



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

## FINANCIAL HIGHLIGHTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

On 16 July 2020, the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT and Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**") announced the proposed merger (the "**Merger**") of ESR-REIT and Sabana REIT. In view of the Merger, the below financial highlights of ESR-REIT and its subsidiaries (the "**Group**") for the third quarter ("**3Q2020**") and nine months ("**9M2020**") ended 30 September 2020 and the accompanying reports from the auditor and independent financial adviser of ESR-REIT have been prepared and provided to ESR-REIT Unitholders solely for the purpose of complying with the Singapore Code on Take-overs and Mergers.

### Summary of the Group's Results

|  | 3Q2020        | 3Q2019        | 9M2020         | 9M2019        |
|--|---------------|---------------|----------------|---------------|
|  | S\$'000       | S\$'000       | S\$'000        | S\$'000       |
| Gross revenue                                  | 56,946        | 61,965        | 170,700        | 190,549       |
| Net property income                            | 40,375        | 45,336        | 120,603        | 141,747       |
| Total return before income tax                 | 25,968        | 23,828        | 419            | 78,327        |
| Total return after income tax                  | 25,968        | 23,825        | 412            | 78,306        |
| Attributable to:                               |               |               |                |               |
| Unitholders and perpetual securities holders   | 24,995        | 22,868        | (1,647)        | 75,433        |
| Non-controlling interest                       | 973           | 957           | 2,059          | 2,873         |
|  | <u>25,968</u> | <u>23,825</u> | <u>412</u>     | <u>78,306</u> |
| Distributable income                           | 24,815        | 29,219        | 72,644         | 87,388        |
| Distribution from other gains                  | -             | 4,605         | -              | 10,475        |
| Distributable amount available for Unitholders | 24,815        | 33,824        | 72,644         | 97,863        |
| Release / (Retention) of distributable income  | 3,461         | -             | (3,461)        | -             |
| Distribution declared to Unitholders           | <u>28,276</u> | <u>33,824</u> | <u>69,183</u>  | <u>97,863</u> |
|  | <b>Cents</b>  | <b>Cents</b>  | <b>Cents</b>   | <b>Cents</b>  |
| Distributable amount available per unit        | <b>0.700</b>  | <b>1.000</b>  | <b>2.059</b>   | <b>3.011</b>  |
| Declared distribution per unit                 | <b>0.798</b>  | <b>1.000</b>  | <b>1.960</b>   | <b>3.011</b>  |
| Basic and diluted earnings per unit            | <b>0.658</b>  | <b>0.625</b>  | <b>(0.194)</b> | <b>2.164</b>  |

**ESR-REIT  
FINANCIAL HIGHLIGHTS FOR THE THIRD QUARTER AND NINE MONTHS  
ENDED 30 SEPTEMBER 2020**

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**Summary of the Group's Financial Position**

|   | <b>30 Sep 2020</b> | <b>31 Dec 2019</b> |
|---|--------------------|--------------------|
|   | <b>S\$'000</b>     | <b>S\$'000</b>     |
| Non-current assets                            | 3,163,154          | 3,201,887          |
| Current assets                                | 34,283             | 27,765             |
| <b>Total assets</b>                           | <b>3,197,437</b>   | <b>3,229,652</b>   |
| Non-current liabilities                       | 1,434,521          | 1,298,547          |
| Current liabilities                           | 156,690            | 271,414            |
| <b>Total liabilities</b>                      | <b>1,591,211</b>   | <b>1,569,961</b>   |
| <b>Net assets</b>                             | <b>1,606,226</b>   | <b>1,659,691</b>   |
| Represented by:                               |                    |                    |
| Unitholders' funds                            | 1,453,372          | 1,508,576          |
| Perpetual securities holders' funds           | 152,854            | 151,115            |
|   | <b>1,606,226</b>   | <b>1,659,691</b>   |
|   | <b>Cents</b>       | <b>Cents</b>       |
| Net asset value / Net tangible asset per unit | 41.0               | 43.3               |

**BY ORDER OF THE BOARD**

**ESR Funds Management (S) Limited**

As Manager of ESR-REIT

(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132)

**Adrian Chui**

Chief Executive Officer and Executive Director

30 October 2020

For further enquiries, please contact:

**ESR Funds Management (S) 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 30 June 2020 holds interest in a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 15.1 million square feet and an aggregate property value of S\$3.1 billion<sup>1</sup>. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

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

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited ("ESR") (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

For further information on ESR-REIT, please visit [www.esr-reit.com.sg](http://www.esr-reit.com.sg).

## **About the Sponsor, ESR**

ESR is the largest APAC 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. 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, CPP Investments, OMERS, PGGM and Ping An. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 2020, 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 recorded approximately US\$26.5 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised 18.7 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit [www.esr.com](http://www.esr.com).

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

**Important Notice**

The value of units in ESR-REIT (“**Units**”) and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR Funds Management (S) Limited (“**Manager**”), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (“**Trustee**”), or any of their respective related corporations and affiliates (individually and collectively “**Affiliates**”). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT’s future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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



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working world**

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29 October 2020

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(in its capacity as Trustee of ESR-REIT)  
8 Marina View  
#26-01 Asia Square Tower 1  
Singapore 018960

ESR Funds Management (S) Limited  
(in its capacity as Manager of ESR-REIT)  
(the "Manager")  
138 Market Street  
#26-03/04 CapitaGreen  
Singapore 048946

Dear Sirs

**ESR-REIT and its subsidiaries**

**Review of interim financial information for the nine-month and the three-month periods ended 30 September 2020**

*Introduction*

We have reviewed the accompanying interim financial information of ESR-REIT (the "Trust") and its subsidiaries (collectively, the "Group") for the nine-month period and the three-month period ended 30 September 2020 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 30 September 2020;
- Statements of total return of the Group for the nine-month period and the three-month period ended 30 September 2020;
- Distribution statements of the Group for the nine-month period and the three-month period ended 30 September 2020;
- Statements of movements in unitholders' funds of the Group and the Trust for the nine-month period and the three-month period ended 30 September 2020;
- Statements of cash flows of the Group for the nine-month period and the three-month period ended 30 September 2020; and
- Certain explanatory notes to the above Interim Financial Information.

The Manager is responsible for the preparation and presentation of the Interim Financial Information in accordance with the recommendations of *Statement of Recommended Accounting Practice ("RAP") 7 Reporting Framework for Unit Trusts* relevant to interim financial information issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on the Interim Financial Information based on our review.



### *Scope of review*

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of the RAP 7 relevant to interim financial information issued by the ISCA.

### *Restriction of use*

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust in meeting the relevant financial disclosure requirements under the Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore and for no other purpose. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in black ink that reads 'Ernst &amp; Young' with a stylized flourish at the end.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

29 October 2020



## Report from the Independent Financial Adviser (“IFA”) in respect of the Interim Financial Information

The Board of Directors (the “**Directors**”) of  
ESR Funds Management (S) Limited  
as Manager of ESR-REIT  
138 Market Street  
CapitaGreen #26-03/04  
Singapore 048946

RBC Investor Services Trust Singapore Limited  
as Trustee of ESR-REIT  
8 Marina View  
#26-01 Asia Square Tower 1  
Singapore 018960

30 October 2020

Dear Sir/Madam,

### **Report from the IFA in respect of the Interim Financial Information (as defined herein) made in the announcement which was released by ESR Funds Management (S) Limited, as Manager of ESR-REIT, on SGXNET on 30 October 2020**

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the joint announcement in relation to the proposed merger of ESR-REIT and Sabana Shari’ah Compliant Industrial Real Estate Investment Trust by way of a trust scheme of arrangement dated 16 July 2020.*

On 16 July 2020, the respective boards of directors of the ESR-REIT Manager and the Sabana Manager jointly announced the Merger of ESR-REIT and Sabana REIT which shall be effected through the acquisition by the ESR-REIT Trustee of all the units of Sabana REIT held by the unitholders of Sabana REIT, in exchange for units in ESR-REIT, by way of a trust scheme of arrangement in compliance with the Code.

On 30 October 2020, the Directors had approved the unaudited financial statements highlights announcement of ESR-REIT and its subsidiaries (collectively, the “**Group**”) relating to its financial performance for the nine-month period and the third quarter ended 30 September 2020 (the “**Interim Financial Information**”).

We have reviewed the Interim Financial Information and have held discussions with the management of the ESR-REIT Manager who are responsible for the preparation of the Interim Financial Information

The Interim Financial Information were arrived at on bases consistent with the significant accounting policies and methods of computation adopted by the Group for the preparation of the audited consolidated financial statements of the Group for the full year ended 31 December 2019 (“**FY2019**”), which are set out in the annual report of the Group for FY2019.

We have also considered the Report on review of Interim Financial Information dated 29 October 2020 issued by Ernst & Young LLP, being the external independent auditors of the Group, relating to their review of the Interim Financial Information.

Based on the above, we are of the opinion that the Interim Financial Information have been made by the ESR-REIT Manager after due and careful enquiry.



For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and / or discussed with us by the ESR-REIT Manger. Save as provided in this letter, we do not express any other opinion or views on the Interim Financial Information. The Directors remain solely responsible for the Interim Financial Information.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept responsibility to any person(s), other than the ESR-REIT Manager, the Directors and the Trustee, in respect of, arising out of, or in connection with this letter.

Yours faithfully

For and on behalf of  
**Rothschild & Co Singapore Limited**

**Rohit Elhence**  
Managing Director, Head of South East Asia