trustee's fees	**956**	1,028
Financing related costs, including amortisation of debt related costs	**12,768**	11,091
Realised foreign exchange gain	**–**	(1,779)
Unrealised foreign exchange loss	**1,435**	4,163
Change in fair value of investments at FVTPL	**39,839**	(8,360)
Fair value adjustments relating to the Merger	**–**	427,055
Change in fair value of investment properties	**166,818**	22,511
Change in fair value of financial derivatives	**16,346**	(27,570)
Legal and professional fees	**1,164**	(867)
Adjustment for straight-line rent and lease incentives	**(2,947)**	(1,976)
Miscellaneous expenses	**202**	2,291
Share of results of joint venture	**(3,876)**	(5,343)
Distributable income from joint venture	**3,876**	5,236
Deferred tax (credit)/expense	**(2,133)**	5,069
Non-controlling interest share of non-tax deductible items	**(519)**	(643)
Interest income from subsidiary that was capitalised	**1,053**	227
Rollover adjustment from prior years	**(36)**	(2,224)
Tax interest adjustment	**72**	262
Net tax adjustments for income from subsidiaries and investments at FVTPL	**(6,632)**	(6,394)
Net effect of distribution adjustments	**243,938**	437,871

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2023

Note B — Distributions

	Group 2023 $'000	Group 2022 $'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 0.930 cents per Unit for the period from 27/2/2023 to 30/6/2023	71,358	–
Distribution of 0.448 cents per Unit for the period from 1/1/2023 to 26/2/2023	30,150	–
Distribution of 0.550 cents per Unit for the period from 22/4/2022 to 30/6/2022	–	36,720
Distribution of 0.910 cents per Unit for the period from 1/1/2022 to 21/4/2022	–	36,886
	101,508	73,606
Distribution of 1.540 cents per Unit for the period from 1/7/2022 to 31/12/2022	103,476	–
Distribution of 0.721 cents per Unit for the period from 1/10/2021 to 31/12/2021	–	29,058
Total distributions to Unitholders during the financial year[1]	204,984	102,664

1 Distributions were partly paid by ESR-LOGOS REIT issuing an aggregate of 14.8 million Units amounting to $5.2 million (2022: 39.9 million Units amounting to $16.4 million), pursuant to the Distribution Reinvestment Plan.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2023

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unitholders' Funds				
Balance at beginning of the year	2,444,653	1,597,968	2,448,955	1,598,024
Operations				
Total loss for the year after tax attributable to Unitholders and perpetual securities holders	(67,449)	(278,261)	(86,001)	(346,713)
Less: 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)	–	–
Unitholders' transactions				
Management fees paid in Units	16,223	12,230	16,223	12,230
Units issued through 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 issue costs pursuant to: (Note 26)				
– 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 to Unitholders	(204,984)	(102,664)	(204,984)	(102,664)
Net increase in Unitholders' funds resulting from Unitholders' transactions	108,595	1,209,693	108,595	1,209,693
Balance at end of the year	2,463,150	2,444,653	2,453,351	2,448,955
Perpetual Securities Holders' Funds				
Balance at beginning of the year	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
Distributions to perpetual securities holders	(18,198)	(11,036)	(18,198)	(11,036)
Balance at end of the year	302,128	302,128	302,128	302,128
Non-controlling interest - ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the year	102,306	–	–	–
Non-controlling interest acquired pursuant to the Merger	–	101,205	–	–
Amount reserved for distribution to non-controlling interest - perpetual securities holders	467	3,828	–	–
Distributions 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 year	–	102,306	–	–
Total	2,765,278	2,849,087	2,755,479	2,751,083

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Group				
Singapore				
Business Park Properties [1]				
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	33[5]	16 International Business Park Singapore 609929
750–750E CHAI CHEE ROAD	Leasehold	60/43	7/7[6]	750 to 750E Chai Chee Road Singapore 469000
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44[7]	6/8 Changi Business Park Avenue 1 Singapore 486017
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	44[7]	2/4 Changi Business Park Avenue 1 Singapore 486015
Total Business Park Properties				
High-Specs Industrial Properties [2]				
21/23 UBI ROAD 1	Leasehold	30+30	33[8]	21/23 Ubi Road 1 Singapore 408724/408725
11 CHANG CHARN ROAD	Leasehold	99	33[9]	11 Chang Charn Road Singapore 159640
12 ANG MO KIO STREET 65	Leasehold	30+30	27[10]	12 Ang Mo Kio Street 65 Singapore 569060
16 TAI SENG STREET	Leasehold	30+30	44[11]	16 Tai Seng Street Singapore 534138
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	26[12]	30 Marsiling Industrial Estate Road 8 Singapore 739193
19 TAI SENG AVENUE	Leasehold	30+30	44[13]	19 Tai Seng Avenue Singapore 534054
7000 & 7002 ANG MO KIO AVENUE 5	Leasehold	32+30	33[14]	7000 Ang Mo Kio Avenue 5 Singapore 569877
Total High-Specs Industrial Properties				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
100	100	26,400	32,500	1.07	1.33
79	80	193,000	232,000	7.84	9.49
61	59	368,000	384,000	14.94	15.71
100	100	155,000	189,000	6.29	7.73
		742,400	837,500	30.14	34.26
94	94	34,200	37,100	1.39	1.52
68	62	27,700	28,200	1.12	1.15
92	92	32,600	37,200	1.32	1.52
82	81	93,700	87,100	3.80	3.56
100	100	50,400	46,500	2.05	1.90
100	76	51,600	51,500	2.09	2.11
82	88	363,400	328,300	14.75	13.43
		653,600	615,900	26.52	25.19

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
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
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	31[16]	25 Changi South Ave 2 Singapore 486594
160 KALLANG WAY	Leasehold	30+30	9[17]	160 Kallang Way Singapore 349246
4/6 CLEMENTI LOOP	Leasehold	30+30	–	4/6 Clementi Loop Singapore 129810 and 129814
24 JURONG PORT ROAD	Leasehold	30+12	13[18]	24 Jurong Port Road Singapore 619097
3 PIONEER SECTOR 3	Leasehold	30+30	–	3 Pioneer Sector 3 Singapore 628342
15 GREENWICH DRIVE	Leasehold	30	18[19]	15 Greenwich Drive Singapore 534022
46A TANJONG PENJURU	Leasehold	30+14	26[20]	46A Tanjong Penjuru Singapore 609040
6 CHIN BEE AVENUE	Leasehold	30	–	6 Chin Bee Avenue Singapore 619930
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
100	100	7,400	8,000	0.30	0.33
100	100	13,000	13,000	0.53	0.53
13	8	22,300	22,200	0.91	0.91
–	86	–	39,600	–	1.62
96	98	79,000	84,000	3.21	3.44
–	100	–	100,000	–	4.09
100	100	88,700	90,000	3.60	3.68
74	80	109,000	118,000	4.43	4.83
–	100	–	97,900	–	4.00
		319,400	*572,700*	*12.98*	*23.43*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Singapore				
Logistics Properties [3] (continued)				
Balance brought forward				
30 PIONEER ROAD	Leasehold	30	13[21]	30 Pioneer Road Singapore 628502
COMMODITY HUB	Leasehold	29	12[22]	24 Penjuru Road Singapore 609128
COLD CENTRE	Leasehold	30+30	42[23]	2 Fishery Port Road Singapore 619746
SCHENKER MEGAHUB	Leasehold	30+30	41[24]	51 Alps Avenue Singapore 498783
CHANGI DISTRICENTRE 1	Leasehold	30+30	42[25]	5 Changi South Lane Singapore 486045
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	29[26]	22 Loyang Lane Singapore 508931
PAN ASIA LOGISTICS CENTRE	Leasehold	30	–	21 Changi North Way Singapore 498774
GUL LOGISCENTRE	Leasehold	30	10[27]	15 Gul Way Singapore 629193
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	20[28]	1 Greenwich Drive, Tampines LogisPark Singapore 533565
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		319,400	*572,700*	*12.98*	*23.43*
100	100	36,600	39,800	1.49	1.63
98	100	244,700	251,500	9.93	10.29
–	63	103,500	110,000	4.20	4.50
100	100	96,700	94,500	3.93	3.86
92	93	93,600	96,200	3.80	3.93
100	100	12,500	13,400	0.51	0.55
–	100	–	31,700	–	1.29
100	100	28,500	28,300	1.16	1.16
100	100	165,000	165,000	6.70	6.75
		1,100,500	*1,403,100*	*44.70*	*57.39*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
<u>**Singapore**</u>				
Logistics Properties [3] (continued)				
Balance brought forward				
PANDAN LOGISTICS HUB	Leasehold	30	–	49 Pandan Road Singapore 609290
Total Logistics Properties				
General Industrial Properties [4]				
70 SELETAR AEROSPACE VIEW	Leasehold	30	–	70 Seletar Aerospace View Singapore 797564
30 TEBAN GARDENS CRESCENT	Leasehold	10+22	15[29]	30 Teban Gardens Crescent Singapore 608927
30 TOH GUAN ROAD	Leasehold	30+30	–	30 Toh Guan Road Singapore 608840
128 JOO SENG ROAD	Leasehold	30+30	28[30]	128 Joo Seng Road Singapore 368356
130 JOO SENG ROAD	Leasehold	30+30	28[31]	130 Joo Seng Road Singapore 368357
136 JOO SENG ROAD	Leasehold	30+30	27[32]	136 Joo Seng Road Singapore 368360
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		1,100,500	*1,403,100*	*44.70*	*57.39*
–	92	–	43,201	–	1.77
		1,100,500	1,446,301	44.70	59.16
–	–	–	7,065	–	0.29
77	63	26,200	29,300	1.06	1.20
–	97	–	60,800	–	2.49
96	97	12,600	12,300	0.51	0.50
88	100	16,400	16,000	0.67	0.65
98	100	13,400	12,900	0.54	0.53
		68,600	*138,365*	*2.78*	*5.66*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Singapore				
General Industrial Properties [4] (continued)				
Balance brought forward				
79 TUAS SOUTH STREET 5	Leasehold	30+30	36[33]	79 Tuas South Street 5 Singapore 637604
31 TUAS AVENUE 11	Leasehold	30+30	30[34]	31 Tuas Avenue 11 Singapore 639105
1/2 CHANGI NORTH STREET 2	Leasehold	30+30/ 30+30	37/42[35]	1/2 Changi North Street 2 Singapore 498808/498775
9 TUAS VIEW CRESCENT	Leasehold	30+30	35[36]	9 Tuas View Crescent Singapore 637612
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	31[37]	31 Changi South Avenue 2 Singapore 486478
22 CHIN BEE DRIVE	Leasehold	30	–	22 Chin Bee Drive Singapore 619870
54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	32[38]	54 Serangoon North Avenue 4 Singapore 555854
2 TUAS SOUTH AVENUE 2	Leasehold	60	–	2 Tuas South Ave 2 Singapore 637601
21B SENOKO LOOP	Leasehold	30+30	29[39]	21B Senoko Loop Singapore 758171
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		68,600	*138,365*	*2.78*	*5.66*
100	100	9,700	9,600	0.39	0.39
100	100	11,700	12,200	0.48	0.50
100	100	23,200	23,000	0.94	0.94
100	100	11,100	10,300	0.45	0.42
100	100	13,700	13,500	0.56	0.55
–	–	–	13,000	–	0.53
99	91	18,500	23,400	0.75	0.96
–	100	–	39,200	–	1.60
100	–	58,000	23,800	2.35	0.97
		214,500	*306,365*	*8.70*	*12.52*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Singapore				
General Industrial Properties [4] (continued)				
Balance brought forward				
60 TUAS SOUTH STREET 1	Leasehold	30	11[40]	60 Tuas South Street 1 Singapore 639925
5/7 GUL STREET 1	Leasehold	29.5	14[41]	5/7 Gul Street 1 Singapore 629318/629320
28 WOODLANDS LOOP	Leasehold	30+30	32[42]	28 Woodlands Loop Singapore 738308
25 PIONEER CRESCENT	Leasehold	30+28	43[43]	25 Pioneer Crescent Singapore 628554
11 WOODLANDS WALK	Leasehold	30+30	32[44]	11 Woodlands Walk Singapore 738265
43 TUAS VIEW CIRCUIT	Leasehold	30	14[45]	43 Tuas View Circuit Singapore 637360
13 JALAN TERUSAN	Leasehold	28	11 [46]	13 Jalan Terusan Singapore 619293
160A GUL CIRCLE	Leasehold	27	17[47]	160A Gul Circle Singapore 629618
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	35[48]	3 Tuas South Avenue 4 Singapore 637610
8 TUAS SOUTH LANE	Leasehold	30+16	30[49]	8 Tuas South Lane Singapore 637302
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		214,500	*306,365*	*8.70*	*12.52*
100	100	3,800	4,000	0.15	0.16
63	63	10,400	11,400	0.42	0.47
100	100	18,300	18,000	0.74	0.74
100	100	16,800	16,800	0.68	0.69
100	100	18,000	18,000	0.73	0.74
100	100	16,000	16,700	0.65	0.68
100	100	19,500	23,500	0.79	0.96
100	35	13,400	13,900	0.54	0.57
100	100	46,000	45,000	1.87	1.84
93	100	98,300	101,100	3.99	4.14
		475,000	*574,765*	*19.26*	*23.51*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Singapore				
General Industrial Properties [4] (continued)				
Balance brought forward				
120 PIONEER ROAD	Leasehold	30+28	31[50]	120 Pioneer Road Singapore 639597
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/ 30+30	30/30[51]	511/513 Yishun Industrial Park A Singapore 768768/768736
86/88 INTERNATIONAL ROAD	Leasehold	30+30	31[52]	86/88 International Road Singapore 629176/629177
11 UBI ROAD 1	Leasehold	30+30/ 21+30	32[53]	11 Ubi Road 1 Singapore 408723
29 TAI SENG STREET	Leasehold	30+30	43[54]	29 Tai Seng Street Singapore 534120
11 LORONG 3 TOA PAYOH	Leasehold	60	5[55]	11 Lorong 3 Toa Payoh Singapore 319579
81 TUAS BAY DRIVE	Leasehold	60	43[56]	81 Tuas Bay Drive Singapore 637308
Total General Industrial Properties				
Total Singapore investment properties				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		475,000	*574,765*	*19.26*	*23.51*
82	82	33,700	33,900	1.37	1.39
100	100	25,200	25,900	1.02	1.06
100	100	41,900	41,500	1.70	1.70
100	100	79,000	87,900	3.21	3.60
100	100	35,400	37,000	1.44	1.51
58	74	35,100	42,800	1.43	1.75
100	100	29,700	28,500	1.21	1.17
		755,000	872,265	30.64	35.69
		3,251,500	3,771,966	132.00	154.30

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Australia				
Logistics Properties [3]				
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES	Freehold	Freehold	–	127 Orchard Road, Chester Hill, New South Wales, Australia
16–28 TRANSPORT DRIVE, SOMERTON, VICTORIA	Freehold	Freehold	–	16–28 Transport Drive, Somerton, Victoria, Australia
51 MUSGRAVE ROAD, COOPERS PLAINS, QUEENSLAND	Freehold	Freehold	–	51 Musgrave Road, Coopers Plains, Queensland, Australia
203 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	203 Viking Drive, Wacol, Queensland, Australia
223 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	223 Viking Drive, Wacol, Queensland, Australia
76–90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	76–90 Link Drive, Campbellfield, Victoria, Australia
67–93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	–	67–93 National Boulevard, Campbellfield, Victoria, Australia
41–51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	–	41–51 Mills Road, Braeside, Victoria, Australia
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
100	100	79,838	71,616	3.24	2.93
100	100	33,086	37,168	1.34	1.52
–	86	–	9,519	–	0.39
100	100	28,771	32,544	1.17	1.33
100	100	14,565	11,513	0.59	0.47
100	100	16,723	15,638	0.68	0.64
100	100	39,020	40,341	1.58	1.65
100	97	43,336	47,819	1.76	1.96
		255,339	*266,158*	*10.36*	*10.89*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Australia				
Logistics Properties [3] (continued)				
Balance brought forward				
151–155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	–	151–155 Woodlands Drive, Braeside, Victoria, Australia
41–45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	–	41–45 Hydrive Close, Dandenong, Victoria, Australia
16–24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	16–24 William Angliss Drive, Laverton, North Victoria, Australia
217–225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	–	217–225 Boundary Road, Laverton North, Victoria, Australia
182–198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	–	182–198 Maidstone Street, Altona, Victoria, Australia
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	–	196 Viking Drive, Wacol, Queensland, Australia
11–19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	–	11–19 Kellar Street, Berrinba, Queensland, Australia
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	–	47 Logistics Place, Larapinta, Queensland, Australia
Balance carried forward				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		255,339	*266,158*	*10.36*	*10.89*
100	100	22,837	20,623	0.93	0.84
100	100	16,004	15,411	0.65	0.63
100	100	25,624	25,836	1.04	1.06
100	100	35,963	35,355	1.46	1.45
100	100	54,844	55,298	2.23	2.26
100	100	20,094	18,901	0.82	0.77
100	100	15,734	16,408	0.64	0.67
100	100	16,318	17,859	0.66	0.73
		462,757	*471,849*	*18.79*	*19.30*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Australia				
Logistics Properties [3] (continued)				
Balance brought forward				
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	39[57]	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	36[58]	8 Curlew Street, Port of Brisbane, Queensland, Australia
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	36[59]	53 Peregrine Drive, Port of Brisbane, Queensland, Australia
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
Total Logistics Properties				
Total Australia investment properties				
Japan				
Logistics Property [3]				
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	–	2464-11 and others, Ota, Sakura-shi, Chiba-ken
Total Japan investment property				
Total Group's investment properties				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

Occupancy rate		Independent valuation		Percentage of net assets attributable to Unitholders	
2023 %	2022 %	2023 $'000	2022 $'000	2023 %	2022 %
		462,757	*471,849*	*18.79*	*19.30*
100	100	55,293	56,930	2.24	2.33
100	100	44,954	36,896	1.83	1.51
100	100	30,389	24,114	1.23	0.99
100	100	76,602	72,069	3.11	2.95
		669,995	661,858	27.20	27.08
		669,995	661,858	27.20	27.08
100	75	173,445	182,223	7.04	7.45
		173,445	182,223	7.04	7.45
		4,094,940	4,616,047	166.24	188.83

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

			Percentage of net assets attributable to Unitholders	
	2023 $'000	2022 $'000	2023 %	2022 %
Trust				
Investment properties, at valuation (Note 4)	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' Funds	2,453,351	2,448,955	100.00	100.00
Group				
Investment properties, at valuation (Note 4)	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' Funds	2,463,150	2,444,653	100.00	100.00

	Independent Valuation	
	2023 $'000	2022 $'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 (current)	–	8,141
Less: Right-of-use assets (Note 4)	(132,090)	(159,125)
Total investment properties, at valuation	1,160,200	1,419,465
Group		
Investment properties (non-current)	4,686,985	5,103,400
Investment properties held for divestment (current)	–	56,595
Less: Right-of-use assets (Note 4)	(592,045)	(543,948)
Total investment properties, at valuation	4,094,940	4,616,047

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

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+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.

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.

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.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENTS

As at 31 December 2023

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.

An independent valuation exercise was conducted for all the investment properties in December 2023 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, CBRE Pte. Ltd., Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Cushman & Wakefield VHS Pte Ltd., Cushman & Wakefield (Valuations) Pty Ltd and Colliers International Japan KK. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach, discounted cash flows method and residual value approach in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield, discount rate and average growth rate. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

As at 31 December 2023, the valuations adopted for investment properties amounted to $4.09 billion (2022: $4.62 billion). The net fair value loss on investment properties recognised in the Statement of Total Return is $166.8 million (2022: $22.5 million). An investment property with carrying value of $173.4 million (2022: $182.2 million) is pledged as security to secure bank loans (see Note 14).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Group	
	2023 $'000	2022 $'000
Cash flows from operating activities		
Total loss before income tax for the year	(65,769)	(261,947)
Adjustments for:		
Unrealised foreign exchange loss/(gain)	1,435	(1,907)
Borrowing costs, net	76,013	62,247
Management fees paid/payable in Units	12,352	10,837
Property Manager's fees paid/payable in Units	3,200	3,257
Share of results of joint venture	(3,876)	(5,343)
Finance costs on lease liabilities for leasehold land	32,176	23,743
Income from investments at FVTPL	(9,215)	(11,129)
Fair value adjustments relating to the Merger	–	427,055
Change in fair value of financial derivatives	16,346	(27,570)
Change in fair value of investment properties	166,818	22,511
Change in fair value of right-of-use of leasehold land	(8,685)	(5,593)
Change in fair value of investments at FVTPL	39,839	(8,360)
Operating income before working capital changes	260,634	227,801
Changes in working capital:		
Trade and other receivables	11,721	(9,464)
Trade and other payables	(8,925)	(23,730)
Cash generated from operating activities	263,430	194,607
Income tax paid	(3,352)	(974)
Net cash generated from operating activities	260,078	193,633
Cash flows from investing activities		
Interest received	1,087	594
Capital expenditure on investment properties	(93,543)	(98,573)
Acquisition of an investment property	–	(167,517)
Deposits received for investment properties held for divestment	–	581
Proceeds from disposal of investment properties	440,608	110,962
Dividend received from joint venture	3,876	4,824
Income from investments at FVTPL	9,748	11,129
Acquisition of subsidiaries, net of cash acquired (Note 5)	–	(106,857)
Payment for Merger related transaction costs	–	(22,165)
Net cash generated from/(used in) investing activities	361,776	(267,022)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Group	
	2023 $'000	2022 $'000
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)	–
Redemption of perpetual securities	(100,000)	–
Issue costs for perpetual securities paid	(15)	(1,508)
Equity issue costs paid	(5,073)	(870)
Finance costs paid	(68,850)	(75,622)
Proceeds from borrowings	317,800	1,379,479
Repayment of borrowings	(824,168)	(1,238,139)
Loan from non-controlling interest	4,784	1,900
Distributions paid to Unitholders (Note A)	(199,771)	(86,220)
Distributions paid to perpetual securities holders	(18,198)	(11,036)
Distributions paid to non-controlling interest — perpetual securities holders	(2,773)	(2,727)
Distributions paid to non-controlling interest	(1,922)	(1,336)
Payment of interest portion of lease liabilities for leasehold land	(19,981)	(10,376)
Payment of principal portion of lease liabilities for leasehold land	(3,510)	(7,774)
Movement in restricted cash	(946)	(2,630)
Net cash (used in)/generated from financing activities	(625,594)	93,141
Net (decrease)/increase in cash and cash equivalents	(3,740)	19,752
Cash and cash equivalents at 1 January	42,949	24,150
Effect of exchange rate fluctuations on cash held	(800)	(953)
Cash and cash equivalents at 31 December (Note 11)	38,409	42,949

Note:

(A) 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 (2022: 39.9 million new Units) amounting to $5.2 million (2022: $16.4 million) pursuant to the Distribution Reinvestment Plan.

	Group	
	2023 $'000	2022 $'000
Distributions paid to Unitholders	(204,984)	(102,664)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	5,213	16,444
Net distributions paid to Unitholders in cash	(199,771)	(86,220)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL

ESR-LOGOS REIT (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between ESR-LOGOS Funds Management (S) Limited (the "Manager") and Perpetual (Asia) Limited (the "Trustee"), and is governed by the laws of the Republic of Singapore ("Trust Deed"). On 31 March 2006, ESR-LOGOS REIT was declared as an authorised unit trust scheme under the Trustees Act 1967. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

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

On 22 April 2022, the Group completed the merger with ARA LOGOS Logistics Trust ("ALOG") by way of a trust scheme of arrangement (the "Merger"). Following the completion of the Merger, ALOG was delisted from the Official List of SGX-ST on 5 May 2022 and became a wholly-owned sub-trust of ESR-LOGOS REIT. ALOG was subsequently renamed as ALOG Trust.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Trust and its subsidiaries.

The principal activity of ESR-LOGOS REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. The principal activities of the subsidiaries and joint venture are set out in Note 5 and Note 6 to the financial statements.

The Group has entered into new Singapore property management agreements in respect of its Singapore properties on substantially the same terms as the previous property management agreements that expired during the year. The new Singapore property management agreements were approved by Unitholders during an extraordinary general meeting held on 26 April 2023 and are for a term of 10 years commencing from 5 May 2023.

The Trustee, Perpetual (Asia) Limited (the "Viva Trust Trustee"), in its capacity as the trustee of Viva Trust and HSBC Institutional Trust Services (Singapore) Limited (the "ALOG Trust Trustee"), in its capacity as the trustee of ALOG Trust, have entered into several service agreements in relation to the management of ESR-LOGOS REIT, Viva Trust and ALOG Trust and their property operations.

The fee structures for these services are as follows:

(A) Trustee's fees

The Trust

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of the deposited property of ESR-LOGOS REIT, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the Group's deposited property, excluding the deposited property of ALOG Trust, subject to there being no double counting of fees where the Trustee has already received a fee from a sub-trust in its capacity as the trustee of the relevant sub-trust. In addition, the Trustee charges a sub-trust administration fee of $50,000 per annum in respect of ALOG Trust.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(A) Trustee's fees (continued)

Viva Trust

Pursuant to the trust deed entered into by the Manager and the Viva Trust Trustee, the fees of the Viva Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of Viva Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Viva Trust Trustee from time to time. The Viva Trust Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of the deposited property of the Viva Trust, subject to a minimum fee of $15,000 per month.

ALOG Trust

Pursuant to the trust deed entered into by the Manager and the ALOG Trust Trustee, the fees of the ALOG Trust Trustee shall not exceed 0.1% per annum of the value of the deposited property of ALOG Trust, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the ALOG Trust Trustee from time to time. The ALOG Trust Trustee's fee is presently charged at 0.030% per annum of the value of the deposited property of ALOG Trust, subject to a minimum fee of $15,000 per month.

(B) Management fees

Under the Trust Deed, the Manager is entitled to receive a base fee and performance fee as follows:

(a) base fee ("Base Fee") of 0.5% per annum of the value of the deposited property or such higher percentage as may be fixed by an extraordinary resolution passed at a meeting of Unitholders duly convened and held in accordance with the provision of the Trust Deed, subject to there being no double counting of fees where a related party of the Manager has charged an asset management fee to a subsidiary of the Trust; and

(b) performance fee ("Performance Fee"), computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of Units in issue for such financial year, provided that the Highest DPU Threshold is achieved.

The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by the Trust in the previous years for which a Performance Fee was payable ("Highest DPU Threshold"). Whenever a Performance Fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a Performance Fee in future, the Trust would have to outperform the adjusted Highest DPU Threshold.

For the purpose of calculating the Performance Fee, the Highest DPU Threshold is initially set at 6.000 cents, or if the DPU achieved during the Performance Fee Waiver period is higher, then such higher DPU.

Management fees (Base Fee and Performance Fee, including any accrued Performance Fee which have been carried forward from previous financial years but excluding any acquisition fee or disposal fee) to be paid to the Manager in respect of a financial year, whether in cash or in Units or a combination of cash and Units, are capped at an amount equivalent to 0.8% per annum of the value of deposited property as at the end of the financial year (referred to as the "annual fee cap").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(C) Acquisition and disposal fees

Under the Trust Deed, the Manager is also entitled to receive the following fees:

(a) An acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:

(i) the purchase price, excluding GST, of any real estate acquired, whether directly by ESR-LOGOS REIT or indirectly through a special purpose vehicle;

(ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate) where ESR-LOGOS REIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate;

(iii) the value of any shareholder's loan extended by ESR-LOGOS REIT to the entity referred to in paragraph (ii) above; and

(iv) the value of any investment by ESR-LOGOS REIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

(b) A disposal fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:

(i) the sale price, excluding GST, of any investment of the type referred to in paragraph (C)(a)(i) above for the acquisition fee;

(ii) in relation to an investment of the type referred to in paragraph (C)(a)(ii) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of ESR-LOGOS REIT's interest in such real estate);

(iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (C)(a)(iii) above for the acquisition fee; and

(iv) the value of an investment referred to in paragraph (C)(a)(iv) above for the acquisition fee.

The Manager may opt to receive acquisition and disposal fees in the form of cash or Units or a combination of cash and Units as it may determine.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(D) Development management fee

Pursuant to the amended and restated Trust Deed as approved and adopted by the Unitholders at the extraordinary general meeting held on 12 September 2019, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT, subject to the following:

(a) when the estimated total project costs are greater than $100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee payable to the Manager, and the Manager may be directed by its independent directors to reduce the development management fee;

(b) in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the development management fee, the Manager's independent directors shall have the discretion to direct the Manager to reduce the development management fee to such amount which is less than 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of ESR-LOGOS REIT; and

(c) any increase in the percentage of the development management fee or any change in the structure of the development management fee shall be approved by an extraordinary resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where real estate or real estate related assets are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the Manager. Instead, the Manager will receive the development management fee for the development project.

The development management fee shall be payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs have been finalised.

The Manager may opt to receive the development management fee in the form of cash or a combination of cash and Units as it may determine.

(E) Fees under the property management agreements for Singapore properties

ESR-LOGOS Property Management (S) Pte. Ltd. (the "Property Manager"), as property manager for all of ESR-LOGOS REIT's Singapore properties including those held through 7000 AMK LLP, Viva Trust and ALOG Trust, is entitled to receive the following fees:

(a) A property management fee of 2.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where property management fee is charged at 1.0% per annum of the gross revenue.

(b) A lease management fee of 1.0% per annum of the gross revenue of the relevant property, other than 2 & 4 Changi Business Park Avenue 1 (Hotel) where no lease management fee shall be charged.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(E) Fees under the property management agreements for Singapore properties (continued)

(c) A marketing services commission equivalent to:

(i) up to one month's gross rent, inclusive of service charge, for securing a tenancy of three years or less;

(ii) up to two month's gross rent, inclusive of service charge, for securing a tenancy of more than three years;

(iii) up to half month's gross rent, inclusive of service charge, for securing a renewal of tenancy of three years or less; and

(iv) up to one month's gross rent, inclusive of service charge, for securing a renewal of tenancy of more than three years.

(d) A project management fee in relation to development or redevelopment (if not prohibited by the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code") or if otherwise permitted by the Monetary Authority of Singapore ("MAS")), the refurbishment, retrofitting and renovation works on a property, as follows:

(i) where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;

(ii) where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs;

(iii) where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs; and

(iv) where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Property Manager and the Trustee.

(e) A property tax services fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property:

(i) where the proposed annual value is $1.0 million or less, a fee of 7.5% of the property tax savings;

(ii) where the proposed annual value is more than $1.0 million but does not exceed $5.0 million, a fee of 5.5% of the property tax savings; and

(iii) where the proposed annual value is more than $5.0 million, a fee of 5.0% of the property tax savings.

The above-mentioned fee is a lump sum fixed fee based on the property tax savings calculated over a 12-month period.

The Property Manager may opt to receive property and lease management fees in the form of cash or Units or a combination of cash and Units as it may determine.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(F) Fees under the property and lease management agreements for the Australia properties

LOGOS REIT Property Management Pty Ltd as the property manager for all of ESR-LOGOS REIT's Australia properties, is entitled to receive the following fees:

(a) A property and lease management fee of 2.0% per annum of gross revenue of the relevant property.

(b) A marketing services commission equivalent to:

(i) between 10% to 18.75% of the annual gross rent for the first year of the new lease or licence, depending on the duration of the new lease or licence secured and whether a local marketing manager is involved; and

(ii) 50% of the commission for a new lease or licence for securing a renewal of lease or licence in a multi-tenanted property.

(c) A project management fee in in relation to development or redevelopment, refurbishment, retrofitting and renovation works on a property of between 1.5% to 3.0% of construction costs, for construction costs of up to A$50.0 million. For construction costs exceeding A$50.0 million, the project management fee will be mutually agreed.

(d) A land tax services fee of between 5.0% to 7.5% of the land tax savings, depending on the quantum of the reduction in annual value of the relevant property.

(G) Fees under the asset and investment management agreements for the Australia properties

LOGOS REIT Investment Management Pty Ltd as the Australia investment and asset manager for all of ESR-LOGOS REIT's Australia properties is entitled to receive the following fees:

(a) An investment management fee of:

(i) A$53,500 per annum in respect of investment management services provided to ALOG Logistics Trust Australia ("ALTA", a managed investment trust in Australia); and

(ii) A$29,500 per annum in respect of each of ALTA's sub-trusts in Australia, subject to the customary inflation indexation.

(b) An asset management fee based on 0.15% per annum of ALTA's consolidated deposited properties, excluding its investments in the property funds. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. GENERAL (continued)

(H) Fees under the asset and property management agreements for the Japan property

ESR Ltd. as the asset and property manager for ESR Sakura Distribution Centre (the "Japan Property") is entitled to receive the following fees:

(a) An asset management fee based on 0.275% per annum of the gross asset value of the Japan Property. Such asset management fee will reduce the Base Fee payable to the Manager as described in paragraph (B)(a) above such that there is no double counting of asset management fees payable to the Manager and its related party.

(b) A property management fee of JPY300,000 per month where the number of tenant is zero or one and an additional JPY100,000 per month for each additional tenant, capped at JPY500,000 per month.

(c) A construction management fee based on 3.0% of construction costs where the total construction costs is at least JPY1,000,000, subject to a fee cap of JPY300,000.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements are prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties (including right-of-use assets and investment properties held for divestment), investments at fair value through profit or loss ("FVTPL"), amount due to non-controlling interest and derivative financial instruments, which are stated at fair value as described in Note 29.

As at 31 December 2023, the current liabilities of the Group and the Trust exceeded their current assets by $256.5 million and $138.9 million, respectively. This is primarily due to the classification of revolving credit facilities of $163.3 million as current liabilities as they are maturing in 2024. Notwithstanding the net current liabilities position, based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due. The financial statements have been prepared on the basis that the Group and the Trust will continue to operate as a going concern.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars ("$"), which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the financial year, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2023.

The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

2.5 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to FRS 1: *Non-current liabilities with Covenants*	1 January 2024
Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Manager expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.6 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been aligned with the policies adopted by the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

In the Trust's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the Group. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for investments in subsidiaries and joint venture in the Trust's financial statements

Investments in subsidiaries and joint venture are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

2.7 Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investment in joint venture using the equity method from the date on which it becomes a joint venture.

Under the equity method, the investment in joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The statement of total return reflects the share of results of operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in joint venture.

The financial statements of joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the joint venture's operations or has made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the Statement of Total Return.

Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve ("translation reserve") in the Statements of Movements in Unitholders' Funds. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the Statement of Total Return as part of the gain or loss on disposal.

2.9 Investment properties

Investment properties are properties that are owned by the Group and held to earn rentals or for capital appreciation, or both but not for sale in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are accounted for as non-current assets, except if they meet the conditions to be classified as held for divestment (see Note 2.10 below). They are initially measured at cost, including transaction costs and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

(i) in such manner and frequency required under the CIS Code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of each investment property

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Investment properties (continued)

Any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Subsequent expenditure relating to investment properties is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

The properties are subject to continued maintenance and regularly valued on the basis set out above.

Investment properties under development

Investment properties under development are measured at fair value.

2.10 Investment properties held for divestment

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for divestment and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Leases (continued)

Group as a lessee (continued)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at fair value and are derived by discounting future lease payments using the Group's incremental borrowing rate for borrowings of similar amount and tenor. Any increase or decrease in right-of-use assets is credited or charged directly to the statement of total return. Right-of-use assets which meets the definition of an investment property is accounted for in accordance with Note 2.9.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(a). Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of total return when the assets are derecognised or impaired, and through amortisation process.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the statement of total return.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of total return when the liabilities are derecognised and through the amortisation process.

Derivative financial instruments

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the statement of total return.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of total return.

Netting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Impairment

(a) Financial assets

Expected credit losses (ECLs) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2.14 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at bank, including term deposits and restricted cash.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental costs, directly attributable to the issuance, offering and placement of Units are deducted directly against Unitholders' funds.

2.17 Perpetual securities

The perpetual securities confer a right to receive distributions at fixed rates that shall be reset on their respective stipulated date, with subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and will be non-cumulative.

The perpetual securities may be redeemed at the option of the Trust in whole, but not in part, on the first reset date or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

Accordingly, the perpetual securities are classified as equity and the expenses relating to their issue are deducted directly against Unitholders' funds.

2.18 Revenue recognition

(a) Rental income from operating leases

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Interest income

Interest income is accrued using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Expenses

(a) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are the property manager's fees which are based on the applicable rates stipulated in Notes 1E, 1F and 1H.

(b) Management fees

Management fees are recognised on an accrual basis based on the applicable rates stipulated in Note 1B.

(c) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are the trustee's fees which are based on the applicable rates stipulated in Note 1A.

(d) Borrowing costs

Borrowing costs comprise interest expense on borrowings and amortisation of debt-related transaction costs, which are recognised in the statement of total return using the effective interest method over the period of borrowings.

2.20 Taxation

(a) Current tax and deferred tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of goodwill or assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investment in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Taxation (continued)

(a) Current tax and deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of ESR-LOGOS REIT and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee will not be assessed to tax on the taxable income of ESR-LOGOS REIT on certain types of income. Instead, the Trustee and the Manager will deduct income tax (if required) at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of ESR-LOGOS REIT in that financial year, except:

(i) where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or

(ii) where the beneficial owners are Qualifying Non-resident Non-individual Unitholders or Qualifying Non-resident Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced tax rate of 10.0% for distributions made on or before 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Taxation (continued)

(a) Current tax and deferred tax (continued)

A "Qualifying Unitholder" is a Unitholder who is:

- an individual and who holds the Units either in his sole name or jointly with other individuals;
- a Central Provident Fund ("CPF") member who uses his CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts;
- an individual who uses his Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts;
- a company which is incorporated and tax resident in Singapore;
- a Singapore branch of companies incorporated outside Singapore;
- a non-corporate constituted or registered in Singapore such as town councils, statutory boards, charities registered under the Charities Act 1994 or established by any written law, co-operative societies registered under the Co-operative Societies Act 1979 or trade unions registered under the Trade Unions Act 1940;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; and
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A "Non-resident Non-individual Unitholder" is one, not being an individual, which is not a resident of Singapore for income tax purposes and;

- which does not have a permanent establishment in Singapore; or
- which carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

A "Qualifying Non-resident Fund" is one that qualifies for tax exemption under section 13D, 13U or 13V of the Income Tax Act that is not a resident of Singapore for income tax purpose and;

- which does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- which carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by ESR-LOGOS REIT. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act 1947 and collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without having to deduct tax at source.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Taxation (continued)

(b) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.21 Distribution policy

The Group's distribution policy is to distribute at least 90% of its annual distributable income to Unitholders, comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion. Distributions are made on a semi-annual basis at the discretion of the Manager.

2.22 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return for the period after tax by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by ESR-LOGOS REIT's Chief Operating Decision Makers ("CODM"s) which comprise the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer of the Manager, to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.24 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 Use of estimates and judgements

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

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

In particular, information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 24 – Assessment of income tax provision
- Note 29 – Valuation of investment properties
- Note 29 – Valuation of investments at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. INVESTMENT PROPERTIES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment properties, at valuation				
At 1 January	4,616,047	2,947,591	1,419,465	1,450,991
Additions through acquisition of subsidiaries (the Merger)	–	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 31 December	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
At 31 December	4,094,940	4,616,047	1,160,200	1,419,465
Right-of-use assets				
At 1 January	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 (the Merger)	–	320,340	–	–
De-recognition 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 lease payments borne by tenants**	(369)	(801)	(278)	(544)
Effect of movement in exchange rates	(1,606)	(25,405)	–	–
At 31 December	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
At 31 December	592,045	543,948	132,090	159,125

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. INVESTMENT PROPERTIES (continued)

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
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
At 31 December	**4,686,985**	5,159,995	**1,292,290**	1,578,590

The acquisition cost of the investment property recorded in FY2022 included acquisition fees of $1.7 million paid to the Manager (Note 28).

* The fair value loss of $161.4 million (2022: $24.3 million) together with an adjustment for the effect of lease incentives and marketing fee amortisation of $5.4 million (2022: -$1.8 million), aggregate to $166.8 million (2022: $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 lease payments borne by tenants of $0.4 million (2022: $0.8 million) as disclosed in Note 13.

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Except as disclosed in Note 28, investment properties are leased to unrelated third parties under operating leases.

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2023 and 31 December 2022. Investment properties held for divestment are stated at fair value based on recently agreed selling price for the subject property between unrelated third parties in an arm's length transaction. Information on the fair value assessment of investment properties and investment properties held for divestment are disclosed in Note 29.

As at 31 December 2023, $58.0 million (2022: $23.8 million) of investment properties are under redevelopment.

Security

As at 31 December 2023, an investment property with carrying value of $173.4 million (2022: $182.2 million) is pledged as security to secure bank loans (see Note 14).

Critical judgement made in accounting for the Merger

The Group considered the Merger completed on 22 April 2022 as an acquisition of a group of assets and liabilities and not a business combination. Accordingly, the acquisition cost of the Merger was allocated to the assets acquired and liabilities assumed and no goodwill or deferred tax was recognised.

An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the assets acquired. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes such as strategic management and operational processes are acquired. The Merger did not include the acquisition of such significant processes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES

	Trust	
	2023 $'000	2022 $'000
Unquoted equity investments, at cost	3,057,246	3,028,362
Impairment losses	(1,103,371)	(923,388)
	1,953,875	2,104,974

Impairment losses

During the year, the Trust recognised an impairment loss of $180.0 million (2022: $536.2 million) against its investments in subsidiaries. This amount relates predominantly to the decrease in fair value of investment properties held indirectly through certain subsidiaries. The impairment loss has no impact on distributable income.

Composition of the Group

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
(I) Direct Subsidiaries				
ESR-LOGOS REIT MTN Pte. Ltd.	Provision of financial and treasury services	Singapore	100	100
ESR-LOGOS REIT SPV2 Pte. Ltd.[1]	Investment holding	Singapore	100	100
7000 AMK LLP [1]	Property investment	Singapore	80	80
Viva Trust [1]	Property investment	Singapore	100	100
ESR-LOGOS REIT AUS (MTN) Pty Ltd [2], [3]	Provision of financial and treasury services	Australia	100	100
ALOG Trust [1]	Property investment	Singapore	100	100
ESR-LOGOS REIT INV Pte. Ltd.[1]	Investment holding	Singapore	100	100
ESR-LOGOS REIT INV2 Pte. Ltd.[1]	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (continued)

Composition of the Group (continued)

Details of the subsidiaries are as follows: *(continued)*

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
(II) Indirect Subsidiaries				
ALOG (Australia) Pte Ltd [1]	Investment holding	Singapore	100	100
ALOG Singapore One Pte Ltd [4]	Investment holding	Singapore	–	100
ALOG-OPAT Trust [2]	Investment holding	Australia	100	100
ALOG Logistics Trust Australia [2]	Investment holding	Australia	100	100
Chester Hill (NSW) Trust [2]	Property investment	Australia	100	100
Somerton (VIC) Trust [2]	Property investment	Australia	100	100
Coopers Plains (QLD) Trust [2]	Property investment	Australia	100	100
Wacol (QLD) Trust [2]	Property investment	Australia	100	100
Wacol 2 (QLD) Trust [2]	Property investment	Australia	100	100
Kidman Park (SA) Trust [2]	Property investment	Australia	100	100
Laverton (VIC) Trust [2]	Property investment	Australia	100	100
Altona Trust [2]	Property investment	Australia	100	100
ESIP Trust [2]	Investment holding	Australia	100	100
LAIP Trust [2]	Investment holding	Australia	100	100
Berrinba Trust [2]	Property investment	Australia	100	100
Berkeley Trust [2]	Property investment	Australia	100	100
Campbellfield Trust [2]	Property investment	Australia	100	100
Braeside Trust [2]	Property investment	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (continued)

Composition of the Group (continued)

Details of the subsidiaries are as follows: *(continued)*

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
(II) Indirect Subsidiaries (continued)				
Hydrive Trust [2]	Property investment	Australia	100	100
Link Drive Trust [2]	Property investment	Australia	100	100
Wacol Trust [2]	Property investment	Australia	100	100
Westlink Trust [2]	Property investment	Australia	100	100
Woodlands Trust [2]	Property investment	Australia	100	100
LP Bishop Asset Trust [2]	Property investment	Australia	100	100
LP Curlew Asset Trust [2]	Property investment	Australia	100	100
Peregrine (QLD) Trust [2]	Property investment	Australia	100	100
Heron (QLD) Trust [2]	Property investment	Australia	100	100
Larapinta Property Asset Trust [2]	Property investment	Australia	100	100
ALOG-LAIV Trust [2]	Investment holding	Australia	100	100
ESR-LOGOS REIT TMK1 [3]	Property investment	Japan	100	100
ESR-LOGOS REIT GK1 [3]	Investment holding	Japan	100	100

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by Ernst & Young LLP, Singapore for Group consolidation purpose.
(3) Audited by a member firm of EY International.
(4) On 10 October 2023, ALOG Singapore One Pte. Ltd. was struck off from the Register of Companies pursuant to Section 344A of the Companies Act.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (continued)

Put option for 20% interest in 7000 AMK LLP

As part of the acquisition in 2017, ESR-LOGOS REIT granted a put option to Ho Lee Properties Pte Ltd ("HLP"), the owner of the remaining 20% interest in 7000 AMK LLP, that provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP at a price of no less than $60.0 million (the "Put Option"). As the Put Option contains an obligation for ESR-LOGOS REIT to purchase the remaining 20% interest in 7000 AMK LLP, the 20% non-controlling interest in 7000 AMK LLP has been accounted for by the Group as a financial liability (see Note 15). On 14 February 2022, ESR-LOGOS REIT and HLP entered into a Second Supplemental Deed, which among other changes, extended the Put Option until 31 December 2024 or such later date as may be agreed by the parties.

As at 31 December 2023, the Put Option remains unexercised and HLP's 20% share of the results of 7000 AMK LLP has been allocated to non-controlling interest, which has been accounted for and classified as a current liability. Upon the exercise of the Put Option, the amount recognised as financial liability at that date will be extinguished by the payment made by ESR-LOGOS REIT to HLP.

Acquisition of subsidiaries

Merger with ALOG

On 22 April 2022, the Group completed its merger with ALOG by way of a trust scheme of arrangement. The scheme consideration was settled by way of the issuance of 2,575.8 million new Units at an issue price of $0.4924 and a cash consideration of $140.9 million.

The fair value of identifiable assets and liabilities of ALOG as at 22 April 2022 (the Merger date) and the cashflow effect of the Merger were as follow:

	2022 $'000
Investment properties	1,915,602
Investments at FVTPL	300,467
Trade and other receivables	6,953
Cash and bank balances	34,071
Other assets	9,454
Interest-bearing borrowings	(776,222)
Trade and other payables	(47,560)
Non-controlling interest - perpetual securities	(101,205)
Other liabilities	(320,688)
Fair value of net assets acquired	1,020,872
Premium over the fair value of net assets acquired	388,374
Total consideration paid in cash and Units	1,409,246
Less:	
Cash and bank balances acquired	(34,071)
Consideration paid in Units	(1,268,318)
Net cash outflow on Merger net of cash acquired	106,857

Details of the investment properties are shown in the Investment Properties Portfolio Statements. Investment properties are leased to unrelated third parties under operating leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6. INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unquoted equity investment				
At 1 January	41,233	40,714	41,233	40,714
Reversal of impairment losses	–	–	–	519
Share of results	3,876	5,343	–	–
Distribution received	(3,876)	(4,824)	–	–
At 31 December	41,233	41,233	41,233	41,233

In FY2022, a reversal of impairment losses of $519,000 was made due to accretion in the fair value of the Trust's share of net assets of PTC Logistics Hub LLP ("PTC LLP").

Summarised financial information of the joint venture, based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of PTC LLP:

	Group	
	2023 $'000	2022 $'000
Current assets, including cash and bank balances of $5,841,519 (2022: $4,964,675)	5,915	5,000
Non-current assets, including investment property of $228,000,000 (2022: $228,000,000)	242,202	242,578
Current liabilities	(4,574)	(4,052)
Non-current liabilities, including long-term borrowings of $145,589,431 (2022: $145,175,071)	(159,394)	(159,377)
Net assets	84,149	84,149
Proportion of the Group's ownership	49%	49%
Group's share in net assets	41,233	41,233
Carrying amount of the Group's investment	41,233	41,233

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6. INVESTMENT IN JOINT VENTURE (continued)

Summarised statement of comprehensive income of PTC LLP:

	Group	
	2023 $'000	2022 $'000
Revenue	17,535	17,517
Property expenses	(328)	(322)
Other operating expenses	(25)	(123)
Change in fair value of investment property	(280)	(217)
Change in fair value of right-of-use of leasehold land	(376)	(350)
Change in fair value of financial derivatives	–	839
Net finance costs	(8,617)	(6,440)
Profit for the year, representing total comprehensive income for the year	7,909	10,904
Proportion of the Group's ownership	49%	49%
Group's share of profit for the year	3,876	5,343

The joint venture has no other contingent liabilities or commitments as at 31 December 2023 and 2022. PTC LLP cannot distribute its taxable profits without the consent from the joint venture partners.

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unquoted equity investments, at fair value				
At 1 January	342,665	66,542	77,320	66,542
Additions through acquisition of subsidiaries (the Merger)	–	300,467	–	–
Reversal of acquisition costs	–	(7)	–	(7)
Change 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 31 December	300,347	342,665	75,910	77,320

On 14 May 2021, ESR-LOGOS REIT acquired a 10.0% interest in ESR Australia Logistics Partnership ("EALP"). EALP is a private fund managed by ESR Asset Management (Australia) Pty Ltd, an indirect subsidiary of ESR Group Limited. As at 31 December 2023, EALP owns 33 income-producing properties and two properties which are currently under development. Collectively, the 35 prime logistics assets (2022: 37) are located in core industrial markets of New South Wales, Victoria, Queensland and South Australia.

On 22 April 2022, ESR-LOGOS REIT acquired a 49.5% interest in New LAIVS Trust and a 40.0% interest in Oxford Property Fund through the merger with ALOG Trust. As at 31 December 2023, New LAIVS Trust owns four income-producing logistics properties (2022: four) located in New South Wales and Victoria, while Oxford Property Fund owns one income-producing logistics property (2022: one) in Victoria.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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

8. LOANS TO SUBSIDIARIES (TRUST)

The loans to subsidiaries comprise a mix of interest-bearing and interest-free loans, which are unsecured.

The interest-bearing loans bear interest at rates based on ESR-LOGOS REIT's prevailing cost of debt. Interest is payable in arrears on a quarterly basis.

The loans to subsidiaries are repayable at dates mutually agreed by the parties, which are not likely to occur within the next 12 months from the reporting date.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	2023		2022	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Group				
Interest rate swaps				
Current	3,418	–	4,316	–
Non-current	5,075	(2,674)	19,617	(1,907)
Forward foreign currency exchange contracts				
Current	8	(182)	69	–
	8,501	(2,856)	24,002	(1,907)
Trust				
Interest rate swaps				
Current	3,252	–	4,316	–
Non-current	–	(2,674)	10,419	(1,907)
Forward foreign currency exchange contracts				
Current	8	(182)	69	–
	3,260	(2,856)	14,804	(1,907)

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate borrowings by swapping the interest rates on such borrowings from floating rates to fixed rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

At 31 December 2023, the Group has entered into interest rate swap contracts with a total notional amount of $1,055.8 million (2022: $1,299.5 million) to fix the base interest rates for a weighted average tenor of approximately 1.0 year (2022: 2.1 years), of which Nil (2022: $75.0 million) relates to forward start interest rate swaps. Under these interest rate swap contracts, the Group pays interest at a weighted average fixed interest rate of 2.5% (2022: 2.1%) per annum and receives interest based on SORA, TIBOR or BBSY Bid.

The Group has also entered into forward foreign currency exchange contracts to manage its foreign currency risk. As at 31 December 2023, the total notional amount of the Group's outstanding forward foreign currency exchange contracts was A$13.0 million (2022: A$18.0 million).

The Group's derivative financial instruments are not designated as hedging instruments.

Master netting or similar agreements

The Group's interest rate swap and forward foreign currency exchange contract transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the statement of financial position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2023 and 31 December 2022, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangements.

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Trade receivables	**4,798**	4,075	**791**	738
Deposits	**6,870**	5,075	**2,998**	1,809
Other receivables				
– Subsidiaries	**–**	–	**42,752**	45,182
– Joint venture	**8**	837	**8**	837
– Unrelated third parties	**12,089**	10,726	**2,548**	3,493
	12,097	11,563	**45,308**	49,512
Financial assets carried at amortised cost	**23,765**	20,713	**49,097**	52,059
Capitalised costs	**1,787**	279	**187**	–
Prepayments	**1,706**	2,600	**117**	118
GST receivable	**–**	17,092	**–**	–
Total trade and other receivables	**27,258**	40,684	**49,401**	52,177

Trade receivables are non-interest bearing and are generally on 14 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables are non-trade related, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. TRADE AND OTHER RECEIVABLES (continued)

The Group's primary exposure to credit risk arises from its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Concentration of credit risk relating to trade receivables is limited due to the Group's large number and diverse range of tenants. The maximum exposure to credit risk for trade and other receivables is represented by the carrying amount at the reporting date.

Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Gross receivables 2023 $'000	Impairment losses 2023 $'000	Gross receivables 2022 $'000	Impairment losses 2022 $'000
Group				
Past due 0–30 days	3,448	–	2,969	–
Past due 31–120 days	1,007	–	647	–
More than 120 days past due	343	–	459	–
	4,798	–	4,075	–
Trust				
Past due 0–30 days	298	–	283	–
Past due 31–120 days	226	–	224	–
More than 120 days past due	267	–	231	–
	791	–	738	–

Trade receivables are individually assessed for impairment on an ongoing basis.

The Manager believes that no impairment is necessary in respect of the trade receivables as these receivables are mainly due from tenants that have good payment records and/or have sufficient securities in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 30.

11. CASH AND BANK BALANCES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and bank balances in the statement of financial position	41,985	45,579	10,131	9,539
Less: Restricted cash	(3,576)	(2,630)		
Cash and cash equivalents in the statement of cash flows	38,409	42,949		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. CASH AND BANK BALANCES (continued)

The restricted cash pertains to cash reserves for the Japan Property which is required to be maintained based on agreements with the banks. The restricted cash comprises mainly reserves for interest expense, capital expenditure and property expenses to ensure availability of cash when incurred/due for payment.

12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current liabilities				
Trade payables and accrued operating expenses	33,585	35,050	15,724	12,429
Amounts due to related parties (trade):				
– the Manager	4,037	5,171	4,037	5,171
– the Property Manager	2,312	2,706	1,791	1,954
– the Trustee	114	74	69	29
– other related parties	386	441	–	–
Interest and loan commitment fee payable	4,531	6,927	4,094	6,292
Deposits received for investment properties held for divestment	–	581	–	356
Security deposits	15,250	20,688	5,904	13,518
Rent received in advance	3,537	2,610	598	485
Retention sums	4,586	4,292	2,339	971
Other payables	3,968	7,637	58	673
Reinstatement sums	5,618	5,383	1,079	918
	77,924	91,560	35,693	42,796
Non-current liability				
Security deposits	32,958	20,530	15,909	5,537
Other payables	2,896	–	–	–
	35,854	20,530	15,909	5,537
Total trade and other payables	113,778	112,090	51,602	48,333
Less: Rent received in advance	(3,537)	(2,610)	(598)	(485)
Less: GST payables	(8,043)	(5,433)	(4,945)	(2,929)
Less: Deposit received for investment properties held for divestment	–	(581)	–	(356)
Financial liabilities at amortised cost	102,198	103,466	46,059	44,563

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand. Transactions with related parties are priced on terms agreed between the parties.

Retention sums relate to monies withheld as security against defective works for properties undergoing asset enhancement initiatives.

Reinstatement sums relate to monies received from outgoing tenants in respect of their contractual obligations to reinstate their leased premises.

The Group and the Trust's exposure to liquidity risk related to trade and other payables are disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. LEASES

As a lessee

The Group is required to pay land rent, whether annually or on an upfront land premium basis to JTC Corporation, CapitaLand Singapore BP&C Pte Ltd and Port of Brisbane Pty Ltd for properties in its portfolio. The annual land rent payable is based on market land rent for the relevant year of the lease term or on the contractual agreement for such leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Lease liabilities for leasehold land			
	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	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 (the Merger)	–	320,340	–	–
De-recognition due to disposal of investment properties	(36,405)	(6,365)	(28,676)	(6,365)
Accretion of interest	32,176	23,743	8,004	8,470
Payments	(23,491)	(18,150)	(9,360)	(9,488)
Effect of interest and payments borne by tenants	(369)	(801)	(278)	(544)
Effect of movement in exchange rates	(1,606)	(25,405)	–	–
At 31 December	592,045	543,948	132,090	159,125
Current	17,073	22,508	2,735	3,971
Non-current	574,972	521,440	129,355	155,154
At 31 December	592,045	543,948	132,090	159,125

The current lease liabilities are inclusive of liabilities directly attributable to investment properties held for divestment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. LEASES (continued)

As a lessee (continued)

The following are the amounts recognised in the Statement of Total Return:

	Group	
	2023 $'000	2022 $'000
Change in fair value of right-of-use of leasehold land	8,685	5,593
Finance costs on lease liabilities for leasehold land	(32,176)	(23,743)
Net amount recognised in Statement of Total Return	(23,491)	(18,150)

As a lessor

The Group's investment properties are leased to tenants under operating leases. The remaining lease terms of the leases range from less than one year to 20 years. Certain leases include a fixed annual rental escalation clause to enable upward revision of the rental charge on an annual basis. Rental income recognised by the Group during the year is disclosed in Note 19.

Future minimum rental receivable under non-cancellable operating leases as at 31 December are as follows:

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Receivable:				
– Within 1 year	321,869	341,547	70,984	85,015
– After 1 year but within 5 years	518,549	589,015	117,780	99,265
– After 5 years	354,831	346,736	86,588	59,382
	1,195,249	1,277,298	275,352	243,662

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current liabilities				
Unsecured SGD loans	163,300	180,000	163,300	180,000
Unsecured SGD fixed rate notes	–	50,000	–	50,000
Unamortised loan 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 Australian dollar ("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 loan 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

The weighted average all in cost of debt as at 31 December 2023 was 3.9% per annum (2022: 3.7% per annum).

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	<---------- 2023 ----------> Face value $'000	Gross carrying amount $'000	<---------- 2022 ----------> Face value $'000	Gross carrying amount $'000
Group						
Secured						
JPY term loan facilities	TIBOR^ + margin	2023	–	–	17,016	16,781
JPY term loan facilities	0.71375%	2026	97,755	96,870	107,310	106,076
Unsecured						
SGD term loan facilities	SOR*/SORA** + margin	2025 to 2027	745,000	740,565	1,175,000	1,167,189
AUD term loan facilities	BBSY Bid# + margin	2027	369,072	365,982	372,131	368,085
JPY term loan facilities	TIBOR^ + margin	2026	66,101	65,627	72,562	71,885
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	163,300	162,234	174,000	171,596
SGD medium term notes	2.60% to 3.95%	2023 and 2026	125,000	124,609	175,000	174,444
			1,566,228	1,555,887	2,093,019	2,076,056

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INTEREST-BEARING BORROWINGS (continued)

Terms and debt repayment schedule (continued)

Terms and conditions of outstanding loans and borrowings are as follows: *(continued)*

	Nominal interest rate %	Year of maturity	2023 Face value $'000	2023 Gross carrying amount $'000	2022 Face value $'000	2022 Gross carrying amount $'000
Trust						
Unsecured						
SGD term loan facilities	SOR*/SORA** + margin	2025 to 2027	**745,000**	**740,565**	1,175,000	1,167,189
AUD term loan facilities	BBSY Bid# + margin	2027	**54,394**	**53,920**	54,845	54,229
JPY term loan facilities	TIBOR^ + margin	2026	**66,101**	**65,627**	72,562	71,885
SGD revolving credit facilities	SOR*/SORA** + margin	2024 to 2027	**163,300**	**162,532**	174,000	171,989
SGD medium term notes	2.60% to 3.95%	2023 and 2026	**125,000**	**124,609**	175,000	174,444
			1,153,795	**1,147,253**	1,651,407	1,639,736

^ Tokyo Interbank Offered Rate
* Swap Offer Rate
** Singapore Overnight Rate Average
# Bank Bill Swap Bid Rate

The nominal interest rate for the floating rate loans drawn in SGD is determined by an interest margin plus SORA (2022: SOR/SORA), floating rate loans drawn in AUD is determined by an interest margin plus BBSY Bid and floating rate loans drawn in JPY is determined by an interest margin plus TIBOR.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INTEREST-BEARING BORROWINGS (continued)

As at the reporting date, the Group has in place the following borrowings:

(A) Term loans and revolving credit facilities

(i) unsecured club loan facility of $320 million from UOB, Maybank, RHB and HSBC consisting of:

- Facility A: $160 million term loan facility maturing in March 2026 at an interest margin plus SORA; and
- Facility B: $160 million revolving credit facility maturing in March 2025 at an interest margin plus SORA.

(ii) unsecured loan facility of A$68.5 million from RHB consisting of:

- Facility A: A$60.5 million term loan facility maturing in May 2027 at an interest margin plus BBSY Bid; and
- Facility B: A$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.

(iii) unsecured loan and bank guarantee facility of A$25 million from Australia and New Zealand Banking Group Limited ("ANZ") maturing in April 2027 at an interest margin plus BBSY Bid.

(iv) unsecured loan facility of $835 million and A$365 million from a syndicate of six banks comprising DBS Bank Ltd. and its Australia Branch, Maybank, SMBC Singapore, HSBC, Oversea-Chinese Banking Corporation Limited and ANZ consisting of:

- Facility A: $185 million term loan facility maturing in April 2025 at an interest margin plus SORA;
- Facility B: $200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
- Facility C: $200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
- Facility D: $250 million revolving credit facility maturing in April 2024 at an interest margin plus SORA;
- Facility E: A$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
- Facility F: A$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.

(v) unsecured club loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus TIBOR.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INTEREST-BEARING BORROWINGS (continued)

(A) Term loans and revolving credit facilities (continued)

(vi) secured club loan facility of JPY12.2 billion from MUFG and Sumitomo Mitsui Banking consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate;
- Consumption tax bridging loan facility of JPY1.7 billion maturing in October 2026 at an interest margin plus TIBOR, which has been fully repaid and cancelled during the year; 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 a carrying amount of $173.4 million (2022: $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 term loan and revolving credit facilities were $1,277.9 million (2022: $1,744.0 million) and $163.3 million (2022: $174.0 million), respectively.

(B) Unsecured Medium Term Notes

On 2 February 2012, ESR-LOGOS REIT, through its wholly-owned subsidiary, ESR-LOGOS REIT MTN Pte. Ltd. (the "Issuer"), established a $500 million multi-currency medium term note programme (the "MTN Programme"). The MTN Programme was modified and renamed as $750 million multi-currency debt issuance programme (the "Debt Issuance Programme") in March 2016 to allow the issue of medium term notes (the "Notes") and/or perpetual securities (the "Perps") by either the Trust or the Issuer.

Under the Debt Issuance Programme, the Trust and/or the Issuer may, subject to compliance with all relevant laws, regulations, and directives, from time to time issue the Notes/Perps denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes/Perps are unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) (the "Guarantor").

The Notes/Perps may be issued in series having one or more issue dates and the same maturity date, and on identical terms.

As at the reporting date, the Group has a $125 million 5-year fixed rate notes (the "Series 007 Notes") under its Debt Issuance Programme. The Series 007 Notes was issued directly by the Trust in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INTEREST-BEARING BORROWINGS (continued)

(B) Unsecured Medium Term Notes (continued)

In May 2023, the Trust redeemed and cancelled the $50 million 7-year fixed rate notes (the "Series 005 Notes") issued in May 2016 upon its maturity.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2022 $'000	Merger $'000	Cash flows $'000	Amortisation of loan transaction costs $'000	Effect of changes in foreign exchange rates $'000	2023 $'000
Bank loans	1,901,612	–	(456,444)	6,324	(20,214)	**1,431,278**
Fixed rate notes	174,444	–	(50,000)	165	–	**124,609**
	2,076,056	–	(506,444)	6,489	(20,214)	**1,555,887**

	2021 $'000	Merger $'000	Cash flows* $'000	Amortisation of loan transaction costs $'000	Effect of changes in foreign exchange rates $'000	2022 $'000
Bank loans	1,016,600	776,222	126,929	5,657	(23,796)	1,901,612
Fixed rate notes	174,252	–	–	192	–	174,444
	1,190,852	776,222	126,929	5,849	(23,796)	2,076,056

* The cash flows in FY2022 included an upfront loan transaction cost of $14.4 million relating to new loan facilities.

15. AMOUNT DUE TO NON-CONTROLLING INTEREST

This relates to the 20% non-controlling interest in 7000 AMK LLP, which has been accounted for and classified as a current liability due to the Put Option granted by ESR-LOGOS REIT to HLP. As disclosed in Note 5, the Put Option provides HLP with the right to require ESR-LOGOS REIT to purchase its 20% interest in 7000 AMK LLP.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. PERPETUAL SECURITIES

In November 2017, ESR-LOGOS REIT issued $150.0 million of perpetual securities (the "Series 006 Perps"). The key terms and conditions are as follows:

- the Series 006 Perps confer a right to receive distribution at a rate of 4.6% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to the Series 006 Perps in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset at 6.632% per annum;

- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;

- the Series 006 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and

- the Series 006 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on any distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

In June 2022, ESR-LOGOS REIT issued a separate $150.0 million of perpetual securities (the "Series 008 Perps"). The key terms and conditions are as follows:

- the Series 008 Perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter;

- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative;

- the Series 008 Perps constitute direct, unsecured and subordinated obligations of ESR-LOGOS REIT and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the conditions of the issuance) of the Trust; and

- the Series 008 Perps may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance.

The Series 006 Perps and Series 008 Perps are classified as equity instruments and recorded as equity in the Statement of Financial Position. The $302.1 million (2022: $302.1 million) presented in the Statement of Financial Position represents the carrying value of the $300.0 million (2022: $300.0 million) perpetual securities issued and includes the total return attributable to the perpetual securities holders from the last distribution date. The issue costs were deducted from the Unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. NON-CONTROLLING INTEREST — PERPETUAL SECURITIES

In February 2018, ALOG Trust issued $100.0 million of perpetual securities (the "ALOG Perps") under a $1.0 billion Multicurrency Debt Issuance Programme (the "ALOG Debt Issuance Programme") established by ALOG Trust. The key terms and conditions are as follows:

- the ALOG perps confer a right to receive distribution at a rate of 5.5% per annum, with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every 5 years thereafter;
- distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and
- the ALOG perps constitute direct, unsecured and subordinated obligations of ALOG Trust and rank pari passu and without any preference among themselves and with any Parity Obligations (as defined in the terms and conditions of the ALOG Debt Issuance Programme).

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

On 1 February 2023, ALOG Trust redeemed the $100.0 million ALOG Perps. Upon the redemption, the ALOG Perps were cancelled and delisted from the SGX-ST. The ALOG Debt Issuance Programme has been terminated on 6 February 2023.

18. UNITS IN ISSUE

	Group and Trust	
	2023 Number of units '000	**2022 Number of units '000**
Units in issue:		
At 1 January	**6,719,188**	4,030,257
Issue of new Units:		
– Management fees paid in Units	**49,534**	29,932
– Distribution Reinvestment Plan	**14,828**	39,907
– Private placement	**454,545**	–
– Preferential offering	**460,767**	–
– Partial consideration paid in Units pursuant to the Merger	**–**	2,575,788
– Acquisition fees paid in Units	**–**	43,304
Unit buy-back	**(9,698)**	–
Total issued Units at 31 December	**7,689,164**	6,719,188

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. UNITS IN ISSUE (continued)

During the financial year ended 31 December 2023, the Trust issued the following new Units:

(i) 49.5 million new Units amounting to approximately $16.2 million at issue prices ranging from $0.2905 to $0.3792 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;

(ii) 14.8 million new Units amounting to approximately $5.2 million at issue price of $0.3516 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;

(iii) 454.5 million new Units amounting to approximately $150.0 million at an issue price of $0.3300 per Unit pursuant to a private placement in February 2023; and

(iv) 460.8 million new Units amounting to approximately $149.7 million at an issue price of $0.3250 per Unit pursuant to a preferential offering in April 2023.

During the financial year ended 31 December 2023, the Trust repurchased a total of 9.7 million Units amounting to approximately $2.7 million by way of market repurchases at unit prices ranging from $0.2570 to $0.3100 per Unit. All units repurchased have been cancelled as at 31 December 2023.

During the financial year ended 31 December 2022, the Trust issued the following new Units:

(i) 29.9 million new Units amounting to approximately $12.2 million at issue prices ranging from $0.3706 to $0.4790 per Unit as partial payment for base management fees to the Manager and property management fees to the Property Manager;

(ii) 39.9 million new Units amounting to approximately $16.4 million at issue prices ranging from $0.4024 to $0.4221 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash;

(iii) 2,575.8 million new Units amounting to approximately $1,268.3 million at an issue price of $0.4924 per Unit as partial consideration paid in Units pursuant to the Merger with ALOG Trust in April 2022;

(iv) 38.3 million new Units amounting to approximately $16.0 million at an issue price of $0.4170 per Unit as payment for acquisition fees in relation to the Merger with ALOG Trust; and

(v) 5.0 million new Units amounting to approximately $1.7 million at an issue price of $0.3357 per Unit as payment for acquisition fees in relation to the acquisition of ESR Sakura Distribution Centre.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. UNITS IN ISSUE (continued)

Unitholders' rights

Each Unit represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The limitations on a Unitholder's rights include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem its Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

19. GROSS REVENUE

	Group	
	2023 $'000	**2022 $'000**
Property rental income	**355,160**	317,657
Other income	**31,190**	25,575
	386,350	343,232

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20. PROPERTY EXPENSES

	Group	
	2023 $'000	2022 $'000
Property Manager's fees paid and payable in:		
– cash	14,083	12,242
– Units[1]	3,200	3,257
	17,283	15,499
Property tax	32,802	28,393
Repair and maintenance expenses	23,140	21,463
Other property operating expenses	39,966	33,634
	113,191	98,989

1 Includes approximately $0.8 million (2022: $0.9 million) paid to the Property Manager subsequent to the reporting date by way of an issuance of 2.4 million (2022: 2.3 million) new Units to the Property Manager at an issue price of $0.3137 (2022: $0.3792) per Unit for financial year ended 31 December 2023.

21. MANAGEMENT FEES

	Group	
	2023 $'000	2022 $'000
Base fees paid and payable in:		
– cash	9,572	10,274
– Units[1]	12,352	10,837
Performance fees[2]	–	90
	21,924	21,201

1 Includes approximately $2.7 million (2022: $3.3 million) paid to the Manager subsequent to the reporting date by way of an issuance of 8.6 million (2022: 8.7 million) new Units to the Manager at an issue price of $0.3137 (2022: $0.3792) per Unit.

2 Paid to the former manager of ALOG Trust.

There was no Performance Fee payable for the financial year as the Trust did not outperform the initial Highest DPU Threshold of 6.000 cents for the financial year ended 31 December 2023. Please refer to Note 1B(b) for further details on the Performance Fee structure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. TRUST EXPENSES

	Group	
	2023 $'000	2022 $'000
Auditor's remuneration:		
– audit fees	555	597
– non-audit fees	245	184
Trustee's fees	1,188	1,189
Valuation fees	350	419
Professional fees[1]	2,203	2,007
Other expenses[2]	1,807	776
	6,348	5,172

1 Professional fees include $0.5 million (2022: $0.9 million) of professional fees incurred in relation to the change of trustee of ESR-LOGOS REIT.

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

23. BORROWING COSTS, NET

	Group	
	2023 $'000	2022 $'000
Finance income:		
– interest income from bank deposits	1,087	594
– financial derivatives	14,564	–
Finance costs paid and payable:		
– bank loans	(81,015)	(50,562)
– financial derivatives	–	(955)
– fixed rate notes	(3,943)	(5,225)
Amortisation of transaction costs relating to debt facilities	(6,706)	(6,099)
	(76,013)	(62,247)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. INCOME TAX (CREDIT)/EXPENSE

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows:

	Group	
	2023 $'000	2022 $'000
Current income tax		
– Current year	27	25
– Under provision in prior years	2	2
Deferred tax	(2,133)	5,068
Withholding tax		
– Current year	853	4,397
– Over provision in prior years	(853)	–
	(2,104)	9,492

	Group	
	2023 $'000	2022 $'000
Reconciliation of tax expense		
Total loss for the year before income tax	(65,769)	(261,947)
Income tax using Singapore tax rate of 17% (2022: 17%)	(11,181)	(44,531)
Effect of different tax rates in foreign jurisdictions	(240)	(182)
Income not subject to tax	(11,100)	(14,827)
Non-tax deductible items	50,241	88,619
Deferred tax on fair value (loss)/gain	(2,133)	5,068
Tax transparency	(26,848)	(24,653)
(Over)/Under provision of tax in prior years	(851)	2
Others	8	(4)
Income tax (credit)/expense	(2,104)	9,492

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. INCOME TAX (CREDIT)/EXPENSE (continued)

Deferred tax liabilities as at 31 December are attributable to the investments at FVTPL and investment properties in Australia.

Movement in temporary differences during the year:

	2022 $'000	Recognised in statement of total return $'000	Effect of movement in exchange rates $'000	2023 $'000
Group				
Deferred tax liabilities	7,754	(2,133)	(84)	**5,537**

	2021 $'000	Recognised in statement of total return $'000	Effect of movement in exchange rates $'000	2022 $'000
Group				
Deferred tax liabilities	1,867	5,068	819	7,754

In accordance with FRS 12 Income Taxes, deferred tax is not recognised on temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss ("initial recognition exemption"). As a result of applying the initial recognition exemption, the Group has not recognised deferred tax liabilities of $30.1 million (2022: $35.4 million) relating to temporary differences arising from the Merger.

25. EARNINGS AND DISTRIBUTION PER UNIT

(a) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the total return attributable to Unitholders and the weighted average number of Units in issue for the financial year.

	Group	
	2023 $'000	2022 $'000
Total loss after income tax	**(63,665)**	(271,439)
Less:		
Non-controlling interest	**(3,317)**	(2,994)
Non-controlling interest - perpetual securities holders	**(467)**	(3,828)
Amount reserved for distribution to perpetual securities holders	**(18,198)**	(12,049)
Total loss attributable to Unitholders	**(85,647)**	(290,310)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. EARNINGS AND DISTRIBUTION PER UNIT (continued)

(a) Basic earnings per Unit (continued)

	Number of units	
	2023	**2022**
	'000	**'000**
Weighted average number of Units:		
– Units issued at beginning of the year	**6,719,188**	4,030,257
Effect of issue of new Units:		
– Management fees paid in Units	**24,294**	12,166
– Distribution Reinvestment Plan	**11,293**	22,149
– Private placement	**383,561**	–
– Preferential offering	**313,069**	–
– Partial consideration paid in Units pursuant to the Merger	**–**	1,750,125
– Acquisition fees paid in Units	**–**	24,652
Effect of unit buy-back	**(1,273)**	–
	7,450,132	5,839,349

	Group	
	2023	**2022**
Basic earnings per Unit (cents)	**(1.150)**	(4.972)

(b) Diluted earnings per Unit

Diluted earnings per Unit is the same as basic earnings per Unit as there were no dilutive instruments in issue during the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. EARNINGS AND DISTRIBUTION PER UNIT (continued)

(c) Distribution per Unit

The calculation of distribution per Unit is based on the total amount available for distribution and the number of Units entitled to distribution during the financial year.

	Group	
	2023 $'000	2022 $'000
Total return after income tax and distribution adjustments	176,489	159,610
Amount reserved for perpetual securities holders	(18,198)	(12,049)
Net income available for distribution to Unitholders	158,291	147,561
Total amount available for distribution comprising:		
– Taxable income	158,291	147,561
– Tax-exempt income	4,084	12,049
– Capital distribution	30,323	17,487
Amount available for distribution to Unitholders	192,698	177,097
Distribution per Unit (cents)	2.564	3.000

26. EQUITY ISSUE COSTS

	Group and Trust	
	2023 $'000	2022 $'000
Equity issue costs:		
– Distribution Reinvestment Plan	195	557
– Private placement	3,472	–
– Preferential offering	1,214	6
– Perpetual securities	–	1,719
– Unit buy-back	5	–
	4,886	2,282

The equity issue costs are deducted directly against Unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. 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

At the reporting date, the Group had the following capital commitments:

- $33.4 million (2022: $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 consolidated financial statements. These projects are targeted to complete in 2024.

- A$7.05 million (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 the interest rate swaps contracts entered into by certain subsidiaries with total notional amount of $269.7 million (2022: $272.0 million).

- The Trust has provided unsecured corporate guarantees of $9.3 million (2022: 6.9 million) to a bank in respect of bank guarantees issued on behalf of a subsidiary.

28. RELATED PARTIES

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. RELATED PARTIES (continued)

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

	Group	
	2023 $'000	2022 $'000
ESR-LOGOS Funds Management (S) Limited (the Manager)		
Management fees paid and payable in:		
– cash	8,122	9,001
– Units	12,352	10,837
Acquisition fees paid in Units	–	17,648
Development management fees paid and payable in cash	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 and lease management fees paid and payable in:		
– cash	6,318	5,589
– Units	3,200	3,257
Lease marketing services commission paid and payable in cash	5,602	3,592
Project management fees paid and payable in cash	822	419
Site staff cost recovery	1,240	1,088
Rental income received and receivable[1]	–	673
Utilities income received and receivable	–	16
RBC Investor Services Trust Singapore Limited[2]		
Trustee fees paid	–	434
Perpetual (Asia) Limited (the Trustee)[3]		
Trustee fees paid and payable	431	43

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. RELATED PARTIES (continued)

	Group	
	2023 $'000	2022 $'000
ESR Group Limited and its subsidiaries[4]		
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
Lease marketing services commission paid and payable in cash	1,071	–
Acquisition of ESR Sakura Distribution Centre	–	169,812
Rental support received[5]	1,840	421
TSMP Law Corporation		
Legal fees paid and payable	–	630

1 Relates to rental income received and receivable from ESR-LOGOS Property Management (S) Pte Ltd ("ELPM") pursuant to a 3-year tenancy agreement entered into between the Group and ELPM during 2021. The lease has since been pre-terminated on 3 January 2023.
2 On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.
3 Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.
4 Excluding the Manager and ELPM.
5 Pertains to rental support received from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT

Valuation processes applied by the Group

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

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

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

(a) Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no such transfers during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(b) Assets and liabilities measured at fair value

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2023				
Non financial assets				
Investment properties (including right-of-use assets)	–	–	4,686,985	4,686,985
Financial assets				
Investments at FVTPL	–	–	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)
2022				
Non financial assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	–	56,595	5,103,400	5,159,995
Financial assets				
Investments at FVTPL	–	–	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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(b) Assets and liabilities measured at fair value (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2023				
Non financial assets				
Investment properties (including right-of-use assets)	**–**	**–**	**1,292,290**	**1,292,290**
Financial assets				
Investment at FVTPL	**–**	**–**	**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)**
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 FVTPL	–	–	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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(c) Level 2 fair value measurements

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

Investment properties held for divestment

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

Financial derivatives

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

(d) Level 3 fair value measurements

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

Amount due to non-controlling interest

The fair value of the amount due to non-controlling interest is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 29(d).

Investment properties held directly or through joint venture

Investment properties are stated at fair value based on valuations performed by independent professional valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued. Independent valuations are obtained annually for all investment properties. Any change in the fair value is recorded in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(d) Level 3 fair value measurements (continued)

Investment properties held directly or through joint venture (continued)

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

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

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

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

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties held directly or through joint venture		
Discounted cash flows method, direct comparison method, capitalisation approach and residual value approach		The estimated fair value would increase/ (decrease) if:
	• Market rental growth ranges from 1.8% to 6.3%% (2022: 2.4% to 7.1%) per annum.	• expected market rental growth were higher/(lower);
	• Adjusted price (psm) of $1,756 (2022: $1,834)	• the adjusted price psm were higher/ (lower);
	• Discount rates of 3.90% to 10.50% (2022: 4.00% to 9.50%)	• the discount rates were lower/ (higher);
	• Capitalisation rates of 4.10% to 7.50% (2022: 4.20% to 7.50%)	• the capitalisation rates were lower/ (higher); or
	• Terminal yield rates of 4.20% to 7.75% (2022: 4.30% to 7.50%)	• the terminal yield rates were lower/ (higher)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(d) Level 3 fair value measurements (continued)

Key unobservable inputs correspond to:

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

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 4.

Investments at fair value through profit or loss

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

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

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties held by property funds		
Discounted cash flows method and capitalisation approach		The estimated fair value would increase/ (decrease) if:
	• Discount rates of 6.50% to 7.50% (2022: 5.50% to 7.00%)	• the discount rates were lower/ (higher);
	• Capitalisation rates of 4.50% to 8.00% (2022: 3.60% to 6.25%)	• the capitalisation rates were lower/ (higher); or
	• Terminal yield rates of 4.75% to 8.25% (2022: 3.85% to 7.25%)	• the terminal yield rates were lower/ (higher).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(e) Assets and liabilities not measured at fair value for which fair value is disclosed

The table below shows an analysis of other non-current liabilities of the Group and the Trust not measured at fair value for which fair value is disclosed:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust				
2023				
Liabilities				
Fixed rate notes	**115,785**	**–**	**–**	**115,785**
2022				
Liabilities				
Fixed rate notes	163,501	–	–	163,501

Determination of fair value for fixed rate notes

The fair values of the fixed rate notes are determined based on the quoted bid prices in an active market as at the reporting date.

(f) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amounts of current financial assets and liabilities of the Group and the Trust approximate their fair values due to their short maturity period. The carrying amounts of non-current floating rate borrowings of the Group and the Trust do not materially differ from their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(g) Classification of financial instruments

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

	Note	Financial assets at amortised cost $'000	Fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Group						
2023						
Investments at FVTPL	7	–	300,347	–	300,347	300,347
Trade and other receivables*	10	23,765	–	–	23,765	23,765
Cash and bank balances	11	41,985	–	–	41,985	41,985
Loans and borrowings	14	–	–	(1,555,887)	(1,555,887)	(1,546,672)
Trade and other payables^	12	–	–	(102,198)	(102,198)	(102,198)
Amount due to non-controlling interest	15	–	(70,928)	–	(70,928)	(70,928)
Derivative financial instruments (net)	9	–	5,645	–	5,645	5,645
		65,750	235,064	(1,658,085)	(1,357,271)	(1,348,056)
2022						
Investments at FVTPL	7	–	342,665	–	342,665	342,665
Trade and other receivables*	10	20,713	–	–	20,713	20,713
Cash and bank balances	11	45,579	–	–	45,579	45,579
Loans and borrowings	14	–	–	(2,076,056)	(2,076,056)	(2,064,557)
Trade and other payables^	12	–	–	(103,466)	(103,466)	(103,466)
Amount due to non-controlling interest	15	–	(63,316)	–	(63,316)	(63,316)
Derivative financial instruments (net)	9	–	22,095	–	22,095	22,095
		66,292	301,444	(2,179,522)	(1,811,786)	(1,800,287)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FAIR VALUE MEASUREMENT (continued)

(g) *Classification of financial instruments (continued)*

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

	Note	Financial assets at amortised cost $'000	Fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Trust						
2023						
Loans to subsidiaries	8	667,506	–	–	667,506	667,506
Investment at FVTPL	7	–	75,910	–	75,910	75,910
Trade and other receivables*	10	49,097	–	–	49,097	49,097
Cash and bank balances	11	10,131	–	–	10,131	10,131
Loans and borrowings	14	–	–	(1,147,253)	(1,147,253)	(1,138,038)
Trade and other payables^	12	–	–	(46,059)	(46,059)	(46,059)
Derivative financial instruments (net)	9	–	404	–	404	404
		726,734	76,314	(1,193,312)	(390,264)	(381,049)
2022						
Loans to subsidiaries	8	725,755	–	–	725,755	725,755
Investment at FVTPL	7	–	77,320	–	77,320	77,320
Trade and other receivables*	10	52,059	–	–	52,059	52,059
Cash and bank balances	11	9,539	–	–	9,539	9,539
Loans and borrowings	14	–	–	(1,639,736)	(1,639,736)	(1,628,237)
Trade and other payables^	12	–	–	(44,563)	(44,563)	(44,563)
Derivative financial instruments (net)	9	–	12,897	–	12,897	12,897
		787,353	90,217	(1,684,299)	(806,729)	(795,230)

* Excludes prepayments, GST receivable and capitalised costs.
^ Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk).

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit, Risk Management and Compliance Committee ("ARCC") oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit, which is outsourced to a public accounting firm, undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for tenants and monitors the amounts receivable from tenants on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the tenants. In addition, the Group requires the tenants to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to the Group. For cash and cash equivalents, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Manager establishes an allowance for impairment loss, based on a specific loss component that relates to individually significant exposures, that represents its estimate of expected losses in respect of trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) *Credit risk (continued)*

Credit risk concentration profile
At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statements of Financial Position.

Financial assets that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment history with the Group. Cash deposits are placed with financial institutions which are reputable and regulated.

Financial assets that are past due or impaired
Information regarding financial assets that are past due or impaired is disclosed in Note 10 (Trade and other receivables). At the reporting date, the Group had no financial assets which had been determined to be impaired and there are no allowances for impairment loss provided for.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities.

The Manager monitors the liquidity risk of the Group on an on-going basis. The Group's objective is to maintain a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's operations. Typically, the Manager ensures that the Group has sufficient cash on demand and committed revolving credit facilities to meet expected operating expenses for a reasonable period, including the servicing of financial obligations; but this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contracted maturities

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year $'000	Between 2 to 5 years $'000	More than 5 years $'000	Total $'000
Group				
2023				
Non-derivative financial liabilities				
Term loan facilities	(59,912)	(1,382,400)	–	(1,442,312)
Revolving credit facilities	(165,792)	–	–	(165,792)
Medium term notes	(3,259)	(131,500)	–	(134,759)
Trade and other payables*⁺	(61,813)	(35,854)	–	(97,667)
Amount due to non-controlling interest	(70,928)	–	–	(70,928)
Lease liabilities	(23,892)	(163,784)	(966,018)	(1,153,694)
	(385,596)	(1,713,538)	(966,018)	(3,065,152)
Derivative financial instruments				
Interest rate swaps	12,200	1,176	–	13,376
	(373,396)	(1,712,362)	(966,018)	(3,051,776)
2022				
Non-derivative financial liabilities				
Term loan facilities	(245,195)	(1,689,968)	–	(1,935,163)
Revolving credit facilities	(5,757)	(176,020)	–	(181,777)
Medium term notes	(54,229)	(134,759)	–	(188,988)
Trade and other payables*⁺	(76,009)	(20,530)	–	(96,539)
Amount due to non-controlling interest	(63,316)	–	–	(63,316)
Lease liabilities	(25,661)	(172,193)	(1,056,068)	(1,253,922)
	(470,167)	(2,193,470)	(1,056,068)	(3,719,705)
Derivative financial instruments				
Interest rate swaps	(8,952)	(6,223)	–	(15,175)
	(479,119)	(2,199,693)	(1,056,068)	(3,734,880)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contracted maturities (continued)

	Within 1 year $'000	Between 2 to 5 years $'000	More than 5 years $'000	Total $'000
Trust				
2023				
Non-derivative financial liabilities				
Term loan facilities	(40,781)	(925,648)	–	(966,429)
Revolving credit facilities	(165,792)	–	–	(165,792)
Medium term notes	(3,259)	(131,500)	–	(134,759)
Trade and other payables*+	(26,056)	(15,909)	–	(41,965)
Lease liabilities	(8,956)	(42,021)	(201,659)	(252,636)
	(244,844)	(1,115,078)	(201,659)	(1,561,581)
Derivative financial instruments				
Interest rate swaps	7,217	298	–	7,515
	(237,627)	(1,114,780)	(201,659)	(1,554,066)
2022				
Non-derivative financial liabilities				
Term loan facilities	(229,244)	(1,195,775)	–	(1,425,019)
Revolving credit facilities	(5,757)	(176,020)	–	(181,777)
Medium term notes	(54,229)	(134,759)	–	(188,988)
Trade and other payables*+	(32,734)	(5,537)	–	(38,271)
Lease liabilities	(10,888)	(49,748)	(256,310)	(316,946)
	(332,852)	(1,561,839)	(256,310)	(2,151,001)
Derivative financial instruments				
Interest rate swaps	(6,391)	(2,364)	–	(8,755)
	(339,243)	(1,564,203)	(256,310)	(2,159,756)

* Excludes rent received in advance, deposit received for investment properties held for divestment and GST payable.
\+ Excludes interest and loan commitment fee payable, which are included in the respective debt facilities.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of ensuring that the majority of the Group's exposures to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps and fixed rate borrowings.

At the reporting date, the Group has entered into interest rate swap contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional amounts of the bank loans.

As at 31 December 2023, the Group has fixed 81.6% (2022: 72.0%) of its interest rate exposure by entering into interest rate swaps and fixed rate borrowings. The Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges and takes into account prevailing market conditions.

Sensitivity analysis for variable rate instruments

For the variable rate instruments, a change of 100 basis points ("bps") in interest rates at the end of the reporting period would have increased/(decreased) Unitholders' funds and total return by the amounts shown below. The analysis assumes that all other variables remain constant.

	Total Return		Unitholders' Funds	
	100 bps increase $'000	**100 bps decrease $'000**	**100 bps increase $'000**	**100 bps decrease $'000**
Group				
2023				
Variable rate instruments				
Interest-bearing borrowings				
– Interest expense	**(2,876)**	**2,876**	**(2,876)**	**2,876**
2022				
Variable rate instruments				
Interest-bearing borrowings				
– Interest expense	(5,862)	5,862	(5,862)	5,862

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis for variable rate instruments (continued)

	Total Return		Unitholders' Funds	
	100 bps increase $'000	100 bps decrease $'000	100 bps increase $'000	100 bps decrease $'000
Trust				
2023				
Variable rate instruments				
Interest-bearing borrowings				
– Interest expense	**(2,427)**	**2,427**	**(2,427)**	**2,427**
2022				
Variable rate instruments				
Interest-bearing borrowings				
– Interest expense	(5,238)	5,238	(5,238)	5,238

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries and property funds.

The Group manages its foreign currency risk by holding net borrowings in foreign currencies to achieve a natural hedge and by entering into forward foreign currency exchange contracts to hedge against foreign currency movements on net income denominated in foreign currencies (Note 9).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

As at the reporting date, the Group and the Trust's exposure to foreign currency risk are as follows:

	AUD $'000	JPY $'000	Total $'000
Group			
2023			
Financial assets			
Investments at FVTPL	300,347	–	300,347
Derivative financial instruments	5,241	–	5,241
Trade and other receivables	4,444	284	4,728
Cash and cash equivalents	14,365	10,342	24,707
	324,397	10,626	335,023
Financial liabilities			
Derivative financial instruments	–	(103)	(103)
Trade and other payables	(5,039)	(4,717)	(9,756)
Interest-bearing borrowings (Gross)	(369,072)	(163,856)	(532,928)
	(374,111)	(168,676)	(542,787)
Net statement of financial position exposure	(49,714)	(158,050)	(207,764)
Trust			
2023			
Financial assets			
Investment at FVTPL	75,910	–	75,910
Loans to subsidiaries	–	70,324	70,324
Trade and other receivables	8	441	449
Cash and cash equivalents	213	–	213
	76,131	70,765	146,896
Financial liabilities			
Derivative financial instruments	–	(103)	(103)
Trade and other payables	(425)	(175)	(600)
Interest-bearing borrowings (Gross)	(54,394)	(66,101)	(120,495)
	(54,819)	(66,379)	(121,198)
Net statement of financial position exposure	21,312	4,386	25,698

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

	AUD $'000	JPY $'000	Total $'000
Group			
2022			
Financial assets			
Investments at FVTPL	342,665	–	342,665
Derivative financial instruments	9,197	583	9,780
Trade and other receivables	6,997	17,199	24,196
Cash and cash equivalents	8,977	7,593	16,570
	367,836	25,375	393,211
Financial liabilities			
Trade and other payables	(5,629)	(3,560)	(9,189)
Interest-bearing borrowings (Gross)	(372,131)	(196,888)	(569,019)
	(377,760)	(200,448)	(578,208)
Net statement of financial position exposure	(9,924)	(175,073)	(184,997)
Trust			
2022			
Financial assets			
Investment at FVTPL	77,320	–	77,320
Derivative financial instruments	–	583	583
Loans to subsidiaries	–	77,633	77,633
Trade and other receivables	–	52	52
Cash and cash equivalents	363	–	363
	77,683	78,268	155,951
Financial liabilities			
Trade and other payables	(329)	(140)	(469)
Interest-bearing borrowings (Gross)	(54,845)	(72,562)	(127,407)
	(55,174)	(72,702)	(127,876)
Net statement of financial position exposure	22,509	5,566	28,075

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A 10% weakening of the SGD against the following currencies would increase the total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

	Total Return	
	2023 $'000	**2022 $'000**
Group		
AUD against SGD	**8,020**	5,587
JPY against SGD	**439**	556
Trust		
AUD against SGD	**2,131**	2,251
JPY against SGD	**439**	556

A 10% strengthening of the SGD against the above currencies would have had an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

31. CAPITAL MANAGEMENT

The Manager's objective when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt, equity and other financial instruments, whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest coverage and other ratios within approved limits.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 45% of the fund's deposited property, provided that the Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from new borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. CAPITAL MANAGEMENT (continued)

At the reporting date, the Aggregate Leverage and interest coverage ratios of the Group are as follows:

	Group	
	2023	2022
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 LLP, but excludes the effects arising from the adoption of FRS 116 Leases.

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

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

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

32. SEGMENT REPORTING

Segment information is presented based on the information reviewed by the Manager's Chief Operating Decision Makers ("CODMs") for performance assessment and resource allocation.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

32. SEGMENT REPORTING (continued)

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

	Singapore $'000	Australia $'000	Japan $'000	Total $'000
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 FVTPL	–	9,215	–	9,215
Change in fair value of investments at FVTPL	–	(39,839)	–	(39,839)
Change in fair value of investment properties	(186,268)	13,891	5,559	(166,818)
Change in fair value of right-of-use of leasehold land	710	7,975	–	8,685
Finance costs on lease liabilities for leasehold land	(12,636)	(19,540)	–	(32,176)
	29,094	15,219	11,789	56,102
Unallocated amounts:				
– Interest income				15,651
– Borrowing costs				(91,664)
– Change in fair value of financial derivatives				(16,346)
– Foreign exchange loss				(1,240)
– Management fees				(21,924)
– Trust expenses				(6,348)
Total loss for the year before tax				(65,769)
Income tax credit				2,104
Total loss for the year after tax				(63,665)
Segment Assets and Liabilities				
As at 31 December 2023				
Segment assets				
Investment properties (including right-of-use assets)	3,489,570	1,023,970	173,445	4,686,985
Investment in joint venture	41,233	–	–	41,233
Investments at FVTPL	–	300,347	–	300,347
Others	49,137	9,480	10,626	69,243
	3,579,940	1,333,797	184,071	5,097,808
Unallocated assets [1]				8,501
Consolidated total assets				5,106,309
Segment liabilities	419,843	358,344	4,101	782,288
Unallocated liabilities [2]				1,558,743
Consolidated total liabilities				2,341,031

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

32. SEGMENT REPORTING (continued)

	Singapore $'000	Australia $'000	Japan $'000	Total $'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 FVTPL	–	11,129	–	11,129
Change in fair value of investments at FVTPL	–	8,360	–	8,360
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)
	177,260	49,645	1,509	228,414
Unallocated amounts:				
– Interest income				594
– Borrowing costs				(62,841)
– Change in fair value of financial derivatives				27,570
– 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)
Income tax expense				(9,492)
Total loss for the year after tax				(271,439)
Segment Assets and Liabilities				
As at 31 December 2022				
Segment assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	4,042,825	934,947	182,223	5,159,995
Investment in joint venture	41,233	–	–	41,233
Investments at FVTPL	–	342,665	–	342,665
Others	45,398	16,125	24,740	86,263
	4,129,456	1,293,737	206,963	5,630,156
Unallocated assets [1]				24,002
Consolidated total assets				5,654,158
Segment liabilities	445,137	278,469	3,502	727,108
Unallocated liabilities [2]				2,077,963
Consolidated total liabilities				2,805,071

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33. FINANCIAL RATIOS

	2023 %	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.

34. SUBSEQUENT EVENTS

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

(a) Attainment of Temporary Occupation Permit ("TOP") status for 21B Senoko Loop

On 17 January 2024, ESR-LOGOS REIT obtained the TOP status for the phase 2 of the redevelopment project at 21B Senoko Loop.

(b) Incorporation of ESR-LOGOS REIT INV3 Pte. Ltd.

On 24 January 2024, ESR-LOGOS REIT incorporated ESR-LOGOS REIT INV3 Pte. Ltd., a 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.

(c) US$70.0 million investment in ESR Japan Income Fund ("JIF")

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

(d) Repurchase of Units

On 13 February 2024, ESR-LOGOS REIT repurchased 2.0 million Units amounting to approximately $0.6 million at $0.3025 per Unit.

On 14 February 2024, ESR-LOGOS REIT repurchased 0.9 million Units amounting to approximately $0.3 million at $0.3000 per Unit.

On 1 March 2024, ESR-LOGOS REIT repurchased 8.5 million Units amounting to approximately $2.5 million at $0.2985 per Unit.

(e) Issuance of new Units

On 15 February 2024, the Trust issued 11.1 million new Units amounting to approximately $3.5 million at an issue price of $0.3137 per Unit as partial payment for the Manager's base management fees and the Property Manager's property management fees.

35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board on 20 March 2024.

ADDITIONAL INFORMATION

(A) INTERESTED PERSON TRANSACTIONS ("IPTS")

Transactions entered into with interested persons during the financial year falling under the SGX-ST Listing Rules and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of Entity	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules) $'000	Aggregate value of all IPTs conducted under the Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules (excluding transactions less than $100,000) $'000
ESR-LOGOS Funds Management (S) Limited (the "Manager")		
Management fees paid and payable		
— in cash	8,122	–
— in Units	12,352	–
Development management fees paid and payable	1,857	–
Divestment fees paid in cash	2,162	–
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	6,318	–
— in Units	3,200	–
Lease marketing services commissions paid and payable	5,602	–
Project management fees paid and payable	822	–
Site staff cost recovery	1,240	–
Perpetual (Asia) Limited (the "Trustee")		
Trustee fees paid and payable	431	–

ADDITIONAL INFORMATION

Name of Entity	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules) $'000	Aggregate value of all IPTs conducted under the Unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules (excluding transactions less than $100,000) $'000
ESR Group Limited and its subsidiaries[1]		
Investment management fees paid and payable	732	–
Asset management fees paid and payable	1,459	–
Property management fees paid and payable	1,556	–
Lease marketing services commission paid and payable	1,071	–
Purchase of solar power	61	–

1 Excluding the Manager and ESR-LOGOS Property Management (S) Pte. Ltd..

Except as disclosed above, there were no additional IPTs (excluding transactions of less than $100,000 each) entered into up to and including 31 December 2023 or any material contracts entered by ESR-LOGOS REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder of the Trust.

Please also see Related Parties in Note 28 to the financial statements.

The entry into and the fees payable pursuant to the Trust Deed (as amended) have been approved by Unitholders upon the subscription of Units at the initial public offering of ESR-LOGOS REIT on the SGX-ST in July 2006 and/or at relevant extraordinary general meetings convened from time to time, and are therefore not subject to Rule 905 and Rule 906 of the SGX-ST Listing Rules.

The entry into and the fees payable pursuant to the new Singapore property management agreements have been approved by the Unitholders in the Extraordinary General Meeting held on 26 April 2023 and such fees shall not be subject to the aggregation or further Unitholders' approval requirement under Rule 905 and Rule 906 of the SGX-ST Listing Rules to the extent that there is no subsequent change to the rates and/or bases of the property management fees in respect of the Singapore properties and related expenses thereunder which will adversely affect ESR-LOGOS REIT.

The Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any IPTs.

ADDITIONAL INFORMATION

(B) RATIO OF TOTAL OPERATING EXPENSES TO NET ASSET VALUE

The CIS Code requires that the total operating expenses (including all fees and charges paid to the Manager and interested parties) be disclosed in both absolute terms and as a percentage of the net asset value of the Trust as at the end of the financial year.

The total operating expenses of ESR-LOGOS REIT, including all fees and charges paid to the Manager and interested parties, to the net asset value is as follows:

	2023	2022
Total operating expenses, including all fees, charges and reimbursables paid to the Manager and interested parties ($'000)	**164,954**	154,698
Net asset value ($'000)	**2,463,150**	2,444,653
Percentage of total operating expenses to net asset value (%)	**6.7**	6.3

(C) 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 ($ million)	Aggregate Amount Utilised To Date ($ million)	Remaining Proceeds Pending Utilisation ($ million)
To partially finance the total acquisition costs for 46A Tanjong Penjuru	71.8	71.8	—
To partially finance the proposed asset enhancements at 16 Tai Seng Street and 7000 Ang Mo Kio Avenue 5	43.3	40.5	2.8
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	146.8	2.8

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

ADDITIONAL INFORMATION

(C) USE OF PROCEEDS RAISED FROM OFFERINGS PURSUANT TO CHAPTER 8 OF THE LISTING MANUAL (continued)

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 ($ million)	Aggregate Amount Utilised To Date ($ million)	Remaining Proceeds Pending Utilisation ($ million)
To fund any future potential acquisitions and finance any redevelopment or asset enhancement initiatives of the properties owned by ESR-LOGOS REIT	295.0	—	295.0
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	4.7	4.7	—
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 announcements dated 16 February 2023 titled "Launch of Equity Fund Raising to raise Gross Proceeds of not less than approximately S$300.0 million" and 5 April 2024 titled "Use of Proceeds Raised from Equity Fund Raisings".

STATISTICS OF UNITHOLDERS

as at 28 March 2024

ISSUED AND FULLY PAID-UP UNITS

7,688,798,608 Ordinary Units (voting rights: one vote per Unit)
Market Capitalisation S$2,268,195,589 (based on closing price of S$0.295 as at 28 March 2023)

Size of Unitholdings	No. of Units	% of Units in Issue	No. of Unitholders	% of Unitholders
1–99	35,116	0.00	772	3.21
100–1,000	517,377	0.01	953	3.96
1,001-10,000	34,257,812	0.45	6,315	26.25
10,001-1,000,000	1,169,881,665	15.21	15,847	65.89
1,000,001 AND ABOVE	6,484,106,638	84.33	165	0.69
TOTAL	7,688,798,608	100.00	24,052	100.00

TWENTY LARGEST UNITHOLDERS

As shown in the Register of Unitholders

No.	Name	No. of Units	% of Units in Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,956,922,101	25.45
2	DBS NOMINEES (PRIVATE) LIMITED	743,236,040	9.67
3	RHB BANK NOMINEES PTE LTD	690,884,656	8.99
4	HSBC (SINGAPORE) NOMINEES PTE LTD	689,183,460	8.96
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	447,755,866	5.82
6	RAFFLES NOMINEES (PTE.) LIMITED	431,380,714	5.61
7	DBSN SERVICES PTE. LTD.	306,805,059	3.99
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	192,541,753	2.50
9	ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED	150,207,113	1.95
10	PHILLIP SECURITIES PTE LTD	63,912,567	0.83
11	BPSS NOMINEES SINGAPORE (PTE.) LTD.	50,318,078	0.65
12	DB NOMINEES (SINGAPORE) PTE LTD	45,022,036	0.59
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	40,523,256	0.53
14	OCBC SECURITIES PRIVATE LIMITED	40,141,189	0.52
15	MEIBAN INVESTMENT PTE LTD	38,572,775	0.50
16	ESR-LOGOS PROPERTY MANAGEMENT (S) PTE. LTD.	35,342,074	0.46
17	IFAST FINANCIAL PTE. LTD.	32,810,091	0.43
18	MAYBANK SECURITIES PTE. LTD.	31,177,908	0.41
19	UOB KAY HIAN PRIVATE LIMITED	28,773,279	0.37
20	CGS INTL SECURITIES SINGAPORE PL	28,236,898	0.37
	TOTAL	6,043,746,913	78.60

STATISTICS OF UNITHOLDERS

as at 28 March 2024

INTEREST OF SUBSTANTIAL UNITHOLDERS

Based on the Register of Substantial Unitholders' unitholdings maintained by the Manager, the Substantial Unitholders of ESR-LOGOS REIT and their interests in the Units as at the 28 March 2024 are as follows:

Substantial Unitholders	Direct Interest No. of Units	%[1]	Deemed Interest No. of Units	%[1]	Total Interest No. of Units	%[1]
Tong Jinquan	172,802,987	2.247	255,184,832[2]	3.319	427,987,819	5.566
e-Shang Infinity Cayman Limited	690,884,656	8.986	185,549,187[3]	2.413	876,433,843	11.399
e-Shang Jupiter Cayman Limited	–	–	876,433,843[4]	11.399	876,433,843	11.399
LOGOS Units No. 1 Ltd.	427,833,337	5.564	–	–	427,833,337	5.564
LOGOS Property Group Limited	–	–	613,382,524[5]	7.978	613,382,524	7.978
ARA Logistics Venture I Limited	–	–	613,382,524[5]	7.978	613,382,524	7.978
ARA Logistics Partners Limited	–	–	613,382,524[5]	7.978	613,382,524	7.978
ARA Logistics (Holdings) Pte. Ltd.	–	–	613,382,524[5]	7.978	613,382,524	7.978
ARA Asset Management Limited	–	–	613,382,524[5]	7.978	613,382,524	7.978
ESR Group Limited	–	–	1,304,267,180[4][5]	16.963	1,304,267,180	16.963

Notes:

(1) The percentage interest is based on 7,688,798,608 Units in issue as at the Latest Practicable Date.

(2) Wealthy Fountain Holdings Inc holds 60 Units and Skyline Horizon Consortium Ltd holds 13,172,094 Units. Both Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly-owned by Shanghai Summit Pte. Ltd. ("SSPL"). Leading Wealth Global Inc ("LWG") holds 242,012,678 Units and is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd., which is in turn a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. ("SSGCL"). Both SSPL and SSGCL are wholly-owned by Mr. Tong Jinquan. Therefore, he is deemed to be interested in the 255,184,832 Units held by Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd and LWG.

(3) e-Shang Infinity Cayman Limited indirectly owns 99% equity interest in the Manager and 100% equity interest in ESR-LOGOS Property Management (S) Pte. Ltd. (the "Property Manager"). Each of the Manager and the Property Manager holds 150,207,113 Units and 35,342,074 Units, respectively. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 185,549,187 Units held by the Manager and the Property Manager.

(4) ESR Group Limited is the sole shareholder of e-Shang Jupiter Cayman Limited, which is in turn the sole shareholder of e-Shang Infinity Cayman Limited. Therefore, each of ESR Group Limited and e-Shang Jupiter Cayman Limited is deemed to be interested in the 876,433,843 Units held by e-Shang Infinity Cayman Limited.

(5) LOGOS Units No. 1 Ltd. holds 427,833,337 Units and is a wholly-owned subsidiary of LOGOS Property Group Limited ("LPGL"). LOGOS Trust Holdco Pte. Ltd. ("LTHPL") holds 36% shareholding interest in ESR-LOGOS Investment Management Pte. Ltd. ("ELIM"). ELIM holds a 99% shareholding interest in the Manager and a 100% shareholding interest in the Property Manager. LTHPL is a wholly-owned subsidiary of LOGOS Holdco Pte. Ltd., which is in turn a wholly-owned subsidiary of LPGL. Therefore, LPGL is deemed to be interested in the 613,382,524 Units held by LOGOS Units No. 1 Ltd., the Manager and the Property Manager. ARA Logistics Venture I Limited holds an 86.4% shareholding interest in LPGL. ARA Logistics Venture I Limited is a subsidiary of ARA Logistics Partners Limited which is in turn a subsidiary of ARA Logistics (Holdings) Pte. Ltd., which is a wholly-owned subsidiary of ARA Asset Management Limited, which is in turn a wholly-owned subsidiary of ESR Group Limited. Accordingly, ESR Group Limited is deemed to be interested in the 613,382,524 Units held by LOGOS Units No. 1 Ltd., the Manager and the Property Manager.

STATISTICS OF UNITHOLDERS

as at 28 March 2024

DIRECTOR'S INTEREST IN UNITS AS AT 21 JANUARY 2024

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units issued by ESR-LOGOS REIT are as follows.

	Direct Interest		Deemed Interest		Total Interest	
Directors	**No. of Units**	**%[1]**	**No. of Units**	**%[1]**	**No. of Units**	**%[1]**
Ms. Stefanie Yuen Thio	265,934	0.0035%	37,951[2]	0.0005%	303,885	0.0040%
Mr. Nagaraj Sivaram	1,064,000	0.0138%	–	–	1,064,000	0.0138%
Dr. Julie Lo Lai Wan	–	–	–	–	–	–
Mr. Ronald Lim	184,715	0.0024%	–	–	184,715	0.0024%
Mr. Loi Pok Yen	7,110,654	0.0925%	138,320[3]	0.0018%	7,248,974	0.0943%
Mr. Trent Iliffe	1,586,746	0.0206%	–	–	1,586,746	0.0206%
Mr. George Agethen	–	–	–	–	–	–
Mr. Stuart Gibson	–	–	–	–	–	–
Mr. Shen Jinchu, Jeffrey	–	–	–	–	–	–
Mr. Adrian Chui	–	–	–	–	–	–

Notes:

(1) The percentage interest is computed based on the total number of Units in issue as at 21 January 2024 of 7,689,164,004.

(2) As 37,951 Units are held by Ms. Stefanie Yuen Thio's husband, Ms. Stefanie Yuen Thio is deemed to be interested in these Units.

(3) As 138,320 Units are held by Mr. Loi Pok Yen's wife, Mr. Loi Pok Yen is deemed to be interested in these Units.

FREE FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities are at all times held by the public. Based on the information made available to the Manager as at 28 March 2024 approximately 74.4% of ESR-LOGOS REIT's Units are held by the public and therefore, Rule 723 of the listing Manual of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting ("**AGM**") of the holders of units of ESR-LOGOS REIT ("**E-LOG**", and the holders of units of E-LOG, "**Unitholders**") will be held at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 30 April 2024 (Tuesday) at 10.00 a.m. (Singapore time), to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

AS ORDINARY BUSINESS

1. Ordinary Resolution

To receive and adopt the report issued by Perpetual (Asia) Limited, as trustee of E-LOG (the "**Trustee**"), the statement issued by ESR-LOGOS Funds Management (S) Limited, as manager of E-LOG (the "**Manager**"), and the audited financial statements of E-LOG for the financial year ended 31 December 2023 together with the independent auditors' report to Unitholders thereon.

2. Ordinary Resolution

To re-appoint Ernst & Young LLP as Auditor of E-LOG to hold office until the conclusion of the next AGM, and to authorise the directors of the Manager ("**Directors**") to fix their remuneration.

AS SPECIAL BUSINESS

3. Ordinary Resolution

That authority be and is hereby given to the Manager, to

(a) (i) issue units in E-LOG ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of E-LOG's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

(ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units pursuant to any Instruments made or granted by the Manager while this Resolution was in force (even though the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with subparagraph (2) below, of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;

NOTICE OF ANNUAL GENERAL MEETING

(2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing E-LOG, including but not limited to the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting E-LOG (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution continues in force until (i) the conclusion of the next AGM of E-LOG or (ii) the date on which the next AGM of E-LOG is required by applicable regulations or the Trust Deed to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of E-LOG to give effect to the authority contemplated and/or authorised by this Resolution.

[Please see Explanatory Notes below]

4. Ordinary Resolution

That:

(a) the exercise of all the powers of the Manager to repurchase or otherwise acquire Units for and on behalf of E-LOG not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or

(ii) off-market repurchase(s) of Units otherwise than on a securities exchange and made under an "equal access scheme" for repurchase of Units from Unitholders in accordance with the Trust Deed,

and otherwise in accordance with the Trust Deed and all applicable laws and regulations including without limitation the Listing Manual as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next AGM of E-LOG or the date on which the next annual general meeting of E-LOG is or is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;

(ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase;

(d) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of E-LOG to give effect to the transactions contemplated and/or authorised by this Resolution:

All capitalised terms used in this Resolution which are not defined herein shall have the same meaning ascribed to them in the Circular to Unitholders dated 9 April 2024.

[Please see Explanatory Notes]

NOTICE OF ANNUAL GENERAL MEETING

OTHER BUSINESS

To transact any other business which may properly be brought forward.

BY ORDER OF THE BOARD

ESR-LOGOS Funds Management (S) Limited
(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132)
(as Manager of ESR-LOGOS REIT)

Adrian Chui
Chief Executive Officer and Executive Director
9 April 2024

Explanatory Notes:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of E-LOG; (ii) the date on which the next AGM of E-LOG is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units whether by way of bonus or otherwise and/or to make or grant Instruments and to issue Units pursuant to such Instruments, provided that the aggregate number of Units issued under Ordinary Resolution 3 does not exceed fifty per cent. (50.0%) of the total number of issued Units (excluding treasury Units, if any) with a sub-limit of twenty per cent. (20.0%) of the total number of issued Units (excluding treasury Units, if any) for issuances other than on a pro rata basis to Unitholders. For the avoidance of doubt, the Manager may, if Ordinary Resolution 3 is passed, issue Units up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any) on a pro rata basis (including, without limitation, issuance of Units by way of a renounceable rights issue or a non-renounceable preferential offering).

Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 4

Ordinary Resolution 4 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of E-LOG; (ii) the date on which the next AGM of E-LOG is required by the applicable laws and regulations or the Trust Deed to be held, (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, or (iv) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied, whichever is the earliest, to exercise all the powers to repurchase or acquire issued Units for and on behalf of E-LOG not exceeding in aggregate 10.0% of the total number of issued Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Circular to Unitholders dated 9 April 2024.

Apart from using its internal sources of funds, the Manager may obtain or incur borrowings to finance its repurchases or acquisitions of Units on behalf of E-LOG. The Manager does not propose to exercise the Unit Buy-Back Mandate to such extent that it would result in any material adverse effect to the financial position or listing status of E-LOG. The amount of financing required for the Manager to repurchase Units pursuant to the Unit Buy-back Mandate and the impact on the E-LOG's financial position, cannot be realistically ascertained as at the date of this Notice of AGM as this will depend on factors such as the aggregate number of Units repurchased and the repurchase prices paid at the relevant times.

An illustration of the financial effects of the Unit repurchases by the Manager pursuant to the Unit Buy-Back Mandate on the audited consolidated financial statements of E-LOG and its subsidiaries for the financial year ended 31 December 2023 is set out in the Circular to Unitholders dated 9 April 2024.

Notes:

1. E-LOG will be conducting the AGM in a wholly physical format at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 30 April 2024 (Tuesday) at 10.00 a.m. (Singapore time). Any reference to a time of day is made by reference to Singapore time.

2. **Submission of Questions:**

(a) All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to submit questions in advance of, or at, the AGM.

(b) In addition, all Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the AGM in advance of the AGM up till **17 April 2024 (Wednesday), 5.00 p.m.**, in the following manner:

(i) Unitholders may submit their questions via email to ir@esr-logosreit.com.sg or by post addressed to Investor Relations at 5 Temasek Boulevard #12–09 Suntec Tower Five Singapore 038985. Submission electronically by email is strongly encouraged; and

(ii) Relevant Intermediary Unitholders (including CPF/SRS investors) may submit questions through their Relevant Intermediary (including CPF Agent Banks/SRS Operators), who in turn should submit a consolidated list of questions to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teame@boardroomlimited.com.

NOTICE OF ANNUAL GENERAL MEETING

(c) Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who submit questions in advance of the AGM should provide the following information to the Manager (or, in the case of Relevant Intermediary Unitholders, their Relevant Intermediary) for verification purposes:

(i) your full name;

(ii) your address, contact number and email; and

(iii) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you hold your Units through CPF or SRS, or are a Relevant Intermediary Unitholder).

(d) The Manager will address all substantial and relevant questions received in advance, via an announcement on SGXNET via the SGX-ST's website at https://www.sgx.com/securities/company-announcements and E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html, by **25 April 2024 (Thursday), 10.00 a.m.** (being 48 hours prior to the closing date and time for the lodgement of proxy forms).

(e) Any substantial and relevant questions or follow-up questions received after the submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM itself, will be addressed during the AGM.

(f) Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.

(g) The Manager will publish the minutes of the AGM on E-LOG's website and on SGXNET within one month after the AGM, and the minutes will include the substantial and relevant comments or queries from the Unitholders relating to the agenda of the AGM, and responses from the Manager.

3. Voting by Unitholders:

Unitholders who wish to exercise their voting rights at the AGM may:

(a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;

(b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and

(c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.

Live voting will be conducted during the AGM.

Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit the Proxy Form in accordance with the instructions below.

Duly completed Proxy Forms must be deposited with E-LOG:

(i) via post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14–07 Keppel Bay Tower, Singapore 098632; or

(ii) via email to srs.proxy@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).

Note: Please refer to the Notes to the Proxy Form for additional documentary requirements in the event the Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

NOTICE OF ANNUAL GENERAL MEETING

Proxy Forms must be received by E-LOG by 27 April 2024 (Saturday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the AGM). Proxy Forms can be downloaded from E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html or the SGX-ST's website https://www.sgx.com/securities/company-announcements. In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for, vote against, or abstain from voting on, each of the resolutions to be tabled at the AGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairman of the AGM) may vote or abstain from voting at his/her discretion.

Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units to be represented by each proxy.

A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.

In this Notice of AGM, "**Relevant Intermediary**" means:

(A) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(B) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds Units in that capacity; or

(C) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Unitholders are strongly encouraged to submit completed Proxy Forms via email. Please refer to the Proxy Form for further information.

4. **Voting by Relevant Intermediary Unitholders and CPF/SRS investors:**

Relevant Intermediary Unitholders and CPF/SRS investors who wish to vote at the AGM should approach their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators as soon as possible. In the case of CPF/SRS investors, they must do so at least **seven working days** before the AGM (i.e. by **18 April 2024 (Thursday), 5.00 p.m.**).

NOTICE OF ANNUAL GENERAL MEETING

Relevant Intermediary Unitholders and CPF/SRS investors may:

(a) attend, speak and vote at the AGM, if they are appointed as proxies by their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators; and

(b) specify their voting instructions to/arrange for their votes to be submitted with their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators (in the case of CPF/SRS investors, by the date specified above).

Documents and information relating to the AGM (including this Notice of AGM, the E-LOG's Annual Report 2023, Circular to Unitholders (in relation to the proposed renewal of the Unit Buy-Back Mandate) (the "Circular") and the Proxy Form) are available on E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html, and on the SGX-ST's website at https://www.sgx.com/securities/company-announcements. Unitholders and CPF/SRS investors can scan the QR Code below to access the E-LOG's Annual Report 2023, Circular to Unitholders and the Proxy Form.

For Unitholders' convenience, printed copies of this Notice of AGM, the Proxy Form and the Request Form for Unitholders to request for a printed copy of the E-LOG's Annual Report 2023 and/or the Circular (the "Request Form") have been despatched to Unitholders.

Printed copies of E-LOG's Annual Report 2023 and the Circular will not be despatched to Unitholders, unless otherwise requested and have been published on E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html.

Unitholders may request for printed copies of E-LOG's Annual Report 2023 and the Circular by completing and returning the Request Form to the Manager by 16 April 2024 (Tuesday), 5.00 p.m..

Unitholders should note that the manner of conduct of the AGM may be subject to further changes at short notice. Unitholders are advised to check E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts at https://esr-logosreit.listedcompany.com/email_alerts.html to receive the latest updates.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) registering for the AGM in accordance with this Notice of AGM, and/or (c) submitting any question relating to the business of the AGM in advance of the AGM in accordance with this Notice of AGM, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and/or the Trustee (or their agents or service providers) for the following purposes (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and/or the Trustee (or their agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and/or the Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Manager and/or the Trustee with written evidence of such prior consent upon reasonable request, and (iv) agrees that the Unitholder will indemnify E-LOG, the Manager and the Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty:

1 the processing, administration and analysis by the Manager and/or the Trustee (or their agents or service providers) of instruments appointing a proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof);

2 the processing of the registration for purposes of verifying the status of Unitholders, granting access to Unitholders (or their duly appointed proxy(ies)) to the AGM and providing them with any technical assistance where necessary;

3 the addressing of relevant and substantial questions received from Unitholders in advance of the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

4 the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

5 in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

(Please glue and seal along the edge)

ESR-LOGOS REIT

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

Managed by ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED
(Company Registration Number: 200512804G)

IMPORTANT:

1. Holders of units in ESR-LOGOS REIT ("Unitholders") who wish to exercise their voting rights at the AGM (as defined below) may:
   (a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
   (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and
   (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes below.
3. For investors holding units of ESR-LOGOS REIT through a Relevant Intermediary (as defined below) ("Relevant Intermediary Unitholders") and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme ("CPF/SRS investors"), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Relevant Intermediary Unitholders who wish to vote at the AGM should approach their Relevant Intermediary as soon as possible. CPF/SRS investors who wish to vote at the AGM should approach their respective CPF Agent Banks/ SRS Operators at least seven working days before the AGM (i.e. by 18 April 2024 (Thursday) at 5.00 p.m.) to ensure that their votes are submitted.
4. **PLEASE READ THE NOTES TO THE PROXY FORM**.

Personal data privacy

By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

PROXY FORM

ANNUAL GENERAL MEETING ("AGM")

I/We, ____ (insert Full Name and NRIC no./Passport no./UEN no.)

of ____ (Address)

being a unitholder/unitholders of ESR-LOGOS REIT ("**E-LOG**"), hereby appoint

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

and/or (delete as appropriate)

Name	Email Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

or failing whom, the Chairman of the AGM, as my/our proxy to attend, to speak (as applicable) and to vote for me/us on my/ our behalf at the AGM of E-LOG to be held at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 30 April 2024 (Tuesday) at 10.00 a.m. (Singapore time) and at any adjournment thereof. I/We direct my/our proxy(ies) to vote (i) for, (ii) against, or (iii) abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder[#]. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the AGM. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the AGM, the Chairman of the AGM will be the proxy and will vote or abstain from voting based on the directions indicated hereunder and if no specific direction as to voting is given, the Chairman of the AGM will vote or abstain from voting at his/ her discretion, as he/she may on any other matter arising at the AGM.

No.	Resolutions	For*	Against*	Abstain*
	ORDINARY BUSINESS			
1	To receive and adopt the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of E-LOG for the financial year ended 31 December 2023 (Ordinary Resolution)			
2	To re-appoint Ernst & Young LLP as Auditor of E-LOG to hold office until the conclusion of the next Annual General Meeting and to authorise the Manager to fix their remuneration (Ordinary Resolution)			
	SPECIAL BUSINESS			
3	To authorise the Manager to issue Units and to make or grant convertible instruments (Ordinary Resolution)			
4	To authorise the Manager to repurchase or otherwise acquire Units for and on behalf of E-LOG pursuant to the Unit Buy-Back Mandate (Ordinary Resolution)			

You should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolution.
* If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ____________________ 2024

Total number of Units held (Note 4)

____

Signature(s) of Unitholder(s) / Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

(Please glue and seal along the edge)

3rd fold here, glue along the dotted line and fold flap

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 08027

ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED
(as Manager of ESR-LOGOS REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. Unitholders who wish to exercise their voting rights at the AGM may:
   (a) (where the Unitholder is an individual) attend, speak and vote at the AGM in person;
   (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf; and
   (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend, speak and vote at the AGM on their behalf must complete and submit this Proxy Form in accordance with the instructions below.
3. In this Proxy Form, a Unitholder should specifically direct the proxy(ies) on how he/ she is to vote for, vote against, or abstain from voting on, each of the resolutions tabled at the AGM. All valid votes cast via proxy on the resolutions will be counted. If no specific direction as to voting is given, the proxy(ies) (including the Chairman of the AGM) may vote or abstain from voting at his/her discretion.
4. A Unitholder should insert the total number of Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"). If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder in the Depository Register.
5. (a) A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units and proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
   (b) A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.
6. "**Relevant Intermediary**" means:
   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The duly completed Proxy Form must be deposited:
   (a) by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632; or
   (b) by email to srs.proxy@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF);

   The Proxy Form must be received by E-LOG by 27 April 2024 (Saturday) at 10.00 a.m. (being 72 hours before the time appointed for the AGM). Unitholders are strongly encouraged to submit completed Proxy Forms via email.
8. Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Unitholder attends the AGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
9. The Proxy Form must be executed under the hand of the appointor or of his/her/ its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
10. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer or by executor(s) on behalf of a deceased individual's estate, the power of attorney or other relevant authority under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be deposited by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, or by email to srs.proxy@boardroomlimited.com, and must be received by E-LOG by 27 April 2024 (Saturday) at 10.00 a.m. (being 72 hours before the time appointed for the AGM), failing which the Proxy Form may be treated as invalid. In the event of any doubt, please email srs.proxy@boardroomlimited.com.
11. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, unsigned, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
12. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
13. Every Unitholder shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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ESR-LOGOS REIT
A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended)
Managed by ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED
(Company Registration No. 200512804G)

REQUEST FORM

9 April 2024

Dear Unitholders of ESR-LOGOS REIT ("**E-LOG**"),

We are pleased to enclose printed copies of the Notice of Annual General Meeting ("**AGM**") and the Proxy Form for the upcoming AGM of E-LOG. The AGM will be held at Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 30 April 2024 (Tuesday) at 10.00 a.m. (Singapore time).

Electronic copies of E-LOG's Annual Report for the financial year end 31 December 2023 (the "**Annual Report 2023**") and the Circular to Unitholders dated 9 April 2024 (in relation to the proposed renewal of the Unit Buy-Back Mandate) (the "**UBB Circular**") have been uploaded onto E-LOG's website and on SGXNET on the date of this letter, and may be accessed and downloaded at the following links: https://esr-logosreit.listedcompany.com/meetings.html and https://www.sgx.com/securities/company-announcements. You can also scan the QR code on the right to reach E-LOG's website.

QR Code

If you wish to receive a printed copy of the Annual Report 2023 and/or the UBB Circular before the date of the AGM, please indicate your request by completing and signing the request form below and returning it to us no later than **16 April 2024 (Tuesday) at 5.00 p.m.**.

For avoidance of doubt, your latest request will supersede any earlier requests received by us.

By submitting this request form for a copy of the Annual Report 2023 and/or the UBB Circular, you accept and agree, where applicable, to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

We look forward to seeing you at our AGM to be held at **Suntec Singapore Convention & Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Singapore 039593 on 30 April 2024 (Tuesday) at 10.00 a.m. (Singapore time)**.

Yours faithfully

For and on behalf of
ESR-LOGOS Funds Management (S) Limited
(as Manager of E-LOG)

Adrian Chui
Chief Executive Officer and Executive Director

REQUEST FORM
To: ESR-LOGOS Funds Management (S) Limited (as Manager of E-LOG)

Note: If you wish to receive a printed copy of the Annual Report 2023 and/or the UBB Circular before the date of the AGM, please indicate your request by completing and signing the request form below and returning it to us no later than 16 April 2024 (Tuesday) at 5.00 p.m.. We regret that we will not be able to process any late, incomplete or improperly completed forms.

☐ I wish to receive a printed copy of the Annual Report 2023

☐ I wish to receive a printed copy of the UBB Circular

My/Our Units are held in/through:

☐ CDP Securities Account Number ☐☐☐☐ – ☐☐☐☐ – ☐☐☐☐

☐ CPFIS Account

Name(s) of Unitholder(s): ____________________
Address: ____________________
Email: ____________________
Signature(s): ____________________ Date: ____________

Personal Data Privacy:

By submitting this request form for a copy of the Annual Report 2023 and/or the UBB Circular, you accept and agree, where applicable, to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

Glue & seal firmly.

Glue & seal firmly.

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c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

3rd fold here

CORPORATE DIRECTORY

MANAGER

ESR-LOGOS Funds Management (S) Limited ("ELFM")
Company Registration Number: 200512804G
Capital Markets Services Licence Number: 100132

Registered Office:
5 Temasek Boulevard
#12-09 Suntec Tower Five
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T: (65) 6222 3339
F: (65) 6827 9339
www.esr-logosreit.com.sg

BOARD OF DIRECTORS OF ELFM

Ms. Stefanie Yuen Thio
Independent Non-Executive Chairperson

Mr. Ronald Lim
Independent Non-Executive Director

Mr. Nagaraj Sivaram
Independent Non-Executive Director

Dr. Julie Lo Lai Wan
Independent Non-Executive Director

Mr. Loi Pok Yen
Independent Non-Executive Director

Mr. Trent Iliffe
Non-Executive Director

Mr. George Agethen
Non-Executive Director

Mr. Stuart Gibson
Non-Executive Director

Mr. Shen Jinchu, Jeffrey
Non-Executive Director

Mr. Adrian Chui
Chief Executive Officer and Executive Director

ARCC

Mr. Nagaraj Sivaram
Chairperson

Ms. Stefanie Yuen Thio
Member

Mr. Loi Pok Yen
Member

NRC

Mr. Ronald Lim
Chairperson

Ms. Stefanie Yuen Thio
Member

Mr. Shen Jinchu, Jeffrey
Member

Mr. Stuart Gibson
Member

IC

Mr. Loi Pok Yen
Chairperson

Mr. Ronald Lim
Member

Dr. Julie Lo Lai Wan
Member

Mr. Trent Iliffe
Member

Mr. Shen Jinchu, Jeffrey
Member

Mr. Stuart Gibson
Member

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
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Singapore 098632
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Perpetual (Asia) Limited
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Marina Bay Financial Centre
Singapore 018981
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F: (65) 6438 0255
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PROPERTY MANAGER

ESR-LOGOS Property Management (S) Pte. Ltd.
Company Registration Number: 200515344N

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Partner-in-charge:
Mr. Lee Wei Hock
(since financial year ended 31 December 2019)

COMPANY SECRETARY

Ms. Angeline Chiang, ACIS

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SGX CODE – ESR-LOGOS REIT
STOCK SYMBOL – J91U

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ESR-LOGOS REIT

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

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