

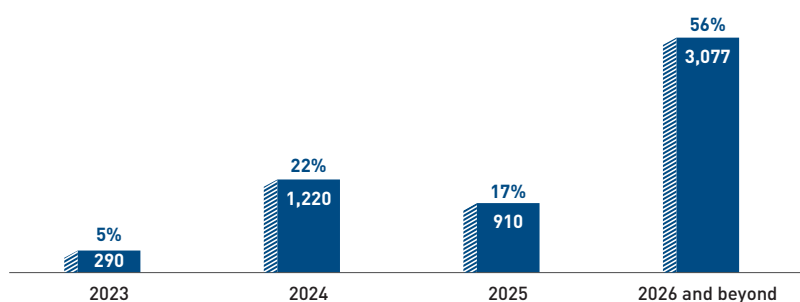
Capital Management

ESR adopts a proactive and disciplined capital management approach, and regularly review its debt maturity profile and liquidity position. The Group maintains a well-capitalised balance sheet, and actively diversifies its funding sources through a combination of facilities with both local and international banks, and capital market issuances in optimising its costs of debt. ESR continues to be disciplined in executing its capital recycling programme, and prudently redeploying capital to support growth.

The Group remains focussed on its asset light approach with US\$1.7 billion of divestments from its balance sheet to ESR managed funds in FY2022, achieving three times its annual historical target with a specific focus on crystallising gains from selected China balance sheet assets. The sell-down of a 850,000 sqm portfolio in China represented the Group's largest self-developed balance sheet sell-down to date. The Group also executed on the successful tender of its 18.16% holding in China Logistics Property Holdings Co., Ltd in May 2022, receiving US\$349 million and delivering a strong return on this four-year investment. In addition, approximately US\$1.3 billion of net cash was recycled back to the Group and is available to fund future growth across the region. We continue to actively leverage our fund management platform to unlock value and generate higher recurring fund management fees. The average co-investment for the Group was 7.4% as of 31 December 2022. This meaningfully enhances the Group's tangible return on equity while maintaining sufficient funding capacity across the Group.

Debt Maturity Profile of Borrowings

As of 31 December 2022 (US\$ million)



Total borrowings of the Group was US\$5.5 billion as of 31 December 2022. With well-capitalised balance sheet at US\$1.8 billion in cash, the net debt over total assets was 22.8% as of 31 December 2022.

Throughout the year, the Group continues to expand and diversify its funding and capital structure, which is crucial for fuelling the Group's long-term growth.

- In January 2022, the Group closed a 5-year JPY28 billion SLL which was upsized to JPY32.5 billion at Tibor +1.75%.
- In May 2022, the Group closed a 5-year S\$370 million SLL at SORA +1.6%.
- In September 2022, the Group closed a 5-year HK\$4.65 billion SLL at HIBOR +1.8%, which was further upsized to HK\$8.88 billion subsequent to year-end.

US\$1.3 billion of refinancing efforts were also completed from 2H2022 till March 2023, with approximately 5% of total debt due in year 2023 as of 31 December 2022.

Capital Management

The Group manages and monitors its debt maturity profile proactively. It also ensures sufficient cash reserves are maintained and disciplined in refinancing existing borrowings to meet the Group's short-term obligations, ongoing developments, and investments opportunities.

After refinancing with longer tenor corporate borrowings, the Group's weighted average debt maturity had increased to approximately 5.1 years as of 31 December 2022, from 4.5 years as of 31 December 2021.

The Group manages its interest rates exposure by maintaining a combination of fixed and floating rate borrowings. As of 31 December 2022, 15% of the Group's borrowings were on fixed rate while the remaining 85% were on floating rate basis. In managing the interest rate profile, the Group considers interest rate outlook and holding periods of its investment profile. The Group's weighted average interest rate was 4.2% at end-December 2022.

The Group has exposures to foreign exchange rate fluctuations primarily from its investments and income from its subsidiaries, associates and joint ventures, including Greater China, Japan, South Korea, Australia, Singapore and India.

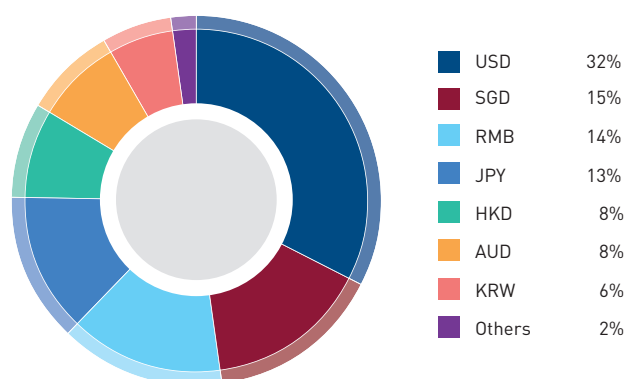
The Group manages and minimises its foreign currency exposures by natural hedges using various currencies via project and corporate level. Operating and development activities of each country are funded mainly through project level debts and operating income that are in their respective local currencies. At corporate level, the Group currently fund some of its investments through corporate borrowings in the currency of the country in which the investment is located.

The Group continues to closely monitor the interest and exchange rates movements and evaluate such impact to its portfolio. The Group will consider using financial derivatives as additional tools when appropriate to manage foreign currency and interest rate exposures.

As of 31 December 2022, currency profile of the Group's cash and bank balances; and bank and other borrowings are as below:

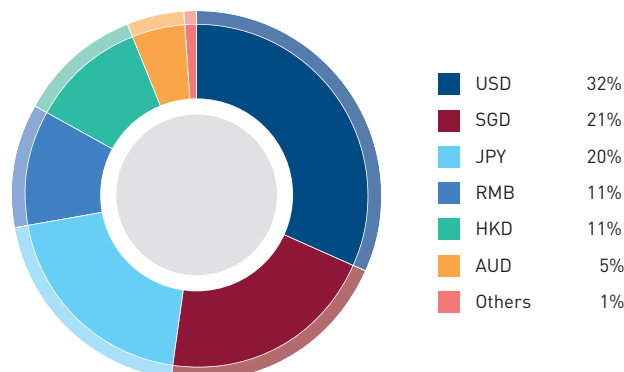
Cash and Bank Balances*

As of 31 December 2022



Bank and Other Borrowings*

As of 31 December 2022



CHARGE OF ASSETS

As of 31 December 2022, certain of the Group's assets were pledged to secure bank and other borrowings granted to the Group. The details of charged assets are disclosed in Note 25 to the Consolidated Financial Statements. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

CONTINGENT LIABILITIES

As of 31 December 2022, neither the Group nor the Company had any significant contingent liabilities.

* Percentages may not sum up due to rounding