



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

**LAUNCH OF EQUITY FUND RAISING TO RAISE GROSS PROCEEDS OF UP TO
APPROXIMATELY S\$150.0 MILLION**

1. INTRODUCTION

ESR Funds Management (S) Limited, in its capacity as manager of ESR-REIT (the "**Manager**"), wishes to announce the proposed equity fund raising, comprising an offering of new units in ESR-REIT ("**Units**", and the new Units, the "**New Units**") by way of:

- (i) a private placement of up to approximately 195.0 million New Units (the "**Private Placement**", and the New Units, the "**Private Placement New Units**") to institutional and other investors at an issue price of between S\$0.515 and S\$0.525 per Private Placement New Unit (both figures inclusive) (the "**Private Placement Issue Price Range**") to raise gross proceeds of not less than approximately S\$75.0 million, subject to an upside option (the "**Upsize Option**") to raise additional gross proceeds such that the total gross proceeds of the Private Placement will amount to not more than approximately S\$100.0 million; and
- (ii) a non-renounceable preferential offering of New Units (the "**Preferential Offering**", and the New Units, the "**Preferential Offering New Units**") to the existing holders of Units (the "**Unitholders**") on a *pro rata* basis to raise gross proceeds of not more than approximately S\$75.0 million,

(together, the "**Equity Fund Raising**"). Pursuant to the Equity Fund Raising, the Manager has no intention of raising aggregate gross proceeds in excess of approximately S\$150.0 million.

2. DETAILS OF THE PRIVATE PLACEMENT

The Manager and Citigroup Global Markets Singapore Pte. Ltd. and RHB Securities Singapore Pte. Ltd. (the "**Joint Global Co-ordinators and Bookrunners**") have today entered into a placement agreement (the "**Placement Agreement**") in relation to the Private Placement. Pursuant to the Placement Agreement, the Joint Global Co-ordinators and Bookrunners have severally agreed to manage the Private Placement and to procure subscriptions and payment for, and failing which to subscribe and pay for, the Private Placement New Units in their respective proportions at the issue price per Private Placement New Unit (the "**Private Placement Issue Price**") to be determined on the terms and subject to the conditions of the Placement Agreement. The Private Placement shall be subject to certain conditions precedent set out in the Placement Agreement, including the approval in-principle of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, dealing in, and quotation for the Private Placement New Units on the Main Board of the SGX-ST. The Private Placement is fully

underwritten by the Joint Global Co-ordinators and Bookrunners on the terms and subject to the conditions of the Placement Agreement.

The Private Placement Issue Price Range of between S\$0.515 and S\$0.525 per Private Placement New Unit (both figures inclusive) represents a discount of between:

- (i) approximately 6.5% and 8.3% to the volume weighted average price ("**VWAP**") of S\$0.5616 per Unit of all trades in the Units on the SGX-ST for the preceding Market Day¹ on 14 June 2019, up to the time the Placement Agreement was signed on 17 June 2019; and
- (ii) (for illustrative purposes only) approximately 4.9% and 6.7% to the adjusted VWAP ("**Adjusted VWAP**")² of S\$0.5521 per Unit.

The Private Placement Issue Price will be determined by the Manager and the Joint Global Co-ordinators and Bookrunners following a book-building process, and will be announced by the Manager thereafter via SGXNET.

3. DETAILS OF THE PREFERENTIAL OFFERING

The Manager proposes to issue New Units to raise gross proceeds of not more than approximately S\$75.0 million pursuant to the Preferential Offering. The structure and timing of the Preferential Offering have not been determined.

The structure of and time schedule for the Preferential Offering and the issue price of the Preferential Offering New Units (the "**Preferential Offering Issue Price**") will be determined in accordance with, among others, Chapter 8 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). The Preferential Offering Issue Price will comply with Rule 816(2)(a)(ii) of the Listing Manual, and will not be at more than 10.0% discount to the volume-weighted average price for trades done on the SGX-ST for the full market day on which the Preferential Offering is announced, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

The Private Placement Issue Price may differ from the Preferential Offering Issue Price.

It is contemplated that the Preferential Offering will not be underwritten, and that a financial adviser will be appointed to manage the Preferential Offering and to do all such acts and things as it may deem reasonably necessary in connection with the Preferential Offering.

The Manager will announce details of the Preferential Offering at the appropriate time. Further details of the Preferential Offering will be set out in the Circular (as defined below).

¹ "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

² The "**Adjusted VWAP**" is computed based on the VWAP of all trades in the Units on the SGX-ST for the preceding Market Day on 14 June 2019, up to the time the Placement Agreement was signed on 17 June 2019, and subtracting the estimated Advanced Distribution (as defined in paragraph 10.1 below) of approximately 0.9510 Singapore cents per Unit (being the mid-point of the estimated Advanced Distribution Range (as defined in paragraph 10.1 below)). This amount is only an estimate based on information currently available to the Manager and the actual Advanced Distribution may differ and will be announced on a later date.

4. UNDERTAKING BY THE SPONSOR

To demonstrate its support for ESR-REIT and the Equity Fund Raising, ESR Cayman Limited (the "**Sponsor**"), which owns an aggregate interest of approximately 9.4% of the total number of Units in issue through its subsidiaries (including the Manager) as at the date of this announcement, will provide an undertaking to the Manager (the "**Sponsor Undertaking**") that it will (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the whitewash resolution by independent Unitholders to waive their rights to receive a mandatory general offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers from the Sponsor and persons acting in concert or presumed to be acting in concert with it in relation to ESR-REIT (the "**Whitewash Resolution**")) apply, or procure the application, for such number of excess New Units, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by Unitholders (other than the Sponsor), provided that the Sponsor and the Manager's total subscription under the Preferential Offering will not exceed S\$75.0 million.

The Manager will be issuing a circular to Unitholders (the "**Circular**") in due course, setting out the details of, and other relevant information in relation to, amongst others, the Preferential Offering and the Whitewash Resolution, for the purposes of seeking Unitholders' approval for the Whitewash Resolution.

In addition, the Manager will be seeking the approval of the SGX-ST for the listing of, dealing in and quotation for the New Units to be issued pursuant to the Preferential Offering on the Main Board of the SGX-ST.

Given the provision of the Sponsor Undertaking by the Sponsor, the Manager is of the view that there is no requirement for the Preferential Offering to be underwritten. Taking into account the Sponsor Undertaking, the minimum proceeds to be raised from the Preferential Offering will be sufficient to meet ESR-REIT's present funding requirements. The proceeds to be raised from the Preferential Offering will be sufficient to enable ESR-REIT to meet its obligations and continue to operate as a going concern.

5. USE OF PROCEEDS

Subject to relevant laws and regulations, on the basis that the Manager will raise gross proceeds of approximately S\$150.0 million from the Equity Fund Raising, the Manager intends to use the gross proceeds in the following manner:

- (i) approximately S\$44.4 million (which is equivalent to approximately 29.6% of the gross proceeds of the Equity Fund Raising) to fully finance ESR-REIT's total costs of the acquisition of the property located at 48 Pandan Road, Singapore 609289 (the "**Property**", and the proposed acquisition of the Property, the "**Proposed Acquisition**") and the associated costs (the "**Total Acquisition Costs**"). Please refer to the announcement titled "Entry into Joint Venture and Acquisition of 48 Pandan Road, Singapore 609289" dated 17 June 2019 (the "**Proposed Acquisition Announcement**") for further details of the Proposed Acquisition³;

³ On 17 June 2019, the Manager announced that RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT (the "**Trustee**") and Poh Tiong Choon Logistics Limited ("**PTC**") had entered into a joint venture through the formation of PTC Logistics Hub LLP (the "**JV LLP**"), a limited liability partnership registered in Singapore. ESR-REIT and PTC have each made an initial capital contribution to the JV LLP of S\$1.00 in cash. ESR-REIT currently holds 49.0% of the partnership interests in the JV LLP and PTC holds the remaining 51.0% of the partnership interests in the JV LLP.

Further to the joint venture, the JV LLP has on 17 June 2019 entered into a put and call option agreement (the "**Option Agreement**") with PTC to acquire the leasehold interest over the Property. The purchase consideration of the Property

- (ii) approximately S\$45.7 million (which is equivalent to approximately 30.5% of the gross proceeds of the Equity Fund Raising) to fully finance an asset enhancement of the property located at 7000 Ang Mo Kio Avenue 5, Singapore 569877 ("**7000 AMK**") and an asset enhancement of the property located at 2, 4, 6 & 8 Changi Business Park Avenue 1, Singapore 486015/486016/486017/486018 (UE BizHub EAST) (the "**Proposed Asset Enhancement Initiatives**" or the "**Proposed AEIs**"). Please refer to the press release titled "ESR-REIT's AEI Plans for 2 Existing Properties Positioned to Attract High Value Tenants" dated 17 June 2019 (the "**Proposed AEI Announcement**") for further details of the Proposed Asset Enhancement Initiatives;
- (iii) approximately S\$56.8 million (which is equivalent to approximately 37.9% of the gross proceeds of the Equity Fund Raising) for the repayment of existing indebtedness of ESR-REIT (the "**Debt Repayment**", and together with the Proposed Acquisition and the Proposed Asset Enhancement Initiatives, the "**Proposed Transactions**"); and
- (iv) approximately S\$3.1 million (which is equivalent to approximately 2.0% of the gross proceeds of the Equity Fund Raising) to pay the transaction related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

For clarity, the Manager will announce details of the intended utilisation of the proceeds of each of the Private Placement and the Preferential Offering at the appropriate time.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Proposed Acquisition and/or the Proposed Asset Enhancement Initiatives do not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, for funding capital expenditures.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in ESR-REIT's announcements on the use of proceeds and in ESR-REIT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

6. THE FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Transactions on the distribution per Unit ("**DPU**") and the net asset value attributable to

under the Proposed Acquisition is S\$225.0 million, which is to be funded through a S\$40.2 million contribution by PTC, a S\$38.6 million contribution by the Trustee, and debt of approximately S\$146.2 million to be taken out by the JV LLP. In connection with the Proposed Acquisition, the Total Acquisition Costs to ESR-REIT is approximately S\$44.4 million. On completion of the Proposed Acquisition, the Property will be leased back by the JV LLP as landlord to PTC as tenant for a term of ten years with fixed rental escalation per annum (the "**Leaseback**"). Please refer to the Proposed Acquisition Announcement for further details of the Proposed Acquisition.

Unitholders ("**NAV**") per Unit presented below are strictly for illustrative purposes only and have been prepared based on the latest announced unaudited financial statements of ESR-REIT for the first quarter ended 31 March 2019 ("**1Q2019**"), assuming the following:

- (i) the issuance of approximately 88.1 million New Units at an illustrative issue price of S\$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S\$44.4 million to fully finance the Proposed Acquisition;
- (ii) the issuance of approximately 90.6 million New Units at an illustrative issue price of S\$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S\$45.7 million to fully finance the Proposed Asset Enhancement Initiatives; and
- (iii) the issuance of approximately 112.6 million New Units at an illustrative issue price of S\$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S\$56.8 million for the Debt Repayment.

6.1 **Pro Forma NAV**

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Transactions on the NAV per ESR-REIT Unit as at 31 March 2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Equity Fund Raising were completed on 31 March 2019, are as follows:

	Before the Proposed Transactions	After the Proposed Acquisition	After the Proposed Acquisition and the Proposed AEs	After the Proposed Transactions
Net assets attributable to Unitholders (S\$'000)	1,483,840	1,526,380 ⁽¹⁾	1,572,115 ⁽¹⁾	1,628,938 ⁽¹⁾
Number of Units ('000)	3,173,802	3,261,859	3,352,478	3,465,064
NAV per ESR-REIT Unit (cents)	46.8	46.8	46.9	47.0

Note:

- (1) After payment of approximately S\$1.9 million of other transaction costs directly attributable to the Proposed Acquisition.

6.2 **Pro Forma DPU**

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Transactions on ESR-REIT's DPU annualised for 1Q2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Equity Fund Raising were completed on 1 January 2019, ESR-REIT had held the Property through the JV LLP throughout the financial period and the lease in relation to the Proposed AEs had generated rental income throughout the financial period in accordance with the memorandum of understanding, are as follows:

	Before the Proposed Transactions		After the Proposed Acquisition	After the Proposed Acquisition and the Proposed AEIs	After the Proposed Transactions
	1Q2019	Annualised 1Q2019			
Distribution (S\$'000)	31,962 ⁽¹⁾	127,848 ⁽²⁾	131,916 ⁽³⁾	136,077 ⁽³⁾⁽⁴⁾	138,050 ⁽³⁾⁽⁴⁾⁽⁵⁾
Number of Units ('000)	3,173,802	3,173,802	3,261,859	3,352,478	3,465,064
DPU (cents)	1.007	4.028	4.044	4.059	3.984

Notes:

- (1) Includes other gains of S\$2.1 million representing partial pay-out of (a) ex-gratia payments received from the Singapore Land Authority in connection with the compulsory acquisitions of land in prior years; and (b) gains from disposal of investment properties in prior years.
- (2) Based on the annualised distribution of ESR-REIT for 1Q2019.
- (3) Includes the net income from the Property held through the JV LLP but does not include the fixed annual rental escalation under the Leaseback.
- (4) Includes the net income from the lease in relation to the Proposed AEIs.
- (5) Includes the interest cost savings from the Debt Repayment.

6.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Transactions on the capitalisation of ESR-REIT as at 31 March 2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Equity Fund Raising were completed on 31 March 2019, are as follows:

	Before the Proposed Transactions	After the Proposed Acquisition	After the Proposed Acquisition and the Proposed AEIs	After the Proposed Transactions
Gross Debt (S\$'000)	1,279,569	1,357,941 ⁽¹⁾	1,357,941 ⁽¹⁾	1,301,119 ⁽¹⁾
Total Deposited Property (S\$'000) ⁽²⁾⁽³⁾	3,049,731	3,169,998 ⁽⁴⁾⁽⁵⁾	3,224,667 ⁽⁴⁾⁽⁵⁾	3,224,667 ⁽⁴⁾⁽⁵⁾
Aggregate Leverage (%)	42.0	42.8 ⁽⁶⁾	42.1 ⁽⁶⁾	40.3% ⁽⁶⁾

Notes:

- (1) Includes ESR-REIT's proportionate share of the borrowings and lease liabilities of the JV LLP.

- (2) Includes the valuation of 7000 AMK on a 100.0% basis of which ESR-REIT has 80.0% economic interest.
- (3) Excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* 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.
- (4) After payment of approximately S\$1.9 million of other transaction costs directly attributable to the Proposed Acquisition.
- (5) Includes ESR-REIT's proportionate share of the total assets of the JV LLP.
- (6) In accordance with Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, ESR-REIT's proportionate share of the borrowings, lease liabilities and total assets of the JV LLP are included when computing aggregate leverage.

7. RATIONALE FOR THE EQUITY FUND RAISING

The Manager intends to apply the net proceeds from the Equity Fund Raising towards the Proposed Acquisition, the Proposed Asset Enhancement Initiatives and the Debt Repayment, which will bring the following benefits to Unitholders.

7.1 The Proposed Acquisition and the Proposed Asset Enhancement Initiatives

Please refer to the Proposed Acquisition Announcement and the Proposed AEI Announcement for further details on the rationale for the Proposed Acquisition and the Proposed Asset Enhancement Initiatives, respectively.

7.2 Strengthen ESR-REIT's balance sheet and capital structure and enhance its financial flexibility

ESR-REIT's aggregate leverage is expected to decrease from 42.0%⁴ to 39.6%⁴ after the Equity Fund Raising, following the completion of the Proposed Acquisition and the Debt Repayment. After taking into account the funding requirements of the Proposed Asset Enhancement Initiatives, which are expected to take approximately 12 to 24 months to complete, ESR-REIT's aggregate leverage is expected to be 40.3%⁵. The Proposed Asset Enhancement Initiatives are targeted to commence in the fourth quarter of 2019.

The deleveraging by way of the Equity Fund Raising is part of the Manager's active capital management strategy for ESR-REIT, while the commitment by the Sponsor to subscribe for New Units under the Preferential Offering pursuant to the Sponsor Undertaking further demonstrates the Sponsor's support for ESR-REIT. The Manager believes that this will provide ESR-REIT with greater financial capacity to capitalise on potential growth opportunities as and when they may arise. The Manager will also continue to evaluate value-accretive opportunities while maintaining a well-balanced capital structure.

⁴ As at 31 March 2019.

⁵ On a pro forma basis as at 31 March 2019, assuming the Proposed Acquisition, the Proposed Asset Enhancement Initiatives and the Debt Repayment were completed on 31 March 2019 and gross proceeds of approximately S\$150.0 million were obtained from the Equity Fund Raising.

7.3 Possible increase in trading liquidity of the Units

The New Units to be issued pursuant to the Equity Fund Raising will increase the number of Units in issue. This increase in the total number of Units in issue and the enlarged Unitholder base are expected to improve the trading liquidity of the Units.

8. AUTHORITY TO ISSUE NEW UNITS

The Manager will be relying on the general mandate obtained at ESR-REIT's annual general meeting held on 24 April 2019 for the issue of the New Units pursuant to the Equity Fund Raising.

9. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of New Units under the Private Placement will be made to eligible institutional and other investors.

The New Units to be offered under the Private Placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with applicable state laws.

The Manager, along with the Joint Global Co-ordinators and Bookrunners, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

10. STATUS OF THE NEW UNITS

10.1 Entitlement to Advanced Distribution

ESR-REIT's distribution policy is to distribute at least 90.0% of its annual distributable income, comprising substantially its income from the letting of the properties owned by it after deduction of allowable expenses, on a quarterly basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the "**Existing Units**"), an advanced distribution for the period from 1 April 2019 to the date immediately prior to the date on which the New Units are issued pursuant to the Private Placement, being 25 June 2019 (the "**Advanced Distribution**"). The distribution per Existing Unit under the Advanced Distribution is estimated to be between 0.903 Singapore cents to 0.999 Singapore cents (the "**Advanced Distribution Range**"). A further announcement on the actual quantum of the Advanced Distribution (which may differ from the estimate above) will be made by the Manager in due course.

The New Units pursuant to the Private Placement are expected to be issued on or around 26 June 2019. The Advanced Distribution is intended to ensure that the distributable income accrued by ESR-REIT up to the day immediately preceding the date of issue of the New Units pursuant to the Private Placement (which at this point,

will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise ESR-REIT's distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 30 June 2019. Quarterly distributions will resume thereafter.

10.2 Status of New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the eligibility to participate in the Preferential Offering and the right to distributions out of ESR-REIT's distributable income from the day of issuance of the New Units pursuant to the Private Placement as well as all distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution.

11. APPLICATION TO THE SGX-ST FOR IN-PRINCIPLE APPROVAL

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation for the New Units on the Main Board of the SGX-ST. An announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited

As Manager of ESR-REIT

(Company Registration No. 200512804G, Capital Markets Services Licence No. 1001312-5)

Adrian Chui

Chief Executive Officer and Executive Director

17 June 2019

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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 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 billion⁶. 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;
- 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 the Sponsor, 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 manages⁷. 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 31 December 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 recorded approximately US\$16 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development stood at over 12 million square metres in total.

⁶ 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.

⁷ 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.

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.