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

PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT – REVISION OF SCHEME CONSIDERATION

FREQUENTLY ASKED QUESTIONS

ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), has prepared a list of frequently asked questions in relation to the proposed merger (the "**Merger**") of ESR-REIT and ARA LOGOS Logistics Trust ("**ALOG**"). The Manager's responses to key questions can be found in the Appendix to this announcement.

Unless otherwise defined herein, all capitalised terms have the meaning ascribed to them in the circular to ESR-REIT Unitholders dated 25 February 2022 in relation to the Merger.

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)

Adrian Chui
Chief Executive Officer and Executive Director
1 March 2022

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Responsibility Statement

*The directors of the Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to ALOG and/or the manager of ALOG (the "**ALOG Manager**") are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the Manager jointly and severally accept responsibility accordingly.*

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ALOG and/or the ALOG Manager), the sole responsibility of the directors of the Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Manager do not accept any responsibility for any information relating to ALOG and/or the ALOG Manager or any opinion expressed by ALOG and/or the ALOG Manager.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". 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 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, and the Manager does not undertake any obligation to update publicly or revise any forward-looking statements.

Appendix

Question 1:

In arriving at the revised Scheme Consideration of S$0.970 per ALOG Unit, what was the time period taken into consideration and the rationale for selecting this time period?

- In determining the Scheme Consideration per ALOG Unit, we have taken into account the gross exchange ratio (which is derived by dividing the revised Scheme Consideration of S$0.970 for each ALOG Unit by the issue price of S$0.4924 for each new ESR-REIT Unit) to balance the benefits of the Merger for both sets of unitholders.
- The implied gross exchange ratio of 1.970x represents a premium / (discount) of (1.1)%, 0.1%, 1.1%, and 0.5% over the implied gross exchange ratio between the ESR-REIT Units and the ALOG Units of 1.992x, 1.969x, 1.948x, and 1.960x as at 14 October 2021, and for the one (1)-month, three (3)-month and six (6)-month periods up to and including 14 October 2021 respectively.

Historical Gross Exchange Ratio Reference period	VWAP (S$)		Implied gross exchange ratio	Implied premium / (discount) to Gross Exchange Ratio (%)[2]
	ESR-REIT	ALOG		
For periods up to and including 14 October 2021[1]				
14 October 2021	0.466	0.929	1.992x	(1.1)
1 month	0.471	0.928	1.969x	0.1
3 months	0.469	0.914	1.948x	1.1
6 months	0.447	0.876	1.960x	0.5

Source: FactSet.

Notes:

(1) Periods analysed are as follows – (a) Closing price as at 14 October 2021; (b) the period of one (1) month from 15 September 2021 up to 14 October 2021 (both dates inclusive); (c) the period of three (3) months from 15 July 2021 up to 14 October 2021 (both dates inclusive); and (d) the period of six (6) months from 15 April 2021 up to 14 October 2021 (both dates inclusive).

(2) Refers to the premium of the exchange ratio to the implied exchange ratio based on the respective volume weighted average prices for each period.

- The Manager believes that it would be more relevant to compare the prices of both REITs over the last six (6) months prior to the Joint Announcement Date given the completion of the rebranding of Cache Logistics Trust to "ARA LOGOS Logistics Trust" in April 2020, as well as the completion of the injection of the Australian assets of the LOGOS Group into ALOG in 1H2021 and other corporate actions (e.g., equity fund raisings by ALOG).

- The IFA has also evaluated whether the gross exchange ratio of 1.970x implied by the Scheme Consideration payable for each ALOG Unit is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders and hence, whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders. Taking into account the factors set out in the IFA Letter and subject to the assumptions and qualifications set out in the IFA Letter, and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA has opined, *inter alia*, that the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Question 2:

Why did ESR-REIT reduce the issue price from S$0.510 per ESR-REIT Unit to S$0.4924 per ESR-REIT Unit when ALOG Unitholders have already been offered a higher Scheme Consideration?

- In determining the issue price per ESR-REIT Unit, we have taken into account the gross exchange ratio to balance the benefits of the Merger for both sets of unitholders. Please refer to the response to the previous question.
- In addition, the revised issue price of S$0.4924 is also in line with brokers' / investment research houses' average target price consensus as of 14 October 2021.

Broker / Investment Research House	Target Price	Date of Report
RHB Research	S$0.54	7 October 2021
CGS-CIMB	S$0.54	29 September 2021
DBS	S$0.53	27 September 2021
Maybank	S$0.55	9 September 2021
Morningstar	S$0.44	7 September 2021
SooChow CSSD Capital Markets	S$0.48	26 July 2021
Daiwa Securities	S$0.42	23 July 2021
Morningstar	S$0.44	7 May 2021
Median	**S$0.51**	
Average	**S$0.49**	
Low	**S$0.42**	
High	**S$0.55**	

Source: Bloomberg.

Question 3:

Is the Scheme Consideration final? In what circumstances would the Scheme Consideration be further enhanced?

- The Manager has discussed extensively within its management team, the Board as well as with its financial advisers, and considers the Merger to be the best option to resolve the potential conflicts of interest for both REITs.
- Looking at the implied gross exchange ratio range of 1.948x – 1.992x as referred to in the response to Question 1 above, we are of the view that the revised Scheme Consideration is fair, taking into consideration the following:
    - The IFA's views that the commercial terms of the Scheme are non-prejudicial to minority unitholders; and
    - This is a merger and not a sale of assets by ALOG, hence the terms of the Merger need to be equitable to both sets of unitholders. Having a higher gross exchange ratio would skew the accretion metrics in favour of ALOG while also causing further NAV dilution to ESR-REIT Unitholders.

Question 4:

With the revised Scheme Consideration, it looks like all the benefits are attributed to ALOG Unitholders and the Merger is not attractive from the perspective of ESR-REIT Unitholders.

- The Manager believes that the revised Scheme Consideration continues to be financially and strategically attractive for ESR-REIT Unitholders. With the revised Scheme Consideration, the DPU accretion is 4.7% on a pro-forma basis and remains one of the highest DPU accretion amongst completed S-REIT mergers.

Announcement Date	Acquirer	Target	Cash Component	Unit Component	DPU Accretion for Acquirer	Gearing for Merged Entity
18 May 2018	ESR-REIT	Viva Industrial Trust	10.0%	90.0%	5.6%	38.9%
8 April 2019	OUE Commercial REIT	OUE Hospitality Trust	5.0%	95.0%	2.1%	40.3%
3 July 2019	Ascott Residence Trust	Ascendas Hospitality Trust	5.0%	95.0%	2.5%	36.9%
2 December 2019	Frasers Logistics & Industrial Trust	Frasers Commercial Trust	9.0%	91.0%	0.6%(1)	35.7%(1)
22 January 2020	CapitaLand Mall Trust	CapitaLand Commercial Trust	12.2%	87.8%	4.1%	39.7%
	Median		**9.0%**	**91.0%**	**2.5%**	**38.9%**
	Average		**8.2%**	**91.8%**	**3.0%**	**38.3%**
	Low		**5.0%**	**87.8%**	**0.6%**	**35.7%**
	High		**12.2%**	**95.0%**	**5.6%**	**40.3%**

Revised Scheme Consideration	**10.0%**	**90.0%**	**4.7%(2)**	**42.1%(2)**

Source: Latest company filings.

Notes:

(1) Based on Frasers Logistics & Industrial Trust DPU accretion on a post-merger basis, but excluding completion of the remaining 50% of Farnborough Business Park.

(2) Based on pro forma FY2020 financial results.

- Based on the issue price of S$0.4924 per ESR-REIT Unit, the implied P/NAV of the new ESR-REIT Units is 1.22x[1], translating to a 14.7% premium based on ALOG's P/NAV of 1.40x. However, the Manager believes that the premium paid is fair as the Merger allows us to:
  - Address the underlying short land lease issue that is inherent with Singapore industrial land with exposure to ALOG's freehold and longer land tenure logistics properties;
  - Benefit from the strong performing Australia logistics sector with 50% of ALOG's portfolio by net lettable area consisting of Australian properties;
  - Increase the exposure to New Economy assets from 47.0%[2] to 65.7%[2], with exposure to the logistics segment increasing from 15.6%[2] to 45.3%[2];
  - Diversify geographically and hence lower overall portfolio risks.
- More importantly, the revised Scheme Consideration takes into consideration the recommendations of the proxy advisers, the downside risks to both ESR-REIT Unitholders and ALOG Unitholders arising from the potential conflicts of interest from a common Sponsor and the need to balance the benefits of the Merger for both sets of unitholders.

1 Based on ESR REIT's pro forma NAV of S$0.4026 per unit.

2 Based on GRI for the month of June 2021. Excludes contribution from fund properties.

Question 5:

Given ESR-REIT is trading at a lower P/B and Forward P/E than ALOG, would you expect the Merger to close the valuation gap? What is an appropriate P/B ratio for the enlarged REIT?

- With increased scale and exposure to New Economy, the Manager believes that ESR-LOGOS REIT should be well placed to trade closer to its larger peers e.g. MLT which trades at c.1.5x[3] NAV given the below tangible and intangible benefits:
    - The Merger addresses the downside risks to both ESR-REIT Unitholders and ALOG Unitholders relating to the potential conflicts of interest arising from a common Sponsor.
- ESR-LOGOS REIT will enjoy access to the Sponsor's New Economy pipeline of >US$59 billion[4], development work-in-progress of over US$10 billion and a development pipeline of over 9 million square meters across 10 countries[5], in addition to the committed financial and operational support from the Sponsor.
- Acquisition of ALOG's portfolio helps address the underlying short land lease issue that is inherent with Singapore industrial land with exposure to ALOG's freehold and longer land tenure logistics properties.
- ESR-LOGOS REIT will benefit from continued reduction in its cost of capital with all-in cost of debt decreasing by 40 basis points, with an all-in-cost of debt of 2.84%.
- The larger free-float market capitalisation will result in ESR-LOGOS REIT having access to a wider and more diversified investor base, increased analyst coverage and trading liquidity, larger weighting in the FTSE EPRA Nareit Global Developed Index, and a potential positive re-rating.

Question 6:

What is the potential economic or financial impact from the unresolved conflicts of interest?

- If the Merger is not successful, the ESR Group could resolve the conflicts of interest by
    (i) a sale of the manager of either ESR-REIT or ALOG to a third party, and in such an instance, the manager, and by reference the REIT, that is sold will not be able to leverage the ESR Group's asset pipelines, tenant and operational network and financial resources, or
    (ii) the divestment of either REIT's portfolio of assets, some of which are under non-sale moratoriums imposed by JTC Corporation ("JTC"). It is the Manager's opinion that either of such options is not in the interests of either REIT's unitholders as it would curtail such REIT's growth prospects which may result in either REIT losing its current premium to NAV pricing. At the same time, not addressing such conflicts of interest will create uncertainties on the growth prospects and financial support of the REIT which again affects the premium to NAV accorded to each REIT.
- In addition, a sale of the Manager which results in the Manager ceasing to be a subsidiary (whether directly or indirectly) of the Sponsor, will trigger the change of control provisions in ESR-REIT's existing debt facilities of an aggregate outstanding principal amount of approximately S$1.29 billion. Any potential buyer of the Manager is likely required to obtain debt financing to replace such existing debt facilities, and there is no guarantee that the new financing terms will be more favourable than ESR-REIT's current financing terms. Such change of control provisions are common in S-REIT debt facilities given the sponsor's support and credit profile are key to the performance of a REIT.

3 Based on closing price as of 14 October 2021 and NAV as of 30 September 2021.
4 ESR Group's data as at 31 December 2021, based on the Sponsor's management estimate for the ESR Group (including AUM of its associates) as of 31 December 2021.
5 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

Question 7:

What were the other options considered by the Manager, to conclude that the proposed merger with ALOG would be "the best option to address the potential conflicts of interest"? Did either the Manager or ALOG Manager consider a change in their respective investment mandates (including the jurisdiction of their respective portfolios) to prevent any possible conflict(s) of interest, and if yes, what was the assessment?

- A change in investment mandate would necessitate a disposal of ESR-REIT's existing New Economy assets which no longer fall within the revised investment mandate. As certain assets of ESR-REIT are under non-sale moratoriums imposed by JTC, the inability to sell such assets would result in an incomplete portfolio sale and therefore a change in investment mandate would still not resolve the conflicts of interest.
- A partial disposal of the portfolio may also leave ESR-REIT with a portfolio of sub-optimal assets as it would be difficult for these assets to attract potential acquirers given their limited redevelopment potential, shorter land leases and limited rental upside. The smaller portfolio size following a partial sale may also impact ESR-REIT's trading liquidity and valuation, in particular, ESR-REIT's continued inclusion in the FTSE EPRA Nareit Developed Asia Index, as well as its ability to access wider sources of capital and secure competitive cost of capital.
- If the Manager is required to dispose of any assets in order to address conflicts of interest, there is also no guarantee that the Manager would be able to dispose of such asset at a price that is higher than its current valuation. In addition, potential buyers may not offer a price which is higher than the current valuation when they are aware that the sale is to address issues of conflicts of interest.

Question 8:

The Manager suggests that one of the key reasons for the revised Scheme Consideration is the potential conflicts of interest between two REITs arising from a common sponsor. Why was this reason emphasised only after the Scheme Consideration was revised? Could you explain how "some of the potential conflicts of interest would already be in play" prior to the outcome of the Proposed ARA Acquisition?

- In the original circular to ESR-REIT Unitholders dated 5 January 2022, the issue of the overlapping mandates and the potential conflicts of interest between both REITs arising from a common Sponsor had already been highlighted. However, at the time, the Proposed ARA Acquisition had not yet been completed and as such, the conflicts of interest had not yet fully crystallised.
- On 20 January 2022, with the completion of the Proposed ARA Acquisition, both ESR-REIT and ALOG now share a common sponsor. As ESR-REIT and ALOG have overlapping mandates, the issue of potential conflicts of interest is now a reality and will negatively impact both REITs in terms of access to the Sponsor Resources and the uncertainties it will create with respect to the growth prospects of each REIT. As such, the Manager believes that such potential conflicts of interest should be highlighted to ESR-REIT Unitholders, together with the options to resolve such conflicts of interest and their implications.
- One of the examples would be ESR-REIT and ALOG bidding for the same third party assets, which may result in an increase in the prices of such assets and thereby reduce the potential economic benefits to either ESR-REIT Unitholders or ALOG Unitholders. In addition, if an equity fundraising exercise is required to fund a proposed acquisition, both ESR-REIT and ALOG will be competing for the Sponsor's resources to support the fundraising (including any backstopping of the fundraising).
- Another example would be a situation where ESR-REIT and ALOG compete for new tenants, which may result in each REIT offering increasingly attractive terms to tenants to secure the new lease (e.g. lower rent and/or more rent-free arrangements) which reduces the potential benefit to either ESR-REIT Unitholders or ALOG Unitholders.

- The end result is that either REIT may have to pay more and/or accept less attractive terms and the respective sets of unitholders may not be better off.

Question 9:

How was the cash component and exchange ratio determined? Has the board considered any less dilutive alternative for ESR-REIT Unitholders?

- In determining the composition of the cash and unit components of the Scheme Consideration, the Manager took into consideration the post-Merger pro forma gearing level that it was comfortable with, and the cost and tenure of debt which will affect the risk profile of the enlarged REIT, as well as the other capital management benefits that come with a larger platform such as potentially lower costs of funds, increased flexibility in loan terms, access to different lending banks and wider sources of capital.
- The cash and unit mix is also in line with precedent S-REIT mergers.

Announcement Date	Acquirer	Target	Cash Component	Unit Component
18 May 2018	ESR-REIT	Viva Industrial Trust	10.0%	90.0%
8 April 2019	OUE Commercial REIT	OUE Hospitality Trust	5.0%	95.0%
3 July 2019	Ascott Residence Trust	Ascendas Hospitality Trust	5.0%	95.0%
2 December 2019	Frasers Logistics & Industrial Trust	Frasers Commercial Trust	9.0%	91.0%
22 January 2020	CapitaLand Mall Trust	CapitaLand Commercial Trust	12.2%	87.8%
	Median		**9.0%**	**91.0%**
	Average		**8.2%**	**91.8%**
	Low		**5.0%**	**87.8%**
	High		**12.2%**	**95.0%**

Revised Scheme Consideration			**10.0%**	**90.0%**

Source: Latest company filings.

Notes:

(1) Based on Frasers Logistics & Industrial Trust DPU accretion on a post-merger basis, but excluding completion of the remaining 50% of Farnborough Business Park.

(2) Based on pro forma FY2020 financial results.

Question 10:

Were the terms of the transaction negotiated at arm's length? Was the process fair and equitable?

The Manager would like to provide a brief description of the negotiation process prior to the announcement of the Merger to address any perceived conflicts of interest during the negotiation process.

1) The Manager would like to highlight that a merger with ALOG would not have been contemplated if the Proposed ARA Acquisition was not announced, as ESR-REIT's business plan and strategy was centered on asset acquisitions of both the Sponsor's (which then did not include a controlling, indirect and majority shareholding of ALOG's sponsor, the LOGOS Group) asset pipeline regionally and third-party assets in Singapore, and there would not be any potential conflicts of interest. That is the reason why one of the Scheme Conditions relates to the completion of the Proposed ARA Acquisition.

2) However, in view of the Proposed ARA Acquisition, the Manager considers the Merger to be the best option to address the potential conflicts of interest. Also, the merits of an enlarged ESR-REIT (to be renamed ESR-LOGOS REIT), supported by an enlarged ESR Group following the completion of the Proposed ARA Acquisition, are in the best interests of both ESR-REIT Unitholders and ALOG Unitholders. In addition, the timing to undertake the Merger, from a corporate governance point of view, is appropriate (rather than await the outcome of the Proposed ARA Acquisition) as some of the potential conflicts of interest would already be in play and a delayed announcement may leave both sets of unitholders uncertain as to the future plans for both REITs.
3) Commercial discussions between the Manager and the ALOG Manager on the feasibility of the Merger only commenced after the Sponsor's announcement on 4 August 2021 in relation to the Proposed ARA Acquisition. The Manager brought onboard legal and financial advisers to evaluate the strategic and financial merits of the Merger, including the potential conflicts of interest due to overlapping mandates and the downside risks if the Proposed ARA Acquisition was completed, and the timing of the proposed Merger.
4) An initial set of terms of the Merger was thoroughly evaluated at a meeting of the board of directors of the Manager and approved by the directors of the Manager who are considered independent for the purposes of the interested person transaction and interested party transaction (the "**ESR-REIT Recommending Directors**"). In this regard, Mr. Jeffrey Perlman, Mr. Philip Pearce and Mr. Tong Jinquan abstained from participating in the decision-making process of the board of the Manager in respect of the Merger. Thereafter, the terms of the Merger were proposed to the ALOG Manager via a non-binding offer letter.
5) The Manager would like to highlight that both prior to and after the announcement of the Proposed ARA Acquisition, as well as at all times during the negotiations between the Manager and the ALOG Manager in respect of the Merger, and up to the Latest Practicable Date:
    - a majority of the boards of directors of both the Manager and the ALOG Manager comprise directors who are independent of the Sponsor and ARA;
    - all of the ESR-REIT Recommending Directors and the ALOG Independent Directors are independent of the Sponsor and ARA; and
    - there has been no overlap of management teams between the Manager and the ALOG Manager, and the management teams of both the Manager and the ALOG Manager have remained the same.
6) In addition, information barriers are in place between the Manager and the ALOG Manager to ensure that any information relating to ESR-REIT's business strategy or operations is not shared with ALOG (and vice versa), save for the limited exchange of information between the Manager and the ALOG Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.
7) There were negotiations between the Manager and the ALOG Manager before an in-principle agreement on the original Scheme Consideration was reached, and such discussions in relation to the Merger were conducted by the CEO and the management team of the Manager within the mandate given and approved by the ESR-REIT Recommending Directors. This was followed by due diligence and other professional parties such as tax advisers, auditors and valuers were also brought onboard in September 2021 to commence legal and property due diligence on ALOG (and vice versa). Upon completion of satisfactory due diligence by both parties and the approval from the ESR-REIT Recommending Directors, the Implementation Agreement was executed, followed by the announcement of the Merger on 15 October 2021.

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 31 December 2021 holds interest in a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 15.3 million square feet and an aggregate property value of S$3.2 billion[6]. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide. ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership, a private fund comprising 36 predominantly freehold logistics properties all located in Australia.

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

- Acquisition of value-enhancing properties;
- Proactive 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.

About the Sponsor, ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US$140 billion in gross assets under management (AUM), ESR's fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allows capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by ESR and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$45 billion. ESR's purpose – Space and Investment Solutions for a Sustainable Future – drives it to manage sustainably and impactfully and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.esr.com.

6 Includes 100% of the valuation of 7000 Ang Mo Kio Avenue 5 and 48 Pandan Road, in which ESR-REIT holds 80% interest in 7000 Ang Mo Kio Avenue 5 and 49% interest in 48 Pandan Road, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019.

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 announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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