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

NEWS RELEASE

For immediate release

ESR-REIT's 1Q2019 DPU Grows 18.9% y-o-y to 1.007 Cents

- 1Q2019 DPU increased 18.9% year-on-year ("y-o-y") to 1.007 cents; increasingly stable distributions attributed to a larger and more diversified portfolio and continued execution of strategy
- Gross revenue was S$64.8 million while Net Property Income was S$48.6 million for 1Q2019; financials include the full quarter contribution from the Viva Trust portfolio
- Healthy 92.0% portfolio occupancy; with positive rental reversions at 1.6%
- No refinancing requirements for 2019; portfolio remains 100% unencumbered with 2.8 years debt tenor and 83.2% of interest rate exposure fixed for 2.8 years
- Focus on rejuvenation of assets to remain "future-ready" amidst an increasingly stable industrial market supply environment; thereby unlocking further value for Unitholders

Summary of Financial Results:

	1Q2019 (S$ million)	1Q2018 (S$ million)	+/(-) (%)
Gross Revenue (1)(3)	**64.8**	33.6	92.9
Net Property Income (2)(3)	**48.6**	23.8	104.2
Amount Available for Distribution to Unitholders (4)	**29.9**	13.4	123.1
Distribution from Other Gains (5)	**2.1**	-	n.m
Total Amount Available for Distribution to Unitholders	**32.0**	13.4	138.8
Distribution Per Unit ("DPU") (cents)	**1.007**	0.847 (6)	18.9

Notes:

(1) Includes straight line rent adjustment of S$0.3 million (1Q2018: S$0.4 million).

(2) Higher Net Property Income ("NPI") mainly due to the contributions from the acquisition of 15 Greenwich Drive, Viva Trust's portfolio of 9 properties after the Merger in Oct 2018 and the leasing up of 30 Marsiling Industrial Estate Road 8 and 3 Pioneer Sector 3 and rental escalations in the existing property portfolio.

(3) Includes Non-controlling Interest ("NCI") of 20% in 7000 AMK LLP.

(4) Includes management fees partially payable in units for 1Q2019 comprising S$1.3 million and S$0.8 million for Manager's fees and the Property Manager's fees respectively. All management fees for 1Q2018 were paid in cash.

(5) Comprises S$0.3 million payout from ex-gratia payments received from SLA in connection to the compulsory acquisitions of land in prior years and S$1.8 million of capital gains from the disposal of investment properties in prior years.

(6) The 1Q2018 DPU was lower due to dilution from the Preferential Offering of new units issued in 1Q2018. If 1Q2018 DPU was computed based on the weighted average number of units in issue during 1Q2018, the adjusted 1Q2018 DPU would be 1.008 cents which is 0.1% higher than the 1Q2019 DPU.

Singapore, 24 April 2019 – ESR Funds Management (S) Limited, the Manager ("Manager") of ESR-REIT, is pleased to announce that for the financial quarter ended 31 March 2019 ("1Q2019"), ESR-REIT's distribution per unit ("DPU") grew 18.9% y-o-y to 1.007 cents, translating to an annualised distribution yield of 7.5%[1].

Financial Performance

Gross revenue for 1Q2019 was S$64.8 million, an increase of 92.9% y-o-y, while Net Property Income ("NPI") also rose 104.2% to S$48.6 million over the same period. The total amount available for distribution to Unitholders for 1Q2019 was S$32.0 million, an increase of 138.8% y-o-y.

The growth in NPI was the result of contributions from the acquisition of 15 Greenwich Drive and the 9 properties from Viva Trust's portfolio following the completion of the merger in October 2018, as well as the leasing up of 30 Marsiling Industrial Estate Road 8 and 3 Pioneer Sector 3. This growth was partially offset by the lease conversions from single to multi-tenancy for 16 Tai Seng Street in 2Q2018 and 5/7 Gul Street 1 in 1Q2019.

More Diversified and Stable Portfolio with Reduced Concentration Risks

As at 31 March 2019, ESR-REIT's portfolio comprises 57 properties across Singapore, with a total gross floor area of approximately 14.1 million square feet, across the following sub-asset classes: Business Parks, High-Specs Industrial, Logistics / Warehouse and General Industrial.

Portfolio occupancy for 1Q2019 remained healthy at 92.0%, above the JTC average of 89.3%[2] while tenant retention rate was 53.8% as at 31 March 2019. 1Q2019 rental reversions are positive at 1.6% for 1Q2019, an improvement from the -2.9% rental reversions for FY2018. 397,585 sqft of lease renewals and new leases were executed during 1Q2019, which reduced the total lease expiry concentration for multi-tenanted buildings from 20.0% in 4Q2018 to 16.0% in 1Q2019. During the quarter, DBS signed a lease for c.42,600 sqft of space at UE BizHub EAST; this addition of an established tenant to the business park is a testament to the property's potential to attract quality tenants.

As of 31 March 2019, ESR-REIT has a diversified tenant base of 336 tenants and a Weighted Average Lease Expiry ("WALE") of 3.7 years. The top 10 tenants accounted for 30.7% of ESR-REIT's portfolio Rental Income, with no individual trade sector contributing more than 25.2% of ESR-REIT's portfolio Rental Income.

[1] Based on market closing price of S$0.54 per unit as at 29 March 2019 and 1Q2019 DPU of 1.007 cents on an annualised basis.
[2] Based on JTC 4Q2018 Industrial Property Market Statistics.

Prudent Capital Structure with No Refinancing Needs for 2019

As at 31 March 2019, ESR-REIT's Debt to Total Assets is at 42.0%[3], with a weighted average debt expiry of 2.8 years. Approximately 83.2% of interest rate exposure is also fixed for the next 2.8 years. The portfolio remains 100% unencumbered, while maintaining a well-staggered debt maturity profile. As at 31 March 2019, the REIT has no refinancing requirements for 2019.[4]

Focus on Rejuvenating Assets Through AEIs to Remain "Future-Ready"

The Manager has identified up to 7 assets for Asset Enhancement Initiatives ("AEIs") over the next 3 years, including c.1 million sqft of unutilised plot ratio. These include potential for rejuvenation of assets in the "General Industrial" sub-sector to position our portfolio to be "future-ready". Some of these assets include 7000 Ang Mo Kio Avenue 5 and 3 Tuas South Avenue 4 where there is unutilised plot ratio to be unlocked; 16 Tai Seng Street and UE BizHub EAST which have been identified to be rejuvenated; thereby potentially unlocking further value for Unitholders.

Looking Ahead

Mr. Adrian Chui, Chief Executive Officer and Executive Director of ESR Funds Management (S) Limited, said, "Following the successful merger, our portfolio has been integrated smoothly. Our financial and real estate systems and processes have been integrated to achieve a better operating platform while we continue to improve our human resource capacities. At the same time, our post merger portfolio has also become more diversified and stable with reduced concentration risks and improved trading liquidity and coverage. In addition, our capital structure is more robust with longer debt tenors, higher proportion of fixed rate debt on a longer tenor and enjoys a wider banking support. During this quarter, we continued on our plans to carry out rejuvenations and AEIs for several identified assets to ensure our portfolio is "future-ready" to meet the growing and changing demands of the "industrialists of tomorrow". This is especially pertinent amidst an increasingly stable industrial market supply environment. However, we remain cautious due to uncertainties surrounding the ongoing global trade tensions resulting in risk-averse behaviour amongst industrialists on the demand side. Going forward, we will continue to sustain the momentum on portfolio rejuvenation to optimise value from the assets."

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[3] Excluding the effects of FRS 116 *Leases* which became effective on 1 January 2019.
[4] Following the drawdown of the S$155.0 million unsecured loan facility with ANZ, CTBC and SCB on 15 April 2019; and the execution of a S$150.0 million committed revolving credit and term loan facility mandate letter with CIMB in March 2019.

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 March 2019 has a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 14.1 million square feet and an aggregate property value of S$3.03 billion[5]. The properties are in the following business sectors: Business Park, Hi-Specs Industrial, Logistics/Warehouse and General Industrial, 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 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 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 ESR

ESR is the largest Asia-Pacific focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages.[6] Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, CLSA, Goldman Sachs, CPPIB, Ping An and Allianz Real Estate. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 September 2018, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR exceeded US$14 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development stood at approximately 11 million square metres in total.

[5] Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-REIT has 80% economic interest, and excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019.
[6] Source: JLL market report.

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, 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.

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