



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

ASSET VALUATION

Pursuant to Rule 703 of the SGX-ST Listing Manual, ESR Funds Management (S) Limited, the Manager of ESR-REIT, announces new independent valuations as at 31 December 2017 for ESR-REIT's properties.

The valuations were conducted by Savills Valuation and Professional Services (S) Pte Ltd ("Savills") and Edmund Tie & Company (SEA) Pte Ltd ("ETC") and are as follows:

No.	Address	Market Valuation as at 31 December 2017
Logistics/Warehousing		
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	\$11,700,000
2	31 Tuas Avenue 11	\$12,300,000
3	25 Changi South Avenue 2	\$12,500,000
4	160 Kallang Way	\$26,800,000
5	3C Toh Guan Road East	\$29,700,000
6	9 Bukit Batok Street 22	\$23,600,000
7	4/6 Clementi Loop	\$48,100,000
8	24 Jurong Port Road	\$89,400,000
9	3 Pioneer Sector 3	\$95,700,000
Light Industrial		
10	16 Tai Seng Street	\$60,500,000
11	70 Seletar Aerospace View	\$9,200,000
12	30 Teban Gardens Crescent	\$38,900,000
13	30 Toh Guan Road	\$59,700,000
14	128 Joo Seng Road	\$12,000,000
15	130 Joo Seng Road	\$15,600,000
16	136 Joo Seng Road	\$12,800,000
17	11 Serangoon North Avenue 5	\$20,000,000

No.	Address	Market Valuation as at 31 December 2017
General Industrial		
18	79 Tuas South Street 5	\$11,000,000
19	1/2 Changi North St 2	\$22,000,000
20	9 Tuas View Crescent	\$10,200,000
21	28 Senoko Drive	\$13,700,000
22	31 Changi South Ave 2	\$12,000,000
23	21B Senoko Loop	\$26,400,000
24	22 Chin Bee Drive	\$14,500,000
25	31 Kian Teck Way	\$5,700,000
26	2 Tuas South Avenue 2	\$36,100,000
27	60 Tuas South St 1	\$4,000,000
28	5/7 Gul St 1	\$15,000,000
29	28 Woodlands Loop	\$17,500,000
30	25 Pioneer Crescent	\$16,300,000
31	11 Woodlands Walk	\$17,200,000
32	43 Tuas View Circuit	\$16,000,000
33	15 Jurong Port Road	\$37,500,000
34	160A Gul Circle	\$18,200,000
35	3 Tuas South Avenue 4	\$42,900,000
36	8 Tuas South Lane	\$115,000,000
37	120 Pioneer Road	\$40,600,000
38	30 Marsiling Industrial Estate Road 8	\$36,600,000
39	45 Changi South Avenue 2	\$12,100,000
40a	511 Yishun Industrial Park A	\$19,900,000
40b	513 Yishun Industrial Park A	\$6,200,000
41	86/88 International Road	\$43,000,000
Hi-Specs Industrial		
42	21/23 Ubi Road 1	\$35,600,000
43	2 Jalan Kilang Barat	\$26,900,000

No.	Address	Market Valuation as at 31 December 2017
44	11 Chang Charn Road	\$29,700,000
45	54 Serangoon North Avenue 4	\$22,300,000
46	12 Ang Mo Kio Street 65	\$38,900,000
47	7000 Ang Mo Kio Avenue 5	\$303,000,000 ¹
Business Park		
48	16 International Business Park	\$31,300,000
Total		\$1,675,800,000

Savills valued 7 properties, being: 79 Tuas South Street 5, 1/2 Changi North Street 2, 70 Seletar Aerospace View, 22 Chin Bee Drive, 31 Kian Teck Way, 11 Serangoon North Avenue 5 and 7000 Ang Mo Kio Avenue 5.

ETC valued 41 properties, being: 160 Kallang Way, 120 Pioneer Road, 4/6 Clementi Loop, 3C Toh Guan Road East, 31 Changi South Avenue 2, 21B Senoko Loop, 45 Changi South Avenue 2, 2 Tuas South Avenue 2, 511/513 Yishun Industrial Park A, 60 Tuas South Street 1, 30 Marsiling Industrial Estate Road 8, 43 Tuas View Circuit, 15 Jurong Port Road, 9 Bukit Batok Street 22, 128 Joo Seng Road, 130 Joo Seng Road, 136 Joo Seng Road, 2 Jalan Kilang Barat, 11 Chang Charn Road, 24 Jurong Port Road, 3 Pioneer Sector 3, 16 International Business Park, 160A Gul Circle, 1 Third Lok Yang Road & 4 Fourth Lok Yang Road, 31 Tuas Avenue 11, 25 Changi South Avenue 2, 16 Tai Seng Street, 9 Tuas View Crescent, 28 Senoko Drive, 5/7 Gul Street 1, 28 Woodlands Loop, 25 Pioneer Crescent, 11 Woodlands Walk, 3 Tuas South Avenue 4, 30 Teban Gardens Crescent, 30 Toh Guan Road, 21/23 Ubi Road 1, 54 Serangoon North Avenue 4, 86/88 International Road, 12 Ang Mo Kio Street 65 and 8 Tuas South Lane.

Copies of the valuation reports for the above properties are available for inspection by prior appointment at the Manager's registered office at 138 Market Street, #26-03/04, CapitaGreen, Singapore 048946 during normal business hours for three months from the date of this announcement.

¹ 7000 Ang Mo Kio Avenue 5 is on 100% basis which includes a 20% non-controlling interest

About ESR-REIT

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

ESR-REIT invests in quality income-producing industrial properties and as at 31 December 2017 has a diversified portfolio of 48 properties located across Singapore, with a total gross floor area of approximately 9.9 million sq ft and a property value of S\$1.68 billion¹. The properties are in the following business sectors: Logistics/ Warehouse, Hi-Specs Industrial, Light Industrial, General Industrial and Business Parks, 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 two stakeholders, namely, ESR Cayman Limited ("ESR") (indirectly c.80 percent) and Mitsui & Co., Ltd ("Mitsui") (20 percent):

- Headquartered in Hong Kong, ESR is one of the leading "pure-play" pan-Asia logistics real estate platforms, focusing on developing and managing institutional-quality logistics facilities that cater to third-party logistics ("3PLs") providers, e-commerce companies, bricks-and-mortar retailers, cold-chain logistics providers and industrial companies. Co-founded by Warburg Pincus and backed by some of the world's preeminent investors including APG, CPPIB, Goldman Sachs, Morgan Stanley AIP, PGGM, Ping An, SK Holdings, State Street Global Advisors and Stepstone, ESR's platform represents one of the largest in the Asia-Pacific region managing approximately 10.2 million square metres of projects owned and under development across China, Japan, Singapore, South Korea and India, with capital and funds management offices in Hong Kong and Singapore. Its current assets under management stands at over US\$10 billion.
- Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.

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

¹ 7000 Ang Mo Kio Avenue 5 is on 100% basis which includes a 20% non-controlling 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.