NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA, JAPAN OR AUSTRALIA

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

RESULTS OF THE PREFERENTIAL OFFERING

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of ESR-REIT dated 27 February 2018 titled "Launch of Preferential Offering on the Basis of 199 New Units for Every 1,000 Existing Units to Raise Gross Proceeds of Up To Approximately S$141.9 Million" (the "**Launch Announcement**") and/or the instruction booklet of ESR-REIT in respect of the Preferential Offering dated 12 March 2018.*

1. RESULTS OF THE PREFERENTIAL OFFERING

Further to the Launch Announcement and the announcements dated 27 February 2018 and 12 March 2018 in relation to the *pro rata* and non-renounceable preferential offering of up to approximately 262.8 million new units in ESR-REIT (the "**New Units**") on the basis of 199 New Units for every 1,000 Existing Units held as at 5.00 p.m. on Wednesday, 7 March 2018 (the "**Books Closure Date**") to Entitled Unitholders[1] (fractions of a New Unit to be disregarded) at an issue price of S$0.54 per New Unit (the "**Preferential Offering**"), ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), wishes to announce that valid acceptances and excess applications, including excess applications for additional New Units by ESR Cayman Limited (the "**Sponsor**") in accordance with the terms of the Undertaking, for a total of 448,469,872 New Units, representing approximately 170.6% of the total number of New Units available under the Preferential Offering were received as at the close of the Preferential Offering on Tuesday, 20 March 2018. Details of the valid acceptances and excess applications received are as follows:

	Number of New Units	% of Preferential Offering
Valid acceptances	197,888,352	75.3%
Excess applications	250,581,520	95.3%
Total	**448,469,872**	**170.6%**

A total of 64,961,262 New Units from the provisional allotments which were not validly accepted by Entitled Unitholders and those of Ineligible Unitholders[2] will be allotted to satisfy applications

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1 "**Entitled Unitholders**" means Entitled Depositors (as defined herein).

"**Entitled Depositors**" refers to Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited ("**CDP**") as at the Books Closure Date and:

(a) whose registered addresses with CDP are in Singapore as at the Books Closure Date; or

(b) who have at least three Market Days prior to the Books Closure Date provided CDP with addresses in Singapore for the service of notices and documents,

but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

2 "**Ineligible Unitholders**" means Unitholders other than Entitled Unitholders.

for Excess New Units. In the allotment of Excess New Units, preference will be given to the rounding of odd lots. The Directors and Substantial Unitholders who have control or influence over ESR-REIT in connection with the day-to-day affairs of ESR-REIT or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager will rank last in priority for the rounding of odd lots and allotment of Excess New Units. As a result, the Sponsor has been allocated a total of 13,055,943 New Units under the Preferential Offering which remain unsubscribed after satisfaction of all applications for Excess New Units by Unitholders (other than the Sponsor).

Accordingly, a total of 262,849,614 New Units will be issued pursuant to the Preferential Offering at the issue price of S$0.54 per New Unit to raise gross proceeds of approximately S$141.9 million.

As set out in the Launch Announcement, the Manager intends to utilise approximately S$140.9 million from the gross proceeds of the Preferential Offering to reduce the debt facilities utilised to partially fund the Total Acquisition Cost. Following this application of the proceeds, ESR-REIT's aggregate leverage will decrease from 39.6% as at 31 December 2017 to approximately 30.3%[3] on a pro forma basis.

2. UNDERTAKING BY THE SPONSOR

Pursuant to the Undertaking provided to the Manager by the Sponsor, which owned an aggregate interest of approximately 12.4% in ESR-REIT as at the date of the Launch Announcement[4], the Sponsor has accepted in full its total provisional allotment of 32,805,277 New Units, under the Preferential Offering. The Sponsor has also been allocated 13,055,943 New Units, being the remaining New Units which remain unsubscribed after satisfaction of all applications for Excess New Units by Unitholders (other than the Sponsor). The Sponsor's total subscription under the Preferential Offering did not exceed the sum of S$125.0 million as set out in the Undertaking.

The total subscription of the Sponsor amounted to approximately S$24.8 million. Immediately post-completion of the Preferential Offering, the Sponsor will have an aggregate deemed interest in 210,711,874 Units, representing approximately 13.3% of the total number of 1,583,701,947 Units in issue after the listing of and quotation for the 262,849,614 New Units issued pursuant to the Preferential Offering.

3. COMMITMENT BY MITSUI

Pursuant to the commitment letter provided to the Manager by Mitsui & Co., Ltd ("**Mitsui**"), which owned an aggregate interest of approximately 1.6% in ESR-REIT as at the date of the Launch Announcement[4], Mitsui has accepted in full its provisional allotment of 4,182,663 New Units under the Preferential Offering.

Immediately post-completion of the Preferential Offering, Mitsui will have an aggregate interest in 25,201,075 Units, representing approximately 1.6% of the total number of 1,583,701,947 Units in issue after the listing of and quotation for the 262,849,614 New Units issued pursuant to the Preferential Offering.

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[3] The pro forma aggregate leverage takes into account repayment of debt using the proceeds from the divestment of the property located at 9 Bukit Batok Street 22.

[4] Excludes the Units issued on 28 February 2018 pursuant to ESR-REIT's Distribution Reinvestment Plan.

4. REFUNDS

In relation to any void or invalid acceptances of New Units or any unsuccessful applications for Excess New Units under the Preferential Offering, all monies received in connection therewith will be returned by CDP on behalf of ESR-REIT to the Entitled Unitholders, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) Market Days[5] from the close of the Preferential Offering on Tuesday, 20 March 2018, by crediting their accounts with the relevant Participating Banks[6] (where acceptance and/or application is made through Electronic Applications) or by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them at their mailing address as maintained in the records of CDP by ordinary post or in such other manner as the Entitled Unitholders may have agreed with CDP for payment of any cash distributions (where acceptance and/or application is made through CDP) and in each case, at the Entitled Unitholders' own risk.

5. STATUS OF THE NEW UNITS TO BE ISSUED PURSUANT TO THE PREFERENTIAL OFFERING

The Manager expects the New Units to be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on Wednesday, 28 March 2018.

The New Units to be issued pursuant to the Preferential Offering will, upon issue and listing, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering including the right to ESR-REIT's distributable income from 1 January 2018 up to the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering as well as all distributions thereafter.

The Manager wishes to take this opportunity to thank Unitholders for their support in ensuring the successful completion of the Preferential Offering.

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 March 2018

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5 "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

6 "**Participating Banks**" means DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited.

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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 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 billion[7]. 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 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 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$11 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.

[7] 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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.