

EXECUTING

OUR STRATEGIES



UE BizHub EAST | Business Park

STRENGTHENING

OUR PORTFOLIO

- 1) **Proposed Acquisition of PTC Logistics Hub & Strategic Partnership with PTC Logistics**
- 2) **Proposed AEs for 7000 AMK & UE BizHub EAST**
- 3) **Proposed Equity Fund Raising**

REVITALISING

OUR ASSETS



17 June 2019

30 Marsiling Industrial Estate Road 8 | Hi-Specs Industrial

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Overview of the Acquisition & AEs



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Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial

Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial

Executing ESR-REIT's Acquisition and AEI Strategies

1 Yield Accretive Asset Acquisition

PTC Logistics Hub (ESR-REIT Ownership 49%)



Location	48 Pandan Road, Singapore 609289
Independent Valuation / Purchase Consideration⁽¹⁾	S\$225.0 m (100% basis)
ESR-REIT Ownership	49% (via Joint Venture with PTC)
Total Acquisition Cost⁽²⁾	c. S\$44.4m
Lease Term	10 years with fixed rental escalation
Expected Completion	3Q 2019

DPU Accretive Acquisition

2 Optimising Asset Value Through AEIs

7000 Ang Mo Kio Ave 5



Location	7000 Ang Mo Kio Avenue 5
Description	<ul style="list-style-type: none"> Utilising untapped plot ratio to develop a modern high-specification industrial facility Approximately 270,000 sqft of additional GFA
Estimated Costs	c.S\$45.7m (7000 AMK & UE BizHub EAST)
Expected to Commence	4Q 2019
Construction Period	18 to 24 months (estimated)

UE BizHub EAST "UEBH"



Location	2, 4, 6 & 8 Changi Business Park
Description	<ul style="list-style-type: none"> Redesigned drop-off area; upgrading of façade; facelift of internal food street Office lobbies reconfiguration
Expected to Commence	4Q 2019
Construction Period	12 months (estimated)

Proposed AEIs to generate estimated yield on cost of up to c.9.0%

PTC Acquisition and Strategic Partnership with PTC Logistics



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Rationale for the Acquisition

1



Strengthens Portfolio Exposure to the Logistics Sector

2



Enhances Portfolio Metrics and Provides Stable Income Stream

3



DPU Accretive to Unitholders

4



Strategic Partnership with an Established Logistics Player

1 Strengthens Portfolio Exposure to the Logistics Sector

PTC Logistics Hub: A newly completed, modern ramp-up warehouse

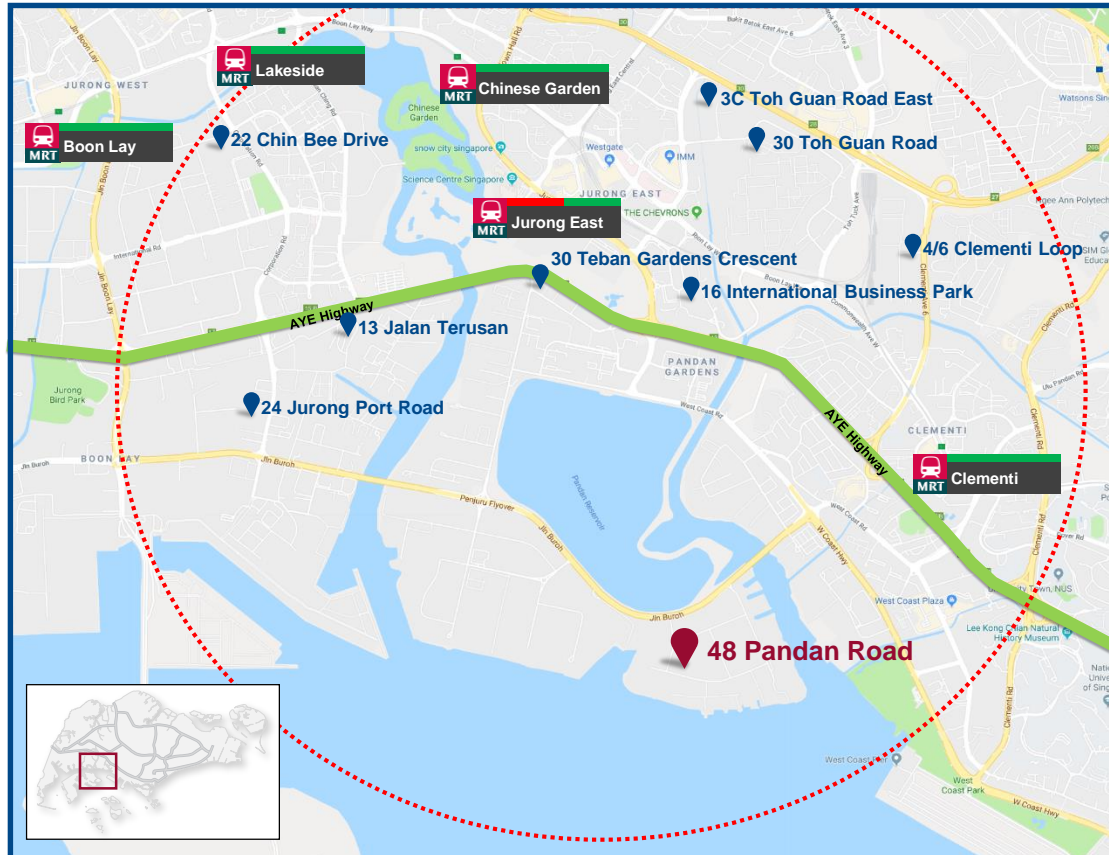
Poh Tiong Choon Logistics Hub

Address	48 Pandan Road, Singapore 609289
Property Description	6-storey ramp-up general warehouse building with ancillary facilities
Type	Business 2
Remaining Land Tenure	Existing lease term with a further term of 24 years 4 months commencing from 1 July 2019
Land Area	c.437,436 square feet
Gross Floor Area	1,093,415 square feet
Purchase Consideration (100% basis)	<p>S\$225.0m (100% basis), of which:</p> <ul style="list-style-type: none">(i) S\$40.2m is expected to be funded by PTC's contributions to the PTC Logistics Hub LLP (the "LLP")⁽¹⁾ through the transfer of its existing interest in 48 Pandan Road, Singapore 609289, as agreed upon between the partners of the LLP ("Partners"); and(ii) S\$38.6m is expected to be funded by RBC Investor Services Trust Singapore Limited's (in its capacity as the trustee of ESR-REIT) contributions to the LLP through a mixture of cash and Units in ESR-REIT as agreed upon between the Partners. The final decision regarding the proportion of cash and units in ESR-REIT to be employed to fund the Proposed Acquisition will be made at the appropriate time, taking into account the then prevailing market conditions and the agreement between the Partners; and(iii) c.S\$146.2m is expected to be funded by way of debt taken out by the LLP

1 Strengthens Portfolio Exposure to the Logistics Sector

Strategically located within Jurong industrial estate

Enlarged presence in the Jurong industrial zone with the Proposed Acquisition



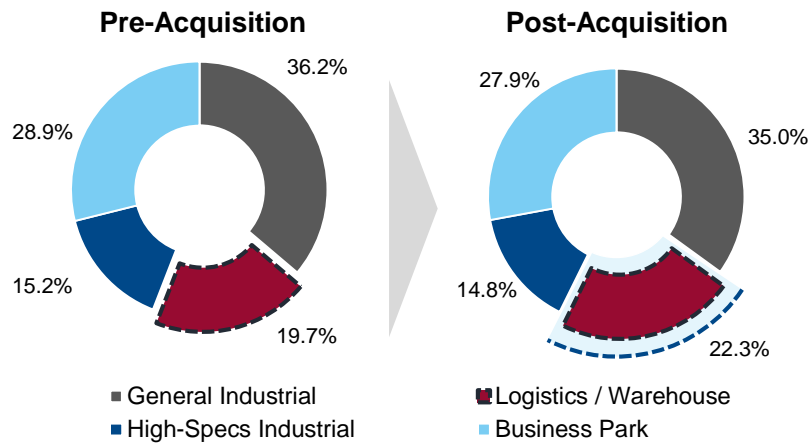
● 48 Pandan Road ● Other ESR-REIT properties

- Located within the Pandan area and is in close proximity to major infrastructure – a key logistics cluster of the Jurong Industrial Precinct
- Immediate proximity to Jurong Port, International Business Park and Jurong Island
- Well accessed by major expressways such as the Ayer Rajah Expressway (“AYE”) and West Coast Highway

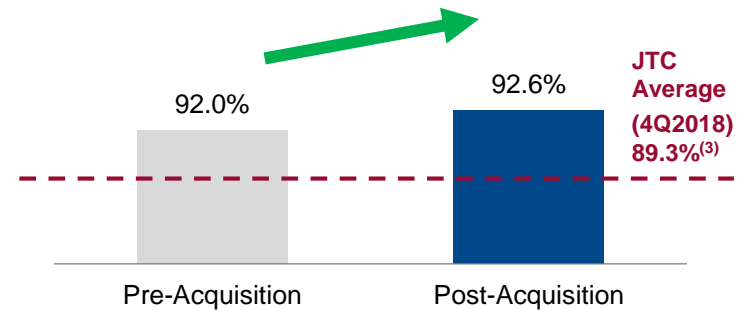
2 Enhances Portfolio Metrics and Provides Stable Income Stream

- Logistics portfolio will be further diversified, comprising of c.60% in-demand and modern ramp-up facilities
- Property leased to PTC for a term of 10 years with fixed rental escalation per annum

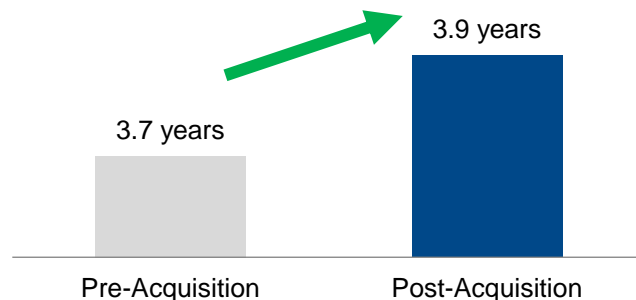
Increased Proportion⁽¹⁾ of Logistics in Portfolio



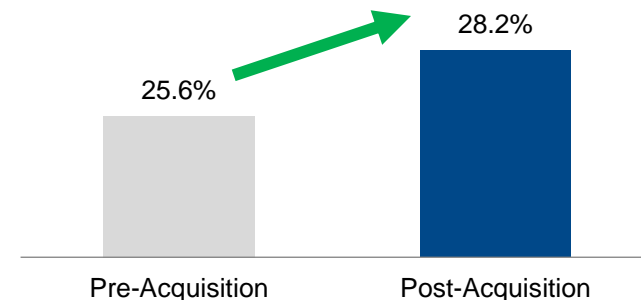
Improved Occupancy above JTC Average



WALE⁽²⁾ Lengthened



Improved Lease Expiry Concentration⁽²⁾ for 2024 & Beyond



Notes:

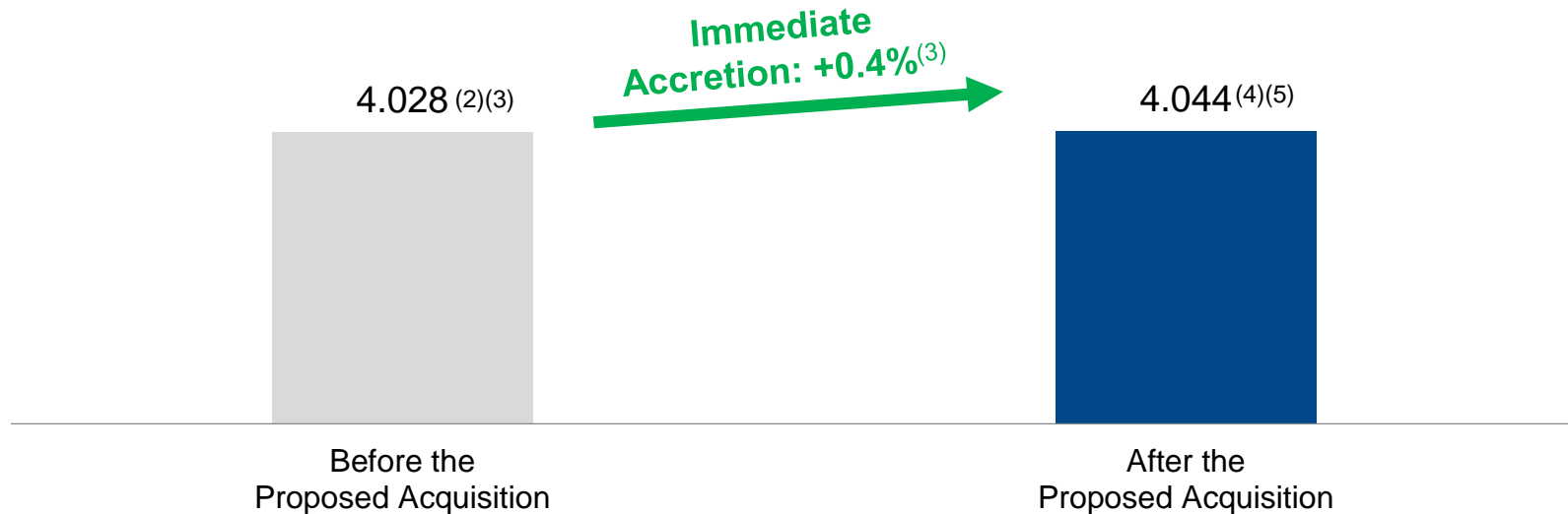
- Based on the unaudited financial statements of ESR-REIT for 1Q2019 as announced on 24 April 2019.
- By rental income based on the unaudited financial statements of ESR-REIT for 1Q2019 as announced on 24 April 2019.
- Source: JTC Quarterly Market Report on Industrial Property – Fourth Quarter 2018 as released on 24 January 2019

3 DPU Accretive to Unitholders

Builds on REIT Manager's track record of accretive acquisitions

Annualised Distribution per Unit (Singapore Cents)⁽¹⁾

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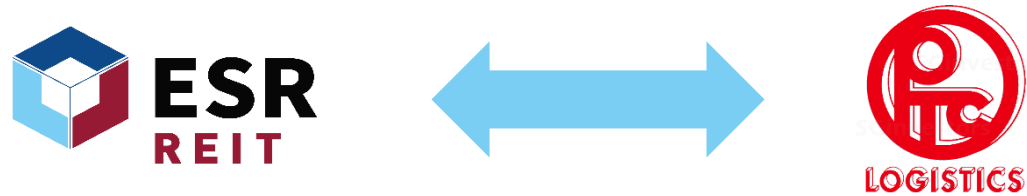


Notes: Please refer to announcement titled "Entry into Joint Venture and Acquisition of 48 Pandan Road, Singapore 609289" dated 17 June 2019

- 1) Assumes that the Proposed Acquisition and issuance of new Units pursuant to the Equity Fund Raising were completed on 1 January 2019, and ESR-REIT had held the Property through the LLP throughout the financial period
- 2) Includes other gains of S\$2.1m for 1Q2019 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.
- 3) Based on the annualised distribution of ESR-REIT for 1Q2019.
- 4) Includes the net income from the Property held through the LLP but does not include the fixed annual rental escalation per annum under the leaseback (the Property shall be leased back by the LLP as landlord to PTC as tenant for a term of ten years with fixed rental escalation per annum).
- 5) Includes c.88.1m new Units issued at the illustrative issuance price of S\$0.515 per new Unit in relation to the Equity Fund Raising.

4 Strategic Partnership with an Established Logistics Player

Additional driver to underpin long term growth



The strategic partnership has also been undertaken with PTC to provide real estate solutions for their business expansion and logistics real estate needs in Singapore and the region.

Poh Tiong Choon Logistics Limited (“PTC”)

- Owner-operator of transport company founded in 1950 with an established and long track record in Singapore logistics business
- Leading third-party logistics provider with core business in transportation, bulk cargo handling, warehousing, drumming, trading, terminal management, leasing and property development

Proposed Asset Enhancement Initiatives (“AEIs”)



Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial

Two AEs Planned

Positions ESR-REIT's portfolio to be "Future-Ready"

- Continues the REIT Manager's strategy to unlock portfolio value and attract high value tenants through AEs
- Estimated yield on cost of up to 9.0%, with c.S\$45.7m cost

1



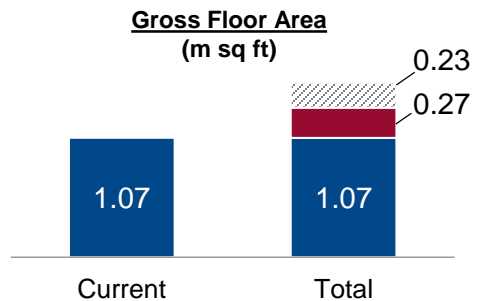
7000 AMK

2



UEBH

- Utilising untapped plot ratio to develop a modern high-specification industrial facility to attract high value tenants



Remaining Unutilised New Developments Current

- Rejuvenation works to enhance "work-live-play" factor to attract quality tenants in the Changi Business Park region
- Improve traffic flow, ease of navigation and accessibility

Getting 7000 AMK Ready for the Future

Developing a brand new high-specs industrial building with an appealing modern façade



Proposed 7000 AMK AEI

- Brand new GFA of c.270,000 sq ft of high-specification industrial space
- Increase plot ratio from 1.7 to 2.1
- Well-equipped to support a multitude of high value manufacturing functions
- Construction expected to commence in 4Q2019 and take 18 to 24 months to complete

Future Potential

- Remaining GFA of c.225,000 sq ft for further development in the future

7000 AMK's AEI will allow the asset to be "future-ready" and provide Unitholders with sustainable income and NAV growth over the long term

Creating a Seamless “Live-Work-Play” Experience at UEBH

UEBH is well positioned to capture the vibrancy in the Changi urban transformation



Map of Changi Business Park



- ✓ New and extended canopy and drop-off area to improve traffic flow into the property
- ✓ Access lobbies to be reconfigured to ease navigation and improve accessibility
- ✓ Zero down-time: property will remain fully operational
- ✓ Enhanced communal spaces with alfresco dining and entertainment to provide refreshed dining concept appealing to large professional community in the area
- ✓ Façade works to give the development a modern and contemporary boost

AEI will rejuvenate, refresh and reinforce its position as Singapore’s leading business park in the East, allowing UEBH to continue to attract and retain quality tenants

Proposed Equity Fund Raising



*Top: UE BizHub EAST | Business Park
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Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Overview of the Equity Fund Raising

To raise gross proceeds of up to approximately S\$150.0m

Private Placement	Preferential Offering
<p data-bbox="196 506 341 535">Issue Size</p> <ul data-bbox="455 464 901 592" style="list-style-type: none">▪ Up to approximately S\$100.0m<ul style="list-style-type: none">– Base Deal: S\$75.0m– Upsize Option: S\$25.0m	<p data-bbox="1149 506 1295 535">Issue Size</p> <ul data-bbox="1398 506 1833 542" style="list-style-type: none">▪ Up to approximately S\$75.0m
<p data-bbox="165 921 372 949">Further Details</p> <ul data-bbox="455 821 984 1063" style="list-style-type: none">▪ 100% Primary Offering▪ Up to approximately 195.0m Units⁽¹⁾<ul style="list-style-type: none">– Base Deal: Up to approximately 146.0m Units⁽¹⁾– Upsize Option: Up to approximately 49.0m Units⁽¹⁾	<p data-bbox="1108 921 1326 949">Further Details</p> <ul data-bbox="1398 871 1937 1013" style="list-style-type: none">▪ ESR Cayman Limited to subscribe for up to S\$75.0m (together with the Manager's subscription), subject to approval of the whitewash resolution⁽²⁾

Notes:

- 1) Based on private placement issue price range of between S\$0.515 and S\$0.525 per private placement new unit (both figures inclusive)
- 2) 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 Takeovers and Mergers from the Sponsor and persons acting in concert or presumed to be acting in concert with it in relation to ESR-REIT.

Equity Fund Raising and Use of Proceeds

Assuming up to approximately S\$150.0m EFR proceeds raised, approximately S\$90.1m of net proceeds to be used for the (1) Proposed Acquisition and (2) Proposed AEIs; with the remaining to be used for (3) Debt Repayment

1

Acquisition of 48 Pandan Road

- Acquisition of 49% of the asset with the other 51% held by PTC via a JV LLP
- Total Cost:** S\$225.0m (100% stake)
- Funded through a combination of debt and equity at JV LLP
- Portion funded by ESR-REIT's equity:** S\$44.4m
- Estimated completion:** 3Q19

2

Identified 2 AEIs with S\$45.7m total cost to commence construction in 4Q19

AEI (1) : 7000AMK

- Total Cost:** S\$35.7m

AEI (2) : UE Bizhub EAST

- Total Cost:** S\$10.0m

3

Debt Repayment

- Remaining net proceeds to be used for repayment of existing indebtedness
- ESR-REIT's aggregate leverage is expected to decrease from 42.0% to 40.3%⁽¹⁾

Proposed Acquisition



JV LLP is a strategic partnership between ESR-REIT and PTC to acquire 48 Pandan Road from PTC, and then leased back to PTC for a term of ten years.

Rationale:

- Strengthen ESR-REIT's logistics portfolio
- Enhances portfolio metrics and provides stable income stream
- DPU accretive to Unitholders
- Strategic partnership with logistics owner-operator

1

Proposed AEIs

Estimated yield on cost: c. up to 9.0%



- New high-specs facility at 7000 AMK
- Maximise utilised plot ratio by creating approximately 270,000 sqft of additional GFA



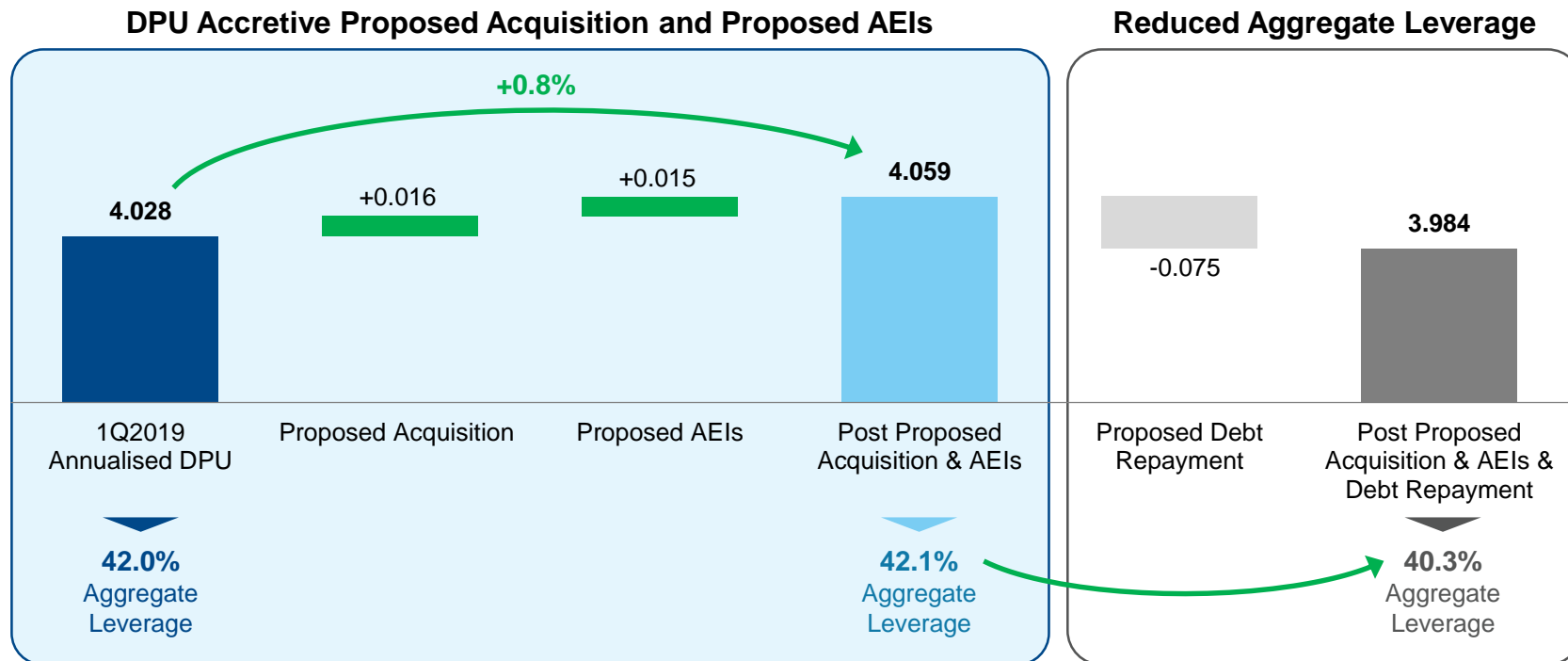
- AEI to attract and retain quality tenants by improving traffic flow, ease of navigation and accessibility

2

Pro Forma Financial Effects of the Proposed Transactions

Annualised Distribution per Unit (Singapore Cents)⁽¹⁾

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Notes: Please refer to the announcement titled "Launch of Equity Fund Raising to Raise Gross Proceeds of Up To Approximately S\$150.0 Million" dated 17 June 2019

- 1) Assumes that the Proposed Transactions and issuance of new Units pursuant to the Equity Fund Raising were completed on 1 January 2019, and ESR-REIT had held the Property through the JV LLP throughout the financial period and the lease in relation to the Proposed AEIs had generated rental income throughout the financial period in accordance with the memorandum of understanding

Conclusion

Acquisition of PTC Logistics Hub & Strategic Partnership with PTC Logistics	1	Proposed Acquisition of a high quality, newly completed modern ramp-up warehouse <ul style="list-style-type: none"> Strategically located within Jurong Industrial Estate Immediate proximity to Jurong Port, International Business Park and Jurong Island
	2	Enhances portfolio metrics <ul style="list-style-type: none"> Lengthening of WALE from 3.7 to 3.9 years Improved Occupancy above JTC average from 92.0% to 92.6% % of WALE for 2024 and beyond increases from 25.6% to 28.2% Further diversification of the portfolio with increased proportion of logistics in portfolio
	3	Strategic partnership with PTC Logistics <ul style="list-style-type: none"> To provide real estate solutions for their business expansion and logistics real estate needs in Singapore and the region
Asset Enhancement Initiatives	4	Positions ESR-REIT's assets to be "future-ready" to attract high value tenants
	5	Utilises untapped plot ratio and rejuvenation works to optimise and unlock value from existing properties
Debt Repayment	6	Strengthens ESR-REIT's balance sheet and capital structure
	7	Provides ESR-REIT with greater financial capacity to capitalise on potential growth opportunities as and when they may arise

Disclaimer

This material shall be read in conjunction with ESR-REIT's results announcements for the financial period ended 31 March 2019 and the announcements dated 17 June 2019 titled "*Entry into Joint Venture and Acquisition of 48 Pandan Road, Singapore 609289*" and "*Launch of Equity Fund Raising to Raise Gross Proceeds of Up To Approximately S\$150.0 Million*" and the press release dated 17 June 2019 titled "*ESR-REIT's AEI Plans for 2 Existing Properties Positioned to Attract High Value Tenants*".

Important Notice

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

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This material may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future ESR-REIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This material is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this 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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