



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

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## COMPLETION OF ACQUISITION OF 15 GREENWICH DRIVE FOR S\$95.8 MILLION AND ENTRY INTO S\$100 MILLION UNSECURED LOAN FACILITY

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### 1. COMPLETION OF ACQUISITION OF 15 GREENWICH DRIVE FOR S\$95.8 MILLION

Further to the announcement entitled "Proposed Acquisition of 15 Greenwich Drive" dated 24 April 2018, ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**") is pleased to announce that the acquisition of 15 Greenwich Drive, Singapore 534022 (together with the mechanical and electrical equipment) has been completed for a purchase price of S\$95.8 million, including the consideration of S\$86.2 million and estimated upfront land premium payable for the balance lease term of S\$9.6 million (the "**Completion**").

RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT (the "**ESR-REIT Trustee**") has exercised the call option under the Put and Call Option Agreement dated 23 April 2018 and completed the acquisition today.

Following the acquisition, ESR-REIT owns a portfolio of 57 properties.

### 2. ENTRY INTO S\$100 MILLION UNSECURED LOAN FACILITY

In connection with the Completion, the ESR-REIT Manager wishes to announce that the ESR-REIT Trustee has entered into a S\$100 million unsecured loan facility agreement (the "**Facility Agreement**") with BNP Paribas, acting through its Singapore branch ("**BNPP**") as original lender (the "**Original Lender**") and BNPP as facility agent (the "**Facility Agent**").

The unsecured loan facility consists of a S\$100 million facility (the "**Facility**"). The proceeds of the Facility will be applied towards general corporate funding purposes, including but not limited to:

- (a) the refinancing of existing indebtedness; and
- (b) further funding asset acquisitions, enhancements and improvement of assets owned by ESR-REIT or any of its Subsidiaries (as defined in the Facility Agreement).

The Facility has been drawn down for the purposes of the Completion.

Key terms of the Facility Agreement are as follows:

<b>Original Lender</b>	BNP Paribas, Singapore Branch
<b>Loan Commitment</b>	Term Loan Facility: S\$100 million
<b>Final Maturity Date</b>	22 October 2023

<b>Security</b>	None
<b>Details of the conditions that refer to the shareholding interests of the ESR-REIT Manager's controlling shareholders or which place restrictions on any change in control of the ESR-REIT Manager</b>	<p>The Facility Agent (acting on the instructions of the Majority Lenders (as defined in the Facility Agreement)) has the right to require the ESR-REIT Trustee (as borrower) to enter into discussions for a stipulated time with the Lenders (as defined in the Facility Agreement) to review the Facility, upon the occurrence of the following:</p> <p>(a) the ESR-REIT Manager retires or is removed as a manager of ESR-REIT and a replacement manager which is acceptable to all the Lenders (acting reasonably) is not appointed (i) in accordance with the terms of the trust deed in respect of ESR-REIT; or (ii) on the effective date of the retirement or removal of the ESR-REIT Manager; and/or</p> <p>(b) ESR Cayman Limited ceases to hold, whether directly or indirectly, at least 50.1 per cent. of the issued share capital of the ESR-REIT Manager.</p> <p>If the Facility Agent (acting on the instructions of the Majority Lenders notifies the ESR-REIT Trustee that the proposal submitted by the ESR-REIT Trustee to the Facility Agent further to the discussions is not acceptable or that the ESR-REIT Trustee has not submitted any proposal, the Facility Agent may, and shall if so directed by the Majority Lenders require the ESR-REIT Trustee to immediately repay or prepay all amounts owing under or in connection with the Facility Agreement.</p> <p>If the Lenders have accepted the proposal submitted by the ESR-REIT Trustee and the ESR-REIT Trustee fails to carry out the steps and/or proposed alternative arrangement set out in such proposal by the time period within such proposed alternative arrangement is to be carried out (the "<b>Remedy Period</b>"), the Facility Agent may, and shall if so directed by the Majority Lenders, require the ESR-REIT Trustee to repay or prepay all amounts owing under or in connection with the Facility Agreement within 15 days from the last day of the Remedy Period.</p> <p>The aggregate principal amount of loan facilities under the Facility Agreement that may be affected in the event of breach of the conditions set out above is up to S\$100 million.<sup>1</sup></p>

<sup>1</sup> It should be noted that the terms and conditions of typical facility agreements may contain cross default clauses, pursuant to which a default of obligations by the ESR-REIT Trustee in the Facility Agreement may trigger an event of default in other facility agreements. The aggregate level of facilities affected in the event of a breach of conditions in the above table does not take into account facilities which may be affected due to the triggering of such cross default provisions in such other facility agreements.

**BY ORDER OF THE BOARD**

ESR Funds Management (S) Limited

As Manager of ESR-REIT

(Company Registration No. 200512804G, Capital Markets Services Licence No.100132-5)

Adrian Chui

Chief Executive Officer and Executive Director

25 October 2018

For further enquiries, please contact:

Cheryl Lim

Marketing Communications Manager

Tel: +65 6827 9332

[cheryl.lim@esr-reit.com.sg](mailto:cheryl.lim@esr-reit.com.sg)

Lyn Ong

Investor Relations Manager

Tel: +65 6222 3339

[lyn.ong@esr-reit.com.sg](mailto:lyn.ong@esr-reit.com.sg)

## **About ESR-REIT**

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 25 July 2006.

ESR-REIT invests in quality income-producing industrial properties and as at 22 October 2018 has a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 13.6 million sq ft and a property value of S\$2.94 billion<sup>2</sup>. The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/Warehouse, Hi-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Pro-active asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited ("ESR") (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

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

## **About the Sponsor ESR**

ESR is a leading pure-play pan-Asia logistics real estate developer, owner, and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world's preeminent investors including APG, CITIC CLSA, CPPIB, Goldman Sachs, JD.com, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region, spanning across Mainland China, Japan, Singapore, South Korea, Australia and India. The company also runs capital and fund management offices in Hong Kong and Singapore. As at 30 June 2018, the company's assets under management reached approximately US\$13 billion, and the gross floor area of projects owned and under development stood at over 10 million square metres.

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<sup>2</sup> Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.

## Important Notice

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

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

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