



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

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**ISSUE OF S\$150,000,000 4.60 PER CENT. SUBORDINATED PERPETUAL SECURITIES  
UNDER THE S\$750,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME**

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ESR Funds Management (S) Limited (formerly known as Cambridge Industrial Trust Management Limited), as manager (the "**Manager**") of ESR-REIT (formerly known as Cambridge Industrial Trust), wishes to announce that RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**Issuer**") proposes to issue S\$150,000,000 4.60 per cent. subordinated perpetual securities comprised in series 006 (the "**Series 006 Securities**") pursuant to the S\$750,000,000 Multicurrency Debt Issuance Programme established by the Issuer on 2 February 2012 and further updated on 20 October 2017. Credit Suisse (Singapore) Limited, DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch have been appointed as the joint bookrunners for the Series 006 Securities.

Unless otherwise defined herein, terms used in this announcement and which are defined in the terms and conditions of the Series 006 Securities (the "**Conditions**") shall bear the same meanings ascribed to them in the Conditions.

The principal terms of the Series 006 Securities will be as follows:

- (a) **Issue Size** : S\$150,000,000.
- (b) **Issue Price** : 100 per cent. of the principal amount of the Series 006 Securities.
- (c) **Status** : The Series 006 Securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with any Parity Obligations of the Issuer.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the bankruptcy, termination, winding-up, liquidation or similar proceedings in respect of ESR-REIT (the "**Winding-Up**"), there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of ESR-REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of ESR-REIT (and

if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**ESR-REIT Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of ESR-REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of ESR-REIT, and so rank ahead of, the holders of Junior Obligations of the Issuer, but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each ESR-REIT Notional Preferred Unit on a return of assets in such Winding-Up of ESR-REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions including any Arrears of Distribution and any Additional Distribution Amount accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities.

- (d) **Maturity Date** : The Series 006 Securities are perpetual and have no fixed final redemption date.
- (e) **Distribution Rate** : In respect of the period from (and including) the issue date of the Series 006 Securities to (but excluding) 3 November 2022 (the “**First Call Date**”), 4.60 per cent. per annum, payable semi-annually in arrear.
- In respect of the period from (and including) the First Call Date and each date falling every five (5) years after the First Call Date (each, a “**Reset Date**”) to (but excluding) the immediately following Reset Date, at a rate equivalent to the prevailing five (5)-year SGD Swap Offer Rate plus the initial spread of 2.60 per cent., payable semi-annually in arrear.
- (f) **Redemption at the Option of the Issuer** : The Series 006 Securities are redeemable at the option of the Issuer in whole, but not in part, on the First Call Date or on any Distribution Payment Date thereafter at the Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

- (g) **Other Redemption** : The Series 006 Securities may also be redeemed upon the occurrence of certain other redemption events to be specified in the pricing supplement for the Series 006 Securities.
- (h) **Distribution Discretion** : The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the Trustee, the Issuing and Paying Agent and the Series 006 Securityholders (in accordance with the Conditions) not more than 15 nor less than three (3) business days prior to a scheduled Distribution Payment Date.
- (i) **Non-Cumulative Deferral** : Any distribution deferred pursuant to Condition 3(IV) of the Series 006 Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion (and is not obliged to), and at any time, elect to pay an amount up to the amount of distribution which is unpaid (an "**Optional Distribution**") in whole or in part by complying with the notice requirements in Condition 3(IV)(e) of the Series 006 Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 3(IV) of the Series 006 Securities.
- (k) **Restrictions in the case of Non-Payment** : If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 3(IV) of the Series 006 Securities, the Issuer shall not and shall procure that none of its subsidiaries shall:
- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or
  - (ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, consultants or directors of the Group or (2) as a result of the exchange or conversion of the Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) a redemption of all the outstanding Series 006 Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Series 006 Securityholders.

- (l) **Redemption Price** : 100 per cent. of the principal amount of the Series 006 Securities then outstanding.

The Series 006 Securities are expected to be issued on 3 November 2017.

The Series 006 Securities are offered by the Issuer in Singapore pursuant to exemptions invoked under Sections 274 and/or 275 of the Securities and Futures Act (Chapter 289 of Singapore).

The net proceeds arising from the issue of the Series 006 Securities (after deducting issue expenses) will be used for the purpose of refinancing the existing borrowings of the Group, financing or refinancing the acquisitions and/or investments of ESR-REIT and any development and asset enhancement works initiated by ESR-REIT, financing general working capital and capital expenditure requirements of the Group.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in the listing and quotation of the Series 006 Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and the listing and quotation of the Series 006 Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, ESR-REIT, their respective subsidiaries and/or associated companies (if any), the Programme or the Series 006 Securities.

This announcement and the information contained herein do not constitute an offer or invitation to purchase any securities of ESR-REIT.

**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

26 October 2017

For further enquiries, please contact:

**ESR Funds Management (S) Limited**

Cheryl Lim

Marketing Communications Manager

Tel: +65 6222 3339

[cheryl.lim@esr-reit.com.sg](mailto:cheryl.lim@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 has a diversified portfolio of 48 properties located across Singapore, with a total gross floor area of approximately 8.2 million sq ft and a property value of S\$1.33 billion as at 30 September 2017. 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 and SK Holdings, ESR's platform represents one of the largest in the Asia-Pacific region managing approximately 9.0 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\$8 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](http://www.esr-reit.com.sg)

## 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 (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 announcement 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 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.