FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

The Directors of ESR Funds Management (S) Limited ("ESR-FM"), as manager of ESR-REIT (the "Manager"), are pleased to announce the unaudited financial results of ESR-REIT and its subsidiaries (the "Group") for the third quarter ended 30 September 2019 ("3Q2019").

ESR-REIT is a Singapore-based real estate investment trust constituted by the Trust Deed entered into on 31 March 2006 between ESR-FM as the Manager of ESR-REIT and RBC Investor Services Trust Singapore Limited as the Trustee of ESR-REIT, as amended and restated. ESR-REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2006.

ESR-REIT's distribution policy is to distribute at least 90% of its annual distributable income comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion.

On 15 October 2018, ESR-REIT completed its merger with Viva Industrial Trust ("VIT") comprising Viva Industrial Real Estate Investment Trust and Viva Industrial Business Trust by way of a trust scheme of arrangement (the "Merger"). Under the Merger, ESR-REIT acquired all of VIT's issued stapled securities for S$9.60 in cash and 160 new ESR-REIT units in exchange for every 100 VIT stapled securities held by the stapled securityholders of VIT.

Following the completion of the Merger, VIT was delisted from SGX-ST. Viva Industrial Real Estate Investment Trust ceased to be an authorised collective investment scheme and became a sub-trust of ESR-REIT and was renamed as Viva Trust. Viva Industrial Business Trust, which was dormant, had been wound up in December 2018.

On 7 August 2019, PTC Logistics Hub LLP (a joint venture between ESR-REIT and Poh Tiong Choon Logistics Limited) completed the acquisition of 48 Pandan Road at a purchase consideration of S$225.0 million under a sale-and-leaseback arrangement with Poh Tiong Choon Logistics Limited.

As at 30 September 2019, the Group holds interest in a diversified portfolio of 57 properties (including 48 Pandan Road) located across Singapore with a diversified tenant base of 332 tenants across the following sub sectors: business park, high-specs industrial, logistics/warehouse and general industrial. The portfolio has an aggregate carrying value of approximately S$3.02 billion[1] and a total gross floor area of approximately 15.1 million square feet.

The Group's financial results include the consolidated results of its wholly-owned subsidiaries namely, Viva Trust, ESR-MTN Pte. Ltd., Cambridge SPV1 LLP ("CSPV1") and ESR-SPV2 Pte. Ltd. and an 80%-owned subsidiary, 7000 AMK LLP. The commentaries below are based on the Group's financial results unless otherwise stated.

[1] Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-REIT holds 80% interest, but excludes (i) the valuation of 48 Pandan Road which is held through a joint venture in which ESR-REIT holds 49% interest; and (ii) the effects arising from the adoption of Financial Reporting Standard 116 *Leases* ("FRS 116") which became effective on 1 January 2019.

Summary of the Group's Results

	3Q2019 S$'000	3Q2018 S$'000	Fav/ (Unfav) %	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000	Fav/ (Unfav) %
Gross revenue	**61,965**	**32,362**	**91.5**	**190,549**	**98,514**	**93.4**
Net property income	**45,336**	**22,549**	**101.1**	**141,747**	**69,773**	**103.2**
Amount available for distribution	**33,824**	**15,903**	**112.7**	**97,863**	**45,178**	**116.6**
- Taxable income	*29,219*	*13,403*	118.0	*87,388*	*40,379*	116.4
- Tax exempt income	-	-	-	-	*519*	*n.m.*
- Other gains	*4,605*	*2,500*	84.2	*10,475*	*4,280*	144.7
Distribution per unit ("DPU") (cents)	**1.000**	**1.004**	**(0.4)**	**3.011**	**2.852**	**5.6**

n.m. – not meaningful

Cumulative Distribution for the period from 1 July 2019 to 13 October 2019

	3Q2019 Distribution	Advanced Distribution[(1)]	Cumulative Distribution
Distribution Period	**1 Jul 2019 to 30 Sep 2019 S$'000**	**1 Oct 2019 to 13 Oct 2019 S$'000**	**1 Jul 2019 to 13 Oct 2019 S$'000**
Net income available for distribution	29,219	4,009	33,228
Distribution from other gains	4,605	897	5,502
Total distribution	**33,824**	**4,906**	**38,730**
Applicable number of units ('000)	3,383,351	3,383,351	3,383,351
DPU (cents)	**1.000**	**0.145**	**1.145**

(1) The Advanced Distribution (to be paid together with the 3Q2019 distribution) relates to the distributable income accrued by ESR-REIT for the period from 1 October 2019 to 13 October 2019 (being the day immediately prior to the date of issuance of the new units pursuant to the Preferential Offering).

Details of the Cumulative Distribution

Distribution period	**1 July 2019 to 13 October 2019**	
Distribution rate	**1.145 cents per unit comprising:**	
	(i) taxable income	**0.982 cents per unit**
	(ii) other gains	**0.163 cents per unit**
Books closure date	**11 October 2019**	
Payment date	**8 November 2019**	

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the Cumulative Distribution for the period from 1 July 2019 to 13 October 2019.

The next distribution following the Cumulative Distribution will comprise ESR-REIT's distributable income for the period from 14 October 2019 to 31 December 2019. Quarterly distributions will resume thereafter.

1(a) Statement of Total Return together with comparative statements for the corresponding period of the immediate preceding financial year

Statement of Total Return

		Group		
	Note	3Q2019 S$'000	3Q2018 S$'000	Fav/ (Unfav) %
Gross revenue	(a)	**61,965**	**32,362**	**91.5**
Property manager's fees	(b)	(2,905)	(1,369)	(112.2)
Property tax		(4,558)	(2,580)	(76.7)
Land rental	(e)	-	(2,113)	n.m
Other property expenses		(9,166)	(3,751)	(144.4)
Property expenses	(a)	**(16,629)**	**(9,813)**	**(69.5)**
Net property income	(a)	**45,336**	**22,549**	**101.1**
Manager's fees	(b)	(3,820)	(2,070)	(84.5)
Trust expenses	(c)	(2,001)	(272)	(635.7)
Interest income		3	5	(40.0)
Borrowing costs	(d)	(12,672)	(5,286)	(139.7)
Finance costs on lease liabilities for leasehold land	(e)	(2,687)	-	n.m.
Non-property expenses		**(21,177)**	**(7,623)**	**(177.8)**
Net income		**24,159**	**14,926**	**61.9**
Cost attributable to disposal of investment property		(3)	-	n.m.
Change in fair value of financial derivatives	(f)	(1,528)	(225)	(579.1)
Change in fair value of right-of-use of leasehold land	(e)	515	-	n.m.
Share of results of joint venture	(g)	685	-	n.m.
Total return for the period before income tax and distribution		**23,828**	**14,701**	**62.1**
Less: Income tax expense		(3)	(17)	82.4
Total return for the period after income tax before distribution		**23,825**	**14,684**	**62.3**
Attributable to:				
Unitholders and perpetual securities holders		22,868	13,738	66.5
Non-controlling interest		957	946	1.2
		23,825	**14,684**	**62.3**

n.m. – not meaningful

Distribution Statement

	Note	Group 3Q2019 S$'000	Group 3Q2018 S$'000	Fav/ (Unfav) %
Total return for the period after income tax before distribution attributable to Unitholders and perpetual securities holders		**22,868**	**13,738**	**66.5**
Net effect of non-tax deductible/(chargeable) items and other adjustments	(h)	8,090	1,404	476.2
		30,958	15,142	104.5
Amount reserved for distribution to perpetual securities holders		(1,739)	(1,739)	-
Net income available for distribution for the period		**29,219**	**13,403**	**118.0**
Distribution from other gains	(i)	4,605	2,500	84.2
Total distribution for the period	(i)	**33,824**	**15,903**	**112.7**
DPU for the period (cents)	(i)	**1.000**	**1.004**	**(0.4)**

n.m. – not meaningful

Notes:

(a) The Group recorded gross revenue and net property income ("NPI") of S$62.0 million and S$45.3 million respectively in 3Q2019 and these were higher than the corresponding quarter last year by 91.5% and 101.1% respectively.

The growth in revenue and NPI was mainly attributed to the contributions from (a) the acquisition of Viva Trust's nine properties pursuant to the Merger and 15 Greenwich, both in October 2018; (b) the leasing up of 30 Marsiling subsequent to the asset enhancement works completed in January 2019; and (c) rental escalations from the existing property portfolio. The growth was partially offset by the lease conversion from single to multi-tenancy for certain properties.

Property expenses increased from S$9.8 million to S$16.6 million in 3Q2019, which was 69.5% higher than the corresponding quarter last year. Property expenses increased largely due to the Merger and the acquisition of 15 Greenwich, as well as master lease conversions.

(b) Higher management fees for the Manager and the Property Manager in 3Q2019 were due to higher deposited property and higher rental revenue respectively, which are attributable to the Merger and the acquisition of 15 Greenwich. The acquisition of 49% interest in 48 Pandan Road in August 2019 also contributed to higher management fees for the Manager.

(c) Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. The increase in trust expenses in 3Q2019 was mainly due to the transaction costs (including the acquisition fee paid to the Manager) in relation to the acquisition of 49% interest in 48 Pandan Road, which is held through PTC Logistics Hub LLP.

(d) Borrowing costs comprised interest expenses on loans and interest rate swaps, and amortisation of debt related transaction costs. These costs were higher in 3Q2019 due to more debts being drawn down in 4Q2018 to fund the acquisition of 15 Greenwich and the costs related to the Merger which included the funding of the cash consideration, the payment of transaction costs and the refinancing of Viva Trust's borrowings.

Please refer to Section 1(b)(ii) for more details on borrowings.

(e) The Group is required to pay land rent, whether annually or on an upfront land premium basis to JTC and Ascendas Land for properties in its portfolio. The Group adopted FRS 116 on a modified retrospective basis on 1 January 2019 and did not adjust its comparatives for the effects arising from the adoption of the new standard.

With the adoption of FRS 116, the Group is required to recognise the land leases on the Statement of Financial Position to reflect the right to use the leasehold land and the associated obligation for the lease payments, i.e. lease liabilities. The right-of-use of leasehold land and the corresponding lease liabilities are derived by discounting the future lease payments using the Group's incremental borrowing rate for borrowings of similar amount and tenor, and with similar security.

The lease liabilities increase with the accretion of imputed interest expense computed using the effective interest method and decrease as lease payments are made. Fair value change on the right to use the leasehold land is recorded to ensure that the carrying values of the right-of-use of leasehold land and lease liabilities are equal at all times.

As at 30 September 2019, the Group recognised the right-of-use of leasehold land of S$226.9 million and lease liabilities of the same amount for its leases previously classified as operating land leases on the Statement of Financial Position. Such right-of-use of leasehold land and lease liabilities for leasehold land are excluded from the computation of gearing ratio as at 30 September 2019. The right-of-use of leasehold land is also excluded from deposited property for the purpose of calculating the Manager's base fee.

In 3Q2019, the Group recognised finance cost on lease liabilities for leasehold land of S$2.7 million and change in fair value of right-of-use of leasehold land of S$0.5 million on the Statement of Total Return.

Prior to the adoption of FRS 116, lease payments made for land rent were presented as land rent expenses in arriving at the net property income on the Statement of Total Return and formed part of the Group's operating cash flows on the Statement of Cash Flows. However, with the adoption of FRS 116, such payments are now reflected as finance cost and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Statement of Cash Flows.

(f) The change in fair value of financial derivatives represented the change in fair value of interest rate swaps (with aggregate notional amount of S$855.0 million), entered into to hedge against interest rate fluctuations on the floating rate borrowings of the Group. This fair value change is recognised on the Statement of Total Return. It is not tax deductible and has no impact on distributable income.

(g) Share of results of joint venture relates to the Group's 49% share of the net income of PTC Logistics Hub LLP. The Group applies the equity method to account for its interest in PTC Logistics Hub LLP.

(h) Non-tax deductible/(chargeable) items and other adjustments

	Group		
	3Q2019 S$'000	**3Q2018 S$'000**	**Fav/ (Unfav) %**
<u>**Non-tax deductible/(chargeable) items and other adjustments:**</u>			
Manager's fees payable in units	1,495	724	106.5
Property Manager's fees payable in units	798	-	n.m.
Trustee's fees	157	106	48.1
Amortisation of transaction costs relating to debt facilities	1,582	948	66.9
Change in fair value of financial derivatives	1,528	225	579.1
Legal and professional fees	(49)	(141)	65.2
Adjustment for straight line rent and lease incentives	778	(759)	202.5
Share of results of joint venture	(685)	-	n.m.
Distributable income from joint venture	815	-	n.m.
Cost attributable to disposal of investment property	3	-	n.m.
Miscellaneous expenses	1,668	301	454.2
Net effect of non-tax deductible/(chargeable) items and other adjustments	**8,090**	**1,404**	**476.2**

(i) Total distribution for the period comprises:

	Note	Group 3Q2019 S$'000	Group 3Q2018 S$'000	Group Fav/ (Unfav) %
Taxable income		29,219	13,403	118.0
Other gains	(1)	4,605	2,500	84.2
Total distribution for the period		33,824	15,903	112.7

Note:

(1) Other gains represented the partial payout of the gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

The total distribution of S$33.8 million, based on units which are entitled to the distribution for the quarter, translates to a DPU of 1.000 cents for 3Q2019 which is 0.4% lower than the 3Q2018 DPU of 1.004 cents.

Statement of Total Return (YTD 3Q2019 vs YTD 3Q2018)

	Note	Group YTD 3Q2019 S$'000	YTD 3Q2018 S$'000	Fav/ (Unfav) %
Gross revenue	(a)	**190,549**	**98,514**	**93.4**
Property manager's fees	(b)	(8,138)	(4,339)	(87.6)
Property tax		(13,487)	(7,483)	(80.2)
Land rental	(e)	-	(6,197)	n.m
Other property expenses		(27,177)	(10,722)	(153.5)
Property expenses	(a)	**(48,802)**	**(28,741)**	**(69.8)**
Net property income	(a)	**141,747**	**69,773**	**103.2**
Manager's fees	(b)	(11,085)	(6,141)	(80.5)
Trust expenses	(c)	(3,451)	(1,392)	(147.9)
Interest income		11	32	(65.6)
Borrowing costs	(d)	(38,658)	(16,557)	(133.5)
Finance costs on lease liabilities for leasehold land	(e)	(8,075)	-	n.m.
Non-property expenses		**(61,258)**	**(24,058)**	**(154.6)**
Net income		**80,489**	**45,715**	**76.1**
Gain on disposal of investment property		48	128	(62.5)
Change in fair value of financial derivatives	(f)	(4,458)	(1,426)	(212.6)
Change in fair value of right-of-use of leasehold land	(e)	1,563	-	n.m.
Share of results of joint venture	(g)	685	-	n.m.
Total return for the period before income tax and distribution		**78,327**	**44,417**	**76.3**
Less: Income tax expense		(21)	(97)	78.4
Total return for the period after income tax before distribution		**78,306**	**44,320**	**76.7**
Attributable to:				
Unitholders and perpetual securities holders		75,433	41,589	81.4
Non-controlling interest		2,873	2,731	5.2
		78,306	**44,320**	**76.7**

n.m. – not meaningful

Distribution Statement

	Note	Group		
		YTD 3Q2019 S$'000	**YTD 3Q2018 S$'000**	**Fav/ (Unfav) %**
Total return for the period after income tax before distribution attributable to Unitholders and perpetual		**75,433**	**41,589**	**81.4**
Net effect of non-tax deductible/(chargeable) items and other adjustments	(h)	17,116	4,470	282.9
		92,549	46,059	100.9
Amount reserved for distribution to perpetual securities holders		(5,161)	(5,161)	-
Net income available for distribution for the period		**87,388**	**40,898**	**113.7**
Distribution from other gains	(i)	10,475	4,280	144.7
Total distribution for the period	(i)	**97,863**	**45,178**	**116.6**
DPU for the period (cents)	(i)	**3.011**	**2.852**	**5.6**

n.m. – not meaningful

Notes:

(a) The Group recorded gross revenue and NPI of S$190.5 million and S$141.7 million respectively in YTD 3Q2019 and these were higher than the corresponding period last year by 93.4% and 103.2% respectively.

The growth in revenue and NPI was mainly attributed to the contributions from (a) the acquisition of Viva Trust's nine properties pursuant to the Merger and 15 Greenwich, both in October 2018; (b) the leasing up of 30 Marsiling subsequent to the asset enhancement works completed in January 2019; and (c) rental escalations from the existing property portfolio. The growth was partially offset by the lease conversion from single to multi-tenancy for certain properties.

Property expenses increased from S$28.7 million to S$48.8 million in YTD 3Q2019, which was 69.8% higher than the corresponding period last year. Property expenses increased largely due to the Merger and the acquisition of 15 Greenwich, as well as master lease conversions.

(b) Higher management fees for the Manager and the Property Manager in YTD 3Q2019 were due to higher deposited property and higher rental revenue respectively, which are attributable to the Merger and the acquisition of 15 Greenwich. The acquisition of 49% interest in 48 Pandan Road in August 2019 also contributed to higher management fees for the Manager.

(c) Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. The increase in trust expenses in YTD 3Q2019 was mainly due to the transaction costs (including the acquisition fee paid to the Manager) in relation to the acquisition of 49% interest in 48 Pandan Road, which is held through PTC Logistics Hub LLP.

(d) Borrowing costs comprised interest expenses on loans and interest rate swaps, and amortisation of debt related transaction costs. These costs were higher in YTD 3Q2019 due to more debts being drawn down in 4Q2018 to fund the acquisition of 15 Greenwich and the costs related to the Merger which included the funding of the cash consideration, the payment of transaction costs and the refinancing of Viva Trust's borrowings.

Please refer to Section 1(b)(ii) for more details on borrowings.

(e) Following the adoption of FRS 116, the Group recognised finance cost on lease liabilities for leasehold land of S$8.1 million and change in fair value of right-of-use of leasehold land of S$1.6 million on the Statement of Total Return for YTD 3Q2019.

Prior to the adoption of FRS 116, lease payments made for land rent were presented as land rent expenses in arriving at the net property income on the Statement of Total Return and formed part of the Group's operating cash flows on the Statement of Cash Flows. However, with the adoption of FRS 116, such payments are now reflected as finance cost and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Statement of Cash Flows.

(f) The change in fair value of financial derivatives represented the change in fair value of interest rate swaps (with aggregate notional amount of S$855.0 million), entered into to hedge against interest rate fluctuations on the floating rate borrowings of the Group. This fair value change is recognised on the Statement of Total Return. It is not tax deductible and has no impact on distributable income.

(g) Share of results of joint venture relates to the Group's 49% share of the net income of PTC Logistics Hub LLP. The Group applies the equity method to account for its interest in PTC Logistics Hub LLP.

(h) Non-tax deductible/(chargeable) items and other adjustments

	Group		
	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000	Fav/ (Unfav) %
<u>**Non-tax deductible/(chargeable) items and other adjustments:**</u>			
Manager's fees paid/payable in units	4,930	724	580.9
Property Manager's fees payable in units	1,617	-	n.m.
Trustee's fees	620	316	96.2
Amortisation of transaction costs relating to debt facilities	4,490	2,384	88.3
Change in fair value of financial derivatives	4,458	1,426	212.6
Legal and professional fees	106	171	(38.0)
Adjustment for straight line rent and lease incentives	(1,010)	(1,551)	34.9
Share of results of joint venture	(685)	-	n.m.
Distributable income from joint venture	815	-	n.m.
Gain on disposal of investment property	(48)	(128)	62.5
Miscellaneous expenses	2,032	609	233.7
Tax exempt income	-	519	n.m.
Rollover adjustment from prior years	(209)	-	n.m.
Net effect of non-tax deductible/(chargeable) items and other adjustments	**17,116**	**4,470**	**282.9**

(i) Total distribution for the period comprises:

		Group		
	Note	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000	Fav/ (Unfav) %
Taxable income		87,388	40,379	116.4
Tax-exempt income	(1)	-	519	n.m.
Other gains	(2)	10,475	4,280	144.7
Total distribution for the period		97,863	45,178	116.6

Notes:

(1) Tax exempt income related to share of profits from 7000 AMK Pte. Ltd. prior to its conversion to limited liability partnership with effect from 1 February 2018.

(2) Other gains represented the partial payout of the gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

The total distribution of S$97.9 million, based on units which are entitled to the distribution for the period, translated to a DPU of 3.011 cents for YTD 3Q2019 which is 5.6% higher than the YTD 3Q2018 DPU of 2.852 cents.

1(b)(i) Statements of Financial Position, together with comparatives as at the end of the immediately preceding financial year

	Note	Group		Trust	
		30-09-19 S$'000	31-12-18 S$'000	30-09-19 S$'000	31-12-18 S$'000
Assets					
Non-current assets					
Investment properties	(a)	3,024,111	3,016,200	1,458,729	1,452,500
Right-of-use of leasehold land	(b)	226,936	-	169,588	-
Subsidiaries	(c)	-	-	1,786,215	1,786,242
Interest in joint venture	(d)	43,868	-	43,183	-
		3,294,915	3,016,200	3,457,715	3,238,742
Current assets					
Investment property held for divestment	(a)	-	5,700	-	5,700
Trade and other receivables	(e)	13,815	11,144	35,675	30,535
Amount due from joint venture	(d)	7,718	-	7,718	-
Cash and cash equivalents	(f)	17,617	17,664	7,761	6,560
		39,150	34,508	51,154	42,795
Total assets		**3,334,065**	**3,050,708**	**3,508,869**	**3,281,537**
Liabilities					
Current liabilities					
Trade and other payables	(g)	47,160	58,230	37,998	45,856
Lease liabilities for leasehold land	(b)	2,568	-	2,568	-
Interest-bearing borrowings	(h)	178,421	281,921	178,421	281,921
Amount due to non-controlling interest	(i)	61,074	61,074	-	-
		289,223	401,225	218,987	327,777
Non-current liabilities					
Trade and other payables	(g)	20,128	16,129	10,155	7,860
Amount due to a subsidiary	(j)	-	-	40,247	40,247
Lease liabilities for leasehold land	(b)	224,368	-	167,020	-
Interest-bearing borrowings	(h)	1,060,433	986,282	1,060,433	986,282
Derivative financial instruments	(k)	21,525	16,289	21,525	16,289
		1,326,454	1,018,700	1,299,380	1,050,678
Total liabilities		**1,615,677**	**1,419,925**	**1,518,367**	**1,378,455**
Net assets		**1,718,388**	**1,630,783**	**1,990,502**	**1,903,082**
Represented by:					
Unitholders' funds	(l)	1,565,534	1,479,668	1,837,648	1,751,967
Perpetual securities holders' funds	(m)	152,854	151,115	152,854	151,115
		1,718,388	**1,630,783**	**1,990,502**	**1,903,082**

Notes:

(a) As at 30 September 2019, the total carrying value of investment properties was S$3.02 billion. Investment properties increased by S$2.2 million mainly due to capital expenditure and asset enhancement costs incurred for certain properties, partially offset by the divestment of 31 Kian Teck Way which was completed on 28 June 2019.

(b) Please refer to note (e) under Section 1(a) for more details on the adoption of FRS 116 with effect from 1 January 2019.

(c) At the Trust level, subsidiaries comprise the cost of investments in subsidiaries of S$1.17 billion and interest-bearing loans to subsidiaries of S$612.3 million.

(d) Interest in joint venture relates to ESR-REIT's 49% share of the net assets of PTC Logistics Hub LLP, which owns 48 Pandan Road. The Group applies the equity method to account for its interest in PTC Logistics Hub LLP.

(e) Trade and other receivables increased by S$2.7 million mainly due to increase in trade receivables and prepayments for property expenses.

(f) Please refer to Section 1(c) for more details on cash and cash equivalents.

(g) Trade and other payables decreased by S$7.1 million mainly due to the payment of professional fees related to the Merger during 1Q2019.

(h) Please refer to Section 1(b)(ii) for more details on interest-bearing borrowings.

(i) The amount due to non-controlling interest represents 20% interest in 7000 AMK LLP that is not owned by the Group.

(j) The amount relates to the transfer of property at 3 Tuas South Avenue to the Trust from CSPV1 in 3Q2017.

(k) Derivative financial instruments (with aggregate notional amount of S$855.0 million) represent the fair value of interest rate swaps entered into to hedge against interest rate fluctuations on the Group's floating rate borrowings.

(l) Please refer to Section 1(d)(i) for the movements in Unitholders' funds during 3Q2019 and YTD 3Q2019.

(m) ESR-REIT has issued S$150 million of subordinated perpetual securities ("Perps") under Series 006 of its S$750 million Multicurrency Debt Issuance Programme ("Series 006 PS"). The Perps confer a right to receive distribution at a rate of 4.60% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 006 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on 3 November 2022 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 006 PS is classified as equity instruments and recorded as equity in the financial statements.

(n) As at 30 September 2019, the Group's current liabilities exceeded its current assets by S$250.1 million (31 December 2018: S$366.7 million) mainly due to the classification of interest-bearing borrowings of S$178.4 million as current liabilities as they are repayable within one year from 30 September 2019. Such interest-bearing borrowings can be refinanced by (i) drawing down the Group's unutilised committed revolving credit facilities of S$85 million; and (ii) issuing new MTN/perpetual securities under the Group's S$750 million Multicurrency Debt Issuance Programme which has an undrawn balance of S$390 million. As such, the Manager is of the view that the Group will be able to meet its obligations as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Group and Trust	
	30-09-19 S$'000	**31-12-18 S$'000**
Unsecured borrowings		
Amount payable within one year	178,569	282,569
Less: Unamortised debt transaction costs	(148)	(648)
	178,421	281,921
Amount payable after one year	1,070,000	995,000
Less: Unamortised debt transaction costs	(9,567)	(8,718)
	1,060,433	986,282
Total borrowings	**1,238,854**	**1,268,203**

Details of borrowings and collateral:

(a) Unsecured borrowings

The unsecured borrowings of the Group comprise:

(i) the following notes issued under its S$750 million Multicurrency Debt Issuance Programme:

- S$30 million six-year Singapore Dollar MTN in series 002 (the "Series 002 Notes") issued in April 2014 and maturing in April 2020. The Series 002 Notes have a fixed interest rate of 4.10% per annum payable semi-annually in arrears;

- S$130 million five-year Singapore Dollar MTN in series 004 (the "Series 004 Notes") issued in May 2015 and maturing in May 2020. The Series 004 Notes have a fixed interest rate of 3.95% per annum payable semi-annually in arrears; and

- S$50 million seven-year Singapore Dollar MTN in series 005 (the "Series 005 Notes") issued in May 2016 and maturing in May 2023. The Series 005 Notes have a fixed interest rate of 3.95% per annum payable semi-annually in arrears.

(ii) Unsecured S$150 million loan facility from CIMB ("TLF1") consisting of:

- Facility A: S$100 million term loan facility maturing in May 2024 at an interest margin plus swap offer rate; and

- Facility B: S$50 million revolving credit facility maturing in May 2022 at an interest margin plus swap offer rate.

A total of S$149 million was drawn down on the TLF1 as at 30 September 2019.

(iii) 4.75-year unsecured S$200 million loan facility maturing in June 2021 from HSBC ("TLF2") consisting of:

- Facility A: S$25 million term loan facility at an interest margin plus swap offer rate, for 4.75 years from the date of draw down; and

- Facility B: S$175 million revolving credit facility at an interest margin plus swap offer rate.

A total of S$116 million was drawn down on the TLF2 as at 30 September 2019.

(iv) Unsecured S$700 million loan facility from a syndicate of four banks, UOB, HSBC, MBB and RHB ("TLF3") consisting of:

- Facility A: S$160 million term loan facility maturing in October 2021 at an interest margin plus swap offer rate;
- Facility B: S$180 million term loan facility maturing in October 2022 at an interest margin plus swap offer rate;
- Facility C: S$160 million term loan facility maturing in October 2023 at an interest margin plus swap offer rate; and
- Facility D: S$200 million revolving credit facility maturing in October 2019 at an interest margin plus swap offer rate, of which S$181.4 million had been cancelled.

A total of S$518.6 million was drawn down on the TLF3 as at 30 September 2019.

(v) 5-year unsecured S$100 million term loan facility maturing in October 2023 from BNP ("TLF4") at an interest margin plus swap offer rate. TLF4 was fully drawn down as at 30 September 2019.

(vi) Unsecured S$155 million club loan facility from three banks comprising ANZ Singapore Branch, CTBC Bank Singapore Branch, and SCB Singapore Branch ("TLF5") consisting of:

- Facility A: S$75 million term loan facility maturing in March 2022 at an interest margin plus swap offer rate; and
- Facility B: S$80 million term loan facility maturing in March 2023 at an interest margin plus swap offer rate.

TLF5 was fully drawn down as at 30 September 2019.

(b) Unencumbered investment properties

As at 30 September 2019, the Group has 56 unencumbered investment properties with an aggregate carrying value of approximately S$3.02 billion[2], representing 100% of the investment properties by value. The above does not include 48 Pandan Road, which has been mortgaged to a bank as security for a term loan facility granted to PTC Logistics Hub LLP.

[2] Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-REIT holds 80% interest, but excludes (i) the valuation of 48 Pandan Road which is held through a joint venture in which ESR-REIT holds 49% interest; and (ii) the effects arising from the adoption of FRS 116 which became effective on 1 January 2019.

(c) Aggregate leverage ratio

	Group	
	30-09-19	**31-12-18**
Aggregate leverage ratio	41.6% (1)(2)	41.9%

Notes:

(1) Excludes the effects arising from the adoption of FRS 116 which became effective on 1 January 2019 where such effects relate to operating leases that were entered into in the ordinary course of ESR-REIT's business and were in effect before 1 January 2019.

(2) Includes ESR-REIT's 49% share of the borrowings, lease liabilities and total assets of PTC Logistics Hub LLP.

On 14 October 2019, ESR-REIT raised gross proceeds of approximately S$50.0 million via a preferential offering of approximately 98.1 million new units at an issue price of S$0.510 per new unit on the basis of 29 new units for every 1,000 existing units held (the "Preferential Offering"). Pending the deployment of such proceeds to fund the proposed asset enhancement initiatives ("AEI") at 7000 Ang Mo Kio Avenue 5 and UE BizHub EAST, ESR-REIT utilised all of the proceeds to partially repay its outstanding borrowings. For illustrative purposes only, had ESR-REIT completed the Preferential Offering and utilised the gross proceeds of approximately S$50.0 million to partially repay its outstanding borrowings on 30 September 2019, its pro forma aggregate leverage ratio as at 30 September 2019 would be 40.1%.

1(c) Statements of Cash Flows

	Group			
	3Q2019 S$'000	3Q2018 S$'000	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000
Cash flows from operating activities				
Total return for the period before income tax and distribution	23,828	14,701	78,327	44,417
Adjustments for:				
Interest income	(3)	(5)	(11)	(32)
Borrowing costs	12,672	5,286	38,658	16,557
Finance costs on lease liabilities for leasehold land	2,687	-	8,075	-
Manager's fees paid/payable in units	1,495	724	4,930	724
Property Manager's fees paid/payable in units	798	-	1,617	-
Share of results of joint venture	(685)	-	(685)	-
Cost attributable to/(gain on) disposal of investment property	3	-	(48)	(128)
Change in fair value of financial derivatives	1,528	225	4,458	1,426
Change in fair value of right-of-use of leasehold land	(515)	-	(1,563)	-
Operating income before working capital changes	**41,808**	**20,931**	**133,758**	**62,964**
Changes in working capital				
Trade and other receivables	38	703	(2,293)	(7,046)
Trade and other payables	(1,904)	907	(3,607)	3,190
Cash generated from operating activities	**39,942**	**22,541**	**127,858**	**59,108**
Income tax paid	-	(3,209)	(397)	(3,953)
Net cash generated from operating activities	**39,942**	**19,332**	**127,461**	**55,155**
Cash flows from investing activities				
Net cash outflow on purchase of investment properties	-	(100)	-	(1,385)
Capital expenditure on investment properties	(3,340)	(721)	(15,358)	(3,301)
Proceeds from disposal of investment properties	-	-	5,797	23,900
Payment for divestment costs	-	-	-	(194)
Loan to joint venture	(7,718)	-	(7,718)	-
Investment in joint venture	(43,183)	-	(43,183)	-
Interest received	3	5	11	32
Net cash (used in)/generated from investing activities	**(54,238)**	**(816)**	**(60,451)**	**19,052**
Cash flows from financing activities				
Proceeds from issuance of new units	-	-	100,000	141,939
Issue costs for perpetual securities paid	-	-	-	(272)
Equity issue costs paid	(2,193)	-	(2,193)	(1,151)
Borrowing costs paid	(10,336)	(1,554)	(37,073)	(12,492)
Proceeds from borrowings	74,200	-	392,200	17,000
Repayment of borrowings	(19,200)	(3,000)	(421,200)	(179,000)
Payment for lease liabilities for leasehold land	(2,172)	-	(6,512)	-
Distributions paid to Unitholders	(32,093)	(15,852)	(86,137)	(37,439)
Distributions paid to perpetual securities holders	-	-	(3,422)	(3,422)
Distribution to non-controlling interest	(965)	(898)	(2,724)	(1,080)
Net cash generated from/(used in) financing activities	**7,241**	**(21,304)**	**(67,061)**	**(75,917)**
Net decrease in cash and cash equivalents	**(7,055)**	**(2,788)**	**(51)**	**(1,710)**
Cash and cash equivalents at beginning of the period	**24,672**	**12,729**	**17,664**	**11,651**
Cash and cash equivalents at end of the period	**17,617**	**9,941**	**17,613**	**9,941**

1(d)(i) Statements of Movements in Unitholders' funds

	Group		Trust	
	3Q2019 S$'000	**3Q2018 S$'000**	**3Q2019 S$'000**	**3Q2018 S$'000**
Unitholders' Funds				
Balance at beginning of period	**1,545,673**	**922,419**	**1,817,683**	**908,594**
Operations				
Total return for the period attributable to Unitholders and perpetual securities holders	22,868	13,738	22,972	13,820
Amount reserved for distribution to perpetual securities holders	(1,739)	(1,739)	(1,739)	(1,739)
Net increase in net assets resulting from operations	**21,129**	**11,999**	**21,233**	**12,081**
Unitholders' transactions				
Issuance of new units pursuant to:				
- Management fees paid in units	2,129	-	2,129	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(22)	-	(22)	-
- Private Placement	(94)	-	(94)	-
- Preferential Offering	(1,277)	-	(1,277)	-
Distributions paid to Unitholders	(2,004)	(15,852)	(2,004)	(15,852)
Net decrease in net assets resulting from Unitholders' transactions	**(1,268)**	**(15,852)**	**(1,268)**	**(15,852)**
Balance at end of period	**1,565,534**	**918,566**	**1,837,648**	**904,823**
Perpetual Securities Holders' Funds				
Balance at beginning of period	**151,115**	**151,115**	**151,115**	**151,115**
Amount reserved for distribution to perpetual securities holders	1,739	1,739	1,739	1,739
Balance at end of period	**152,854**	**152,854**	**152,854**	**152,854**
Total	**1,718,388**	**1,071,420**	**1,990,502**	**1,057,677**

Statements of Movements in Unitholders' funds (YTD 3Q2019 vs YTD 3Q2018)

	Group		Trust	
	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000	YTD 3Q2019 S$'000	YTD 3Q2018 S$'000
Unitholders' Funds				
Balance at beginning of period	**1,479,668**	**778,889**	**1,751,967**	**765,063**
Operations				
Total return for the period attributable to Unitholders and perpetual securities holders	75,433	41,589	75,248	41,672
Amount reserved for distribution to perpetual securities holders	(5,161)	(5,161)	(5,161)	(5,161)
Net increase in net assets resulting from operations	**70,272**	**36,428**	**70,087**	**36,511**
Unitholders' transactions				
Issuance of new units pursuant to:				
- Management fees paid in units	5,267	-	5,267	-
- Distribution Reinvestment Plan	4,578	4,031	4,578	4,031
- Private Placement	100,000	-	100,000	-
- Preferential Offering	-	141,939	-	141,939
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(103)	(74)	(103)	(74)
- Private Placement	(2,156)	-	(2,156)	-
- Preferential Offering	(1,277)	(1,177)	(1,277)	(1,177)
Distributions paid to Unitholders	(90,715)	(41,470)	(90,715)	(41,470)
Net increase in net assets resulting from Unitholders' transactions	**15,594**	**103,249**	**15,594**	**103,249**
Balance at end of period	**1,565,534**	**918,566**	**1,837,648**	**904,823**
Perpetual Securities Holders' Funds				
Balance at beginning of period	**151,115**	**151,115**	**151,115**	**151,115**
Amount reserved for distribution to perpetual securities holders	5,161	5,161	5,161	5,161
Distribution to perpetual securities holders	(3,422)	(3,422)	(3,422)	(3,422)
Balance at end of period	**152,854**	**152,854**	**152,854**	**152,854**
Total	**1,718,388**	**1,071,420**	**1,990,502**	**1,057,677**

1(d)(ii) Details of any changes in the number of issued units

	Note	Trust			
		3Q2019 Units	**3Q2018 Units**	**YTD 3Q2019 Units**	**YTD 3Q2018 Units**
Issued units at beginning of the period		**3,379,353,443**	**1,583,701,947**	**3,170,172,725**	**1,313,623,314**
Issuance of new units pursuant to:					
- Management fees paid in units		3,997,722	-	10,067,607	-
- Distribution Reinvestment Plan		-	-	8,936,833	7,229,019
- Private Placement	(1)	-	-	194,174,000	-
- Preferential Offering		-	-	-	262,849,614
Issued units at end of the period		**3,383,351,165**	**1,583,701,947**	**3,383,351,165**	**1,583,701,947**

Note:

(1) The new units were issued on 26 June 2019 at an issue price of S$0.515 per unit.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

The total number of issued units, excluding treasury units, as at the end of the current and the comparative financial period are disclosed in Section 1(d)(ii). There were no treasury units acquired since the date of listing of ESR-REIT on 25 July 2006.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 31 December 2018, except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2019.

Other than the adoption of FRS 116 with effect from 1 January 2019, the adoption of these standards did not have any material effect on the financial statements of the Group. Please refer to note (e) under Section 1(a) for more details on the effects of the adoption of FRS 116.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

		Group			
				YTD	
	Note	3Q2019	3Q2018	3Q2019	3Q2018
EPU					
Total return after income tax before distribution for the period (S$'000)		21,129	11,999	70,272	36,428
Weighted average number of units ('000)		3,381,396	1,583,702	3,247,259	1,499,364
Basic and diluted EPU (cents)	(a)	0.625	0.758	2.164	2.430
DPU					
Total amount available for distribution for the period (S$'000)		33,824	15,903	97,863	45,178
Applicable number of units for calculation of DPU ('000)		3,383,351	1,583,702	3,250,183	1,583,702
DPU (cents)	(b)	1.000	1.004	3.011	2.852

Notes:

(a) The basic EPU was calculated using total return after income tax before distribution for the period and the weighted average number of units in issue during the period. The basic and diluted EPU were the same as there were no dilutive instruments in issue during the period.

(b) DPU was calculated using the total amount available for distribution and the number of units entitled to the distribution for the period.

7 Net asset value ("NAV") per unit based on units issued at the end of the period

		Group		Trust	
	Note	30-09-19	31-12-18	30-09-19	31-12-18
NAV per unit (cents)	(a)	**46.3**	46.7	**54.3**	55.3

Note:

(a) NAV per unit was calculated based on the number of units issued as at the end of the respective periods.

8 Review of the performance

The review of the performance is set out in Section 1(a) – Statements of Total Return and Distribution Statement and Section 1(b)(i) – Statements of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Market Outlook

Based on advanced estimates released on 14 October 2019 by the Ministry of Trade and Industry, Singapore's economy grew marginally by 0.1% on a year-on-year basis in 3Q2019, the same growth registered in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in 2Q2019.

Singapore Purchasing Managers' Index ("PMI") for September 2019 contracted 0.4 point to 49.5 from 49.9 in the previous month. This is the fifth consecutive month of contraction for the overall manufacturing sector caused by a decline in new orders and factory output, as well as faster contraction in employment and new exports. New exports index recorded the lowest reading since August 2016 on the back of weak local and external demand. Electronics sector PMI posted a reading of 49.1 in its eleventh consecutive month of contraction. Prolonged global uncertainties are likely to further weaken demand and business confidence.

The global growth outlook for 2019 has weakened further with the International Monetary Fund downgrading its global growth forecast in its July review. In particular, the growth prospects of key emerging markets and developing economies such as ASEAN-5 and China have worsened, partly due to the continued US-China trade tensions. With prolonged uncertainties in the global economy, it could further weaken business and consumer confidence, thus lowering global growth. Against this challenging external macroeconomic backdrop, Singapore economy is likely to continue to face strong headwinds for the rest of the year.

According to JTC's market report for 3Q2019, the occupancy rate of the overall industrial property market remained unchanged for the past four quarters at 89.3%. Prices and rental of industrial space remained relatively stable. Price index increased marginally by 0.1% while rental index remained unchanged as compared to the previous quarter. However, price index fell by 0.1% while rental index rose by 0.1% as compared to a year ago. An estimated 0.3 million sqm of industrial space is expected to come on-stream in the last quarter of 2019, which would bring the total net supply of new industrial space for the whole of 2019 to 1.2 million sqm, which is comparable to the average annual supply of industrial space of about 1.3 million sqm in the past 3 years.

During 3Q2019, the Manager secured new leases and renewed existing leases totalling approximately 1.44 million sqft across the various sub-sectors. All master leases expiring in 2019 have been renewed except for one expiring in 4Q2019 for which the asset has been identified for divestment.

The Manager expects the industrial leasing market to remain very competitive due to continuing headwinds such as uncertainty over the status of US-China talks, and weak global demand have started to affect business performance of industrialists, contributing to negative business sentiments which is expected to impact demand for space in the short-to-medium term. The Manager will continue to focus on its marketing and leasing efforts so as to improve portfolio occupancy and rentals while identifying new emerging industrialists, and continue to rejuvenate and reposition certain assets in order to ensure that its portfolio remains "future-ready".

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	**56th** distribution for the period from 1 July 2019 to 13 October 2019
Distribution Type:	Taxable income/Other gains
Distribution Rate:	1.145 cents per unit comprising: (a) Taxable income 0.982 cents per unit (b) Other gains 0.163 cents per unit
Par value of units:	Not meaningful
Tax Rate:	<u>Taxable income distribution</u> The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets). <u>Other gains distribution</u> The distribution from other gains is not a taxable distribution to the Unitholders.
Books closure date:	11 October 2019
Date payable:	8 November 2019

The Manager has determined that the DRP <u>**will not apply**</u> to the distribution for the period from 1 July 2019 to 13 October 2019.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	**51st** distribution for the period from 1 July 2018 to 15 October 2018
Distribution Type:	Taxable income/Other gains
Distribution Rate:	1.168 cents per unit comprising: (a) Taxable income 0.993 cents per unit (b) Other gains 0.175 cents per unit
Par value of units:	Not meaningful
Tax Rate:	<u>Taxable income distribution</u> The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets). <u>Other gains distribution</u> The distribution from other gains is not a taxable distribution to the Unitholders.

12 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT general mandate from the Unitholders.

14 Use of Proceeds raised from Offerings pursuant to Chapter 8 of the Listing Manual

Gross proceeds of S$150.0 million raised pursuant to the private placement of 194,174,000 new units completed on 26 June 2019 and the pro rata and non-renounceable preferential offering of 98,117,183 new units completed on 14 October 2019 (together, the “Equity Fund Raising”) has been used in the following manner:

Intended Use of Proceeds	Amount Allocated (S$ million)	Aggregate Amount Utilised to Date[3] (S$ million)	Balance Proceeds pending Utilisation (S$ million)
To fully finance the total acquisition costs for 48 Pandan Road	44.4	44.4	-
To fully finance the proposed asset enhancements at 7000 Ang Mo Kio Avenue 5 and UE BizHub East	45.7	-	45.7
To repay existing indebtedness	56.8	56.8	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the Equity Fund Raising	3.1	3.1	-
Total	**150.0**	**104.3**	**45.7**

The use of proceeds from the Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the Equity Fund Raising allocated to such use as set out in the announcement dated 17 June 2019 titled “Launch of Equity Fund Raising to Raise Gross Proceeds of Up To Approximately S$150.0 Million”.

15 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

[3] Up to and including 15 October 2019.

16 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

This release 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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

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 2019