FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 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 second quarter ended 30 June 2019 ("2Q2019").

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.

As at 30 June 2019, the Group has a diversified portfolio of 56 properties located across Singapore with a diversified tenant base of 328 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* and a total gross floor area of approximately 14.0 million square feet.

The Group's financial results include the consolidated results of its wholly-owned subsidiaries namely, Viva Trust, ESR-MTN Pte. Ltd. ("ESR-MTN"), 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.

* 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.

Summary of the Group's Results

	2Q2019 S$'000	2Q2018 S$'000	Fav/ (Unfav) %	1H2019 S$'000	1H2018 S$'000	Fav/ (Unfav) %
Gross revenue	**63,760**	**32,543**	**95.9**	**128,584**	**66,151**	**94.4**
Net property income	**47,790**	**23,440**	**103.9**	**96,411**	**47,225**	**104.2**
Amount available for distribution	**32,077**	**15,849**	**102.4**	**64,039**	**29,275**	**118.7**
- Taxable income	**28,297**	**14,069**	**101.1**	**58,169**	**26,976**	**115.6**
- Tax exempt income	**-**	**-**	**n.m.**	**-**	**519**	**n.m.**
- Other gains	**3,780**	**1,780**	**112.4**	**5,870**	**1,780**	**229.8**
Distribution per unit ("DPU") (cents)	**1.004**	**1.001**	**0.3**	**2.011**	**1.848**	**8.8**

n.m. – not meaningful

Total Distribution for 2Q2019

	Advanced distribution[1]	**Remaining distribution**	**Total distribution**
Distribution Period	**1 April 2019 to 25 June 2019 S$'000**	**26 June 2019 to 30 June 2019 S$'000**	**2Q2019 S$'000**
Net income available for distribution	26,517	1,780	28,297
Distribution from other gains	3,572	208	3,780
Total distribution	30,089	1,988	32,077
Applicable number of units ('000)	3,185,179	3,379,353	3,195,012
DPU (cents)	0.945	0.059	1.004

(1) With reference to the Manager's announcement dated 12 July 2019 titled "Details of Advanced Distribution in connection with the Private Placement", the advanced distribution per unit for the period from 1 April 2019 to 25 June 2019 of 0.945 cents comprising taxable income component of 0.833 cents and other gains component of 0.112 cents will be paid on or around 26 July 2019.

Details of the Remaining Distribution for 2Q2019

Distribution period	**26 June 2019 to 30 June 2019**	
Distribution rate	**0.059 cents per unit comprising:**	
	(i) taxable income	**0.053 cents per unit**
	(ii) other gains	**0.006 cents per unit**
Books closure date	**31 July 2019**	
Payment date	**30 August 2019**	

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the distribution for the period from 26 June 2019 to 30 June 2019.

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

Statement of Total Return

	Note	Group		
		2Q2019 S$'000	**2Q2018 S$'000**	**Fav/ (Unfav) %**
Gross revenue	(a)	**63,760**	**32,543**	**95.9**
Property manager's fees	(b)	(2,581)	(1,375)	(87.7)
Property tax		(4,492)	(2,468)	(82.0)
Land rental	(d)	-	(2,043)	n.m
Other property expenses		(8,897)	(3,217)	(176.6)
Property expenses		**(15,970)**	**(9,103)**	**(75.4)**
Net property income	(a)	**47,790**	**23,440**	**103.9**
Manager's fees	(b)	(3,736)	(2,039)	(83.2)
Trust expenses		(778)	(479)	(62.4)
Interest income		2	4	(50.0)
Borrowing costs	(c)	(13,158)	(5,206)	(152.7)
Finance costs on lease liabilities for leasehold land (FRS 116)	(d)	(2,703)	-	n.m.
Non-property expenses		**(20,373)**	**(7,720)**	**(163.9)**
Net income		**27,417**	**15,720**	**74.4**
Gain on disposal of investment property		51	-	n.m.
Change in fair value of financial derivatives	(e)	(5,161)	(1,202)	(329.4)
Change in fair value of right-of-use of leasehold land (FRS 116)	(d)	525	-	n.m.
Total return for the period before income tax and distribution		**22,832**	**14,518**	**57.3**
Less: Income tax expense		(4)	-	n.m.
Total return for the period after income tax before distribution		**22,828**	**14,518**	**57.2**
Attributable to:				
Unitholders and perpetual securities holders		21,863	13,632	60.4
Non-controlling interest		965	886	8.9
		22,828	**14,518**	**57.2**

n.m. – not meaningful

Distribution Statement

	Note	Group 2Q2019 S$'000	Group 2Q2018 S$'000	Group Fav/ (Unfav) %
Total return for the period after income tax before distribution attributable to Unitholders and perpetual securities holders		**21,863**	**13,632**	**60.4**
Net effect of non-tax deductible/(chargeable) items and other adjustments	(f)	8,155	2,157	278.1
		30,018	15,789	90.1
Amount reserved for distribution to perpetual securities holders		(1,721)	(1,720)	(0.1)
Net income available for distribution for the period		**28,297**	**14,069**	**101.1**
Distribution from other gains	(g)	3,780	1,780	112.4
Total distribution for the period	(h)	**32,077**	**15,849**	**102.4**
DPU for the period (cents)		**1.004**	**1.001**	**0.3**

n.m. – not meaningful

Notes:

(a) The Group recorded gross revenue and net property income ("NPI") of S$63.8 million and S$47.8 million respectively in 2Q2019 and these were higher than the corresponding quarter last year by 95.9% and 103.9% respectively.

The growth in revenue and NPI was mainly attributed to the contributions from (a) the acquisition of 15 Greenwich and Viva Trust's nine properties pursuant to the Merger in October 2018; (b) the leasing up of 30 Marsiling; 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$9.1 million to S$16.0 million in 2Q2019, which was 75.4% higher than the corresponding quarter last year. Property expenses increased largely due to the acquisition of 15 Greenwich and Viva Trust's nine properties pursuant to the Merger in October 2018 and master lease conversions.

(b) Higher management fees for the Manager and the Property Manager in 2Q2019 were due to higher deposited property and higher rental revenue respectively, which are attributable to the Merger and new property acquisition completed in 4Q2018.

(c) Borrowing costs comprised interest expenses on loans and interest rate swaps, and amortisation of debt related transaction costs. These costs were higher in 2Q2019 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.

(d) 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 *Leases* ("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 rate 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 June 2019, the Group recognised the right-of-use of leasehold land of S$226.6 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 June 2019. The Group's gearing ratio as at 30 June 2019 was 39.0% (31 December 2018: 41.9%). Such right-of-use of leasehold land is also excluded from deposited property for the purpose of calculating the Manager's base fee.

In 2Q2019, 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.

(e) 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.

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

	Group		
	2Q2019 S$'000	**2Q2018 S$'000**	**Fav/ (Unfav) %**
Non-tax deductible/(chargeable) items and other adjustments:			
Manager's fees payable in units	2,129	-	n.m.
Trustee's fees	243	105	131.4
Amortisation of transaction costs relating to debt facilities	1,505	964	56.1
Change in fair value of financial derivatives	5,161	1,202	329.4
Legal and professional fees	76	25	204.0
Adjustment for straight line rent and lease incentives	(1,096)	(313)	(250.2)
Miscellaneous expenses	188	174	8.0
	8,206	2,157	280.4
Income not subject to tax:			
Gain on disposal of investment property	(51)	-	n.m.
Net effect of non-tax deductible/(chargeable) items and other adjustments	**8,155**	**2,157**	**278.1**

(g) Distribution from other gains represented partial payout of the gains from disposal of investment properties in prior years.

(h) Total distribution for the period comprises:

	Note	Group		
		2Q2019 S$'000	**2Q2018 S$'000**	**Fav/ (Unfav) %**
Taxable income		28,297	14,069	101.1
Other gains	(1)	3,780	1,780	112.4
Total distribution for the period		32,077	15,849	102.4

Note:

(1) Other gains represented partial payout of the gains from disposal of investment properties in prior years.

The total distribution of S$32.1 million, based on units which are entitled to the distribution for the quarter, translates to a DPU of 1.004 cents for 2Q2019 which is 0.3% higher than the 2Q2018 DPU of 1.001 cents.

(i) Total distribution for 2Q2019

	Advanced distribution[1]	**Remaining distribution[2]**	**Total distribution**
Distribution Period	**1 April 2019 to 25 June 2019 S$'000**	**26 June 2019 to 30 June 2019 S$'000**	**2Q2019 S$'000**
Net income available for distribution	26,517	1,780	28,297
Distribution from other gains	3,572	208	3,780
Total distribution	30,089	1,988	32,077
Applicable number of units ('000)	3,185,179	3,379,353	3,195,012
DPU (cents)	0.945	0.059	1.004

(1) With reference to the Manager's announcement dated 12 July 2019 titled "Details of Advanced Distribution in connection with the Private Placement", the advanced distribution per unit for the period from 1 April 2019 to 25 June 2019 of 0.945 cents comprising taxable income component of 0.833 cents and other gains component of 0.112 cents will be paid on or around 26 July 2019.

(2) Please refer to Section 11(a) for further details on the remaining distribution for 2Q2019.

Statement of Total Return (1H2019 vs 1H2018)

	Note	Group		
		1H2019 S$'000	1H2018 S$'000	Fav/ (Unfav) %
Gross revenue	(a)	**128,584**	**66,151**	**94.4**
Property manager's fees	(b)	(5,233)	(2,971)	(76.1)
Property tax		(8,929)	(4,902)	(82.2)
Land rental	(d)	-	(4,084)	n.m
Other property expenses		(18,011)	(6,969)	(158.4)
Property expenses		**(32,173)**	**(18,926)**	**(70.0)**
Net property income	(a)	**96,411**	**47,225**	**104.2**
Manager's fees	(b)	(7,265)	(4,071)	(78.5)
Trust expenses		(1,450)	(1,119)	(29.6)
Interest income		8	27	(70.4)
Borrowing costs	(c)	(25,986)	(11,272)	(130.5)
Finance costs on lease liabilities for leasehold land (FRS 116)	(d)	(5,388)	-	n.m.
Non-property expenses		**(40,081)**	**(16,435)**	**(143.9)**
Net income		**56,330**	**30,790**	**82.9**
Gain on disposal of investment property		51	128	(60.2)
Change in fair value of financial derivatives	(e)	(2,930)	(1,202)	(143.8)
Change in fair value of right-of-use of leasehold land (FRS 116)	(d)	1,048	-	n.m.
Total return for the period before income tax and distribution		**54,499**	**29,716**	**83.4**
Less: Income tax expense		(18)	(81)	77.8
Total return for the period after income tax before distribution		**54,481**	**29,635**	**83.8**
Attributable to:				
Unitholders and perpetual securities holders		52,565	27,851	88.7
Non-controlling interest		1,916	1,784	7.4
		54,481	**29,635**	**83.8**

n.m. – not meaningful

Distribution Statement

	Note	Group 1H2019 S$'000	Group 1H2018 S$'000	Group Fav/ (Unfav) %
Total return for the period after income tax before distribution attributable to Unitholders and perpetual securities holders		**52,565**	**27,851**	**88.7**
Net effect of non-tax deductible/(chargeable) items and other adjustments	(f)	9,026	3,066	194.4
		61,591	30,917	99.2
Amount reserved for distribution to perpetual securities holders		(3,422)	(3,422)	-
Net income available for distribution for the period		**58,169**	**27,495**	**111.6**
Distribution from other gains	(g)	5,870	1,780	229.8
Total distribution for the period		**64,039**	**29,275**	**118.7**
DPU for the period (cents)		**2.011**	**1.848**	**8.8**

n.m. – not meaningful

Notes:

(a) The Group recorded gross revenue and net property income ("NPI") of S$128.6 million and S$96.4 million respectively in 1H2019 and these were higher than the corresponding period last year by 94.4% and 104.2% respectively.

The growth in revenue and NPI was mainly attributed to the contributions from (a) the acquisition of 15 Greenwich and Viva Trust's nine properties pursuant to the Merger in October 2018; (b) the leasing up of 30 Marsiling; 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$18.9 million to S$32.2 million in 1H2019, which was 70.0% higher than the corresponding period last year. Property expenses increased largely due to the acquisition of 15 Greenwich and Viva Trust's nine properties pursuant to the Merger in October 2018 and master lease conversions.

(b) Higher management fees for the Manager and the Property Manager in 1H2019 were due to higher deposited property and higher rental revenue respectively, which are attributable to the Merger and new property acquisition completed in 4Q2018.

(c) Borrowing costs comprised interest expenses on loans and interest rate swaps, and amortisation of debt related transaction costs. These costs were higher in 1H2019 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.

(d) Following the adoption of FRS 116, the Group recognised finance cost on lease liabilities for leasehold land of S$5.4 million and change in fair value of right-of-use of leasehold land of S$1.0 million on the Statement of Total Return for 1H2019.

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.

(e) 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.

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

	Group		
	1H2019 S$'000	1H2018 S$'000	Fav/ (Unfav) %
Non-tax deductible/(chargeable) items and other adjustments:			
Manager's fees paid/payable in units	3,435	-	n.m.
Property Manager's fees payable in units	819	-	n.m.
Trustee's fees	463	209	121.5
Amortisation of transaction costs relating to debt facilities	2,908	1,436	102.5
Change in fair value of financial derivatives	2,930	1,202	143.8
Legal and professional fees	155	313	(50.5)
Adjustment for straight line rent and lease incentives	(1,788)	(792)	(125.8)
Miscellaneous expenses	364	307	18.6
Tax exempt income	-	519	n.m.
Rollover adjustment from prior years	(209)	-	n.m.
	9,077	3,194	184.2
Income not subject to tax:			
Gain on disposal of investment property	(51)	(128)	60.2
Net effect of non-tax deductible/(chargeable) items and other adjustments	**9,026**	**3,066**	**194.4**

(g) Distribution from other gains represented the following:

- S$0.3 million of the ex-gratia payments received from the Singapore Land Authority in connection with the compulsory acquisitions of land in prior years; and

- S$5.6 million of the gains from disposal of investment properties in prior years.

(h) Total distribution for the period comprises:

		Group		
	Note	1H2019 S$'000	1H2018 S$'000	Fav/ (Unfav) %
Taxable income		58,169	26,976	115.6
Tax-exempt income	(1)	-	519	n.m.
Other gains	(2)	5,870	1,780	229.8
Total distribution for the period		64,039	29,275	118.7

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

(i) The total distribution of S$64.0 million, based on units which are entitled to the distribution for the period, translated to a DPU of 2.011 cents for 1H2019 which is 8.8% higher than the 1H2018 DPU of 1.848 cents.

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

		Group		Trust	
	Note	30-06-19 S$'000	31-12-18 S$'000	30-06-19 S$'000	31-12-18 S$'000
Assets					
Non-current assets					
Investment properties	(a)	3,022,086	3,016,200	1,457,092	1,452,500
Right-of-use of leasehold land (FRS 116)	(b)	226,633	-	169,926	-
Subsidiaries	(c)	-	-	1,786,242	1,786,242
Joint venture	(d)	-*	-	-*	-
		3,248,719	3,016,200	3,413,260	3,238,742
Current assets					
Investment property held for divestment	(a)	-	5,700	-	5,700
Trade and other receivables	(e)	13,722	11,144	35,231	30,535
Cash and cash equivalents	(f)	24,672	17,664	11,193	6,560
		38,394	34,508	46,424	42,795
Total assets		**3,287,113**	**3,050,708**	**3,459,684**	**3,281,537**
Liabilities					
Current liabilities					
Trade and other payables	(g)	80,116	58,230	66,873	45,856
Lease liabilities for leasehold land (FRS 116)	(b)	2,530	-	2,530	-
Interest-bearing borrowings	(h)	178,152	281,921	178,152	281,921
Amount due to non-controlling interest	(i)	61,074	61,074	-	-
		321,872	401,225	247,555	327,777
Non-current liabilities					
Trade and other payables	(g)	19,924	16,129	11,262	7,860
Amount due to a subsidiary	(j)	-	-	40,247	40,247
Lease liabilities for leasehold land (FRS 116)	(b)	224,103	-	167,396	-
Interest-bearing borrowings	(h)	1,004,718	986,282	1,004,718	986,282
Derivative financial instruments	(k)	19,708	16,289	19,708	16,289
		1,268,453	1,018,700	1,243,331	1,050,678
Total liabilities		**1,590,325**	**1,419,925**	**1,490,886**	**1,378,455**
Net assets		**1,696,788**	**1,630,783**	**1,968,798**	**1,903,082**
Represented by:					
Unitholders' funds	(l)	1,545,673	1,479,668	1,817,683	1,751,967
Perpetual securities holders' funds	(m)	151,115	151,115	151,115	151,115
		1,696,788	**1,630,783**	**1,968,798**	**1,903,082**

*Denotes an amount of S$1

Notes:

(a) As at 30 June 2019, the total carrying value of investment properties was S$3.02 billion. Investment properties increased by S$0.2 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 (d) 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) On 17 June 2019, ESR-REIT entered into a joint venture with Poh Tiong Choon Logistics Limited ("PTC") through a limited liability partnership in Singapore known as PTC Logistics Hub LLP (the "JV") in which ESR-REIT holds 49% interest. On the same day, the JV entered into a put and call option agreement with PTC for the acquisition of a property located at 48 Pandan Road, Singapore 609289 ("48 Pandan Road") from PTC at a purchase consideration of S$225.0 million. Upon completion of the JV's acquisition of 48 Pandan Road, the said property will be leased back by the JV (as landlord) to PTC (as tenant) for a term of ten years with fixed annual rental escalations. As at 30 June 2019, ESR-REIT and PTC have each made an initial capital contribution to the JV of S$1 in cash. Please refer to the announcement made by the Manager on 17 June 2019 titled "Entry into Joint Venture and Acquisition of 48 Pandan Road, Singapore 609289" for further details on the above.

(e) Trade and other receivables increased by S$2.6 million mainly due to increase in trade receivables, prepayments for property expenses and deposits.

(f) Cash and cash equivalents increased mainly due to the proceeds from the divestment of 31 Kian Teck Way, which was completed on 28 June 2019.

(g) Trade and other payables increased by S$25.7 million mainly due to the advanced distribution for the period from 1 April 2019 to 25 June 2019 of S$30.1 million payable to Unitholders, partially offset by the settlement of professional fees related to the Merger.

(h) Interest-bearing borrowings decreased by S$85.3 million mainly due to the partial repayment of an outstanding revolving credit facility. On 26 June 2019, ESR-REIT raised gross proceeds of approximately S$100.0 million via a private placement of 194,174,000 new units at an issue price of S$0.515 per unit. Pending the deployment of such proceeds to fund the acquisition of 49% interest in 48 Pandan Road and the proposed asset enhancement initiatives ("AEI") at 7000 Ang Mo Kio Avenue 5 and UE BizHub EAST, the Manager utilised all of the proceeds to partially repay an outstanding revolving credit facility.

(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 2Q2019 and 1H2019.

(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 June 2019, the Group's current liabilities exceeded its current assets by S$283.5 million (31 December 2018: S$366.7 million) mainly due to the classification of interest-bearing borrowings of S$178.2 million as current liabilities as they are repayable within one year from 30 June 2019. Such interest-bearing borrowings can be refinanced by (i) drawing down the Group's unutilised committed revolving credit facilities of S$140 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	
	30-06-19 S$'000	**31-12-18 S$'000**
Unsecured borrowings		
Amount payable within one year	178,569	282,569
Less: Unamortised debt transaction costs	(417)	(648)
	178,152	281,921
Amount payable after one year	1,015,000	995,000
Less: Unamortised debt transaction costs	(10,282)	(8,718)
	1,004,718	986,282
Total borrowings	**1,182,870**	**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$125 million was drawn down on the TLF1 as at 30 June 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$85 million was drawn down on the TLF2 as at 30 June 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 June 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 June 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 June 2019.

(b) Unencumbered investment properties

As at 30 June 2019, the Group has 56 unencumbered investment properties with an aggregate carrying value of approximately S$3.02 billion*, representing 100% of the investment properties by value.

* Includes the valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis of which ESR-REIT has 80% economic interest.

1 (c) Statements of Cash Flows

	Group			
	2Q2019 S$'000	2Q2018 S$'000	1H2019 S$'000	1H2018 S$'000
Cash flows from operating activities				
Total return for the period before income tax and distribution	22,832	14,518	54,499	29,716
Adjustments for:				
Interest income	(2)	(4)	(8)	(27)
Borrowing costs	13,158	5,206	25,986	11,272
Finance costs on lease liabilities for leasehold land (FRS 116)	2,703	-	5,388	-
Manager's fees paid/payable in units	2,129	-	3,435	-
Property Manager's fees paid/payable in units	-	-	819	-
Gain on disposal of investment property	(51)	-	(51)	(128)
Change in fair value of financial derivatives	5,161	1,202	2,930	1,202
Change in fair value of right-of-use of leasehold land (FRS 116)	(525)	-	(1,048)	-
Operating income before working capital changes	**45,405**	**20,922**	**91,950**	**42,035**
Changes in working capital				
Trade and other receivables	(1,269)	(2,671)	(2,331)	(7,749)
Trade and other payables	2,881	1,402	(1,699)	2,279
Cash generated from operating activities	**47,017**	**19,653**	**87,920**	**36,565**
Income tax paid	(397)	-	(397)	(744)
Net cash generated from operating activities	**46,620**	**19,653**	**87,523**	**35,821**
Cash flows from investing activities				
Net cash outflow on purchase of investment properties	-	(122)	-	(1,285)
Capital expenditure on investment properties	(3,664)	(1,548)	(12,018)	(2,580)
Proceeds from disposal of investment properties	5,797	-	5,797	23,900
Payment for divestment costs	-	(27)	-	(194)
Interest received	2	4	8	27
Net cash generated from/(used in) investing activities	**2,135**	**(1,693)**	**(6,213)**	**19,868**
Cash flows from financing activities				
Proceeds from issuance of new units	100,000	-	100,000	141,939
Issue costs for perpetual securities paid	-	-	-	(271)
Equity issue costs paid	-	(1,046)	-	(1,151)
Borrowing costs paid	(16,186)	(8,204)	(26,737)	(10,938)
Proceeds from borrowings	295,000	17,000	318,000	17,000
Repayment of borrowings	(381,000)	(6,000)	(402,000)	(176,000)
Payment for lease liabilities for leasehold land (FRS 116)	(2,178)	-	(4,340)	-
Distributions paid to Unitholders	(27,383)	(13,414)	(54,044)	(21,587)
Distributions paid to perpetual securities holders	(3,422)	(3,421)	(3,422)	(3,421)
Distribution to non-controlling interest	(951)	-	(1,759)	(182)
Net cash used in financing activities	**(36,120)**	**(15,085)**	**(74,302)**	**(54,611)**
Net increase in cash and cash equivalents	**12,635**	**2,875**	**7,008**	**1,078**
Cash and cash equivalents at beginning of the period	**12,037**	**9,854**	**17,664**	**11,651**
Cash and cash equivalents at end of the period	**24,672**	**12,729**	**24,672**	**12,729**

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

	Group		Trust	
	2Q2019 S$'000	**2Q2018 S$'000**	**2Q2019 S$'000**	**2Q2018 S$'000**
Unitholders' Funds				
Balance at beginning of period	**1,483,840**	**924,098**	**1,755,937**	**910,231**
Operations				
Total return for the period attributable to Unitholders and perpetual securities holders	21,863	13,632	21,776	13,674
Amount reserved for distribution to perpetual securities holders	(1,721)	(1,720)	(1,721)	(1,720)
Net increase in net assets resulting from operations	**20,142**	**11,912**	**20,055**	**11,954**
Unitholders' transactions				
Issuance of new units pursuant to:				
- Management fees paid in units	1,306	-	1,306	-
- Distribution Reinvestment Plan	4,578	-	4,578	-
- Private Placement	100,000	-	100,000	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(81)	-	(81)	-
- Private Placement	(2,062)	-	(2,062)	-
- Preferential Offering	-	(177)	-	(177)
Distributions paid to Unitholders	(31,961)	(13,414)	(31,961)	(13,414)
Advanced distribution payable to Unitholders	(30,089)	-	(30,089)	-
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**41,691**	**(13,591)**	**41,691**	**(13,591)**
Balance at end of period	**1,545,673**	**922,419**	**1,817,683**	**908,594**
Perpetual Securities Holders' Funds				
Balance at beginning of period	**152,816**	**152,816**	**152,816**	**152,816**
Amount reserved for distribution to perpetual securities holders	1,721	1,720	1,721	1,720
Distribution to perpetual securities holders	(3,422)	(3,421)	(3,422)	(3,421)
Balance at end of period	**151,115**	**151,115**	**151,115**	**151,115**
Total	**1,696,788**	**1,073,534**	**1,968,798**	**1,059,709**

Statements of Movements in Unitholders' funds (1H2019 vs 1H2018)

	Group		Trust	
	1H2019 S$'000	1H2018 S$'000	1H2019 S$'000	1H2018 S$'000
<u>**Unitholders' Funds**</u>				
Balance at beginning of period	**1,479,668**	**778,889**	**1,751,967**	**765,063**
<u>Operations</u>				
Total return for the period attributable to Unitholders and perpetual securities holders	52,565	27,851	52,276	27,852
Amount reserved for distribution to perpetual securities holders	(3,422)	(3,422)	(3,422)	(3,422)
Net increase in net assets resulting from operations	**49,143**	**24,429**	**48,854**	**24,430**
<u>Unitholders' transactions</u>				
Issuance of new units pursuant to:				
- Management fees paid in units	3,138	-	3,138	-
- 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	(81)	(74)	(81)	(74)
- Private Placement	(2,062)	-	(2,062)	-
- Preferential Offering	-	(1,177)	-	(1,177)
Distributions paid to Unitholders	(58,622)	(25,618)	(58,622)	(25,618)
Advanced distribution payable to Unitholders	(30,089)	-	(30,089)	-
Net increase in net assets resulting from Unitholders' transactions	**16,862**	**119,101**	**16,862**	**119,101**
Balance at end of period	**1,545,673**	**922,419**	**1,817,683**	**908,594**
<u>**Perpetual Securities Holders' Funds**</u>				
Balance at beginning of period	**151,115**	**151,115**	**151,115**	**151,115**
Amount reserved for distribution to perpetual securities holders	3,422	3,421	3,422	3,421
Distribution to perpetual securities holders	(3,422)	(3,421)	(3,422)	(3,421)
Balance at end of period	**151,115**	**151,115**	**151,115**	**151,115**
Total	**1,696,788**	**1,073,534**	**1,968,798**	**1,059,709**

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

	Note	Trust			
		2Q2019 Units	2Q2018 Units	1H2019 Units	1H2018 Units
Issued units at beginning of the period		**3,170,172,725**	**1,583,701,947**	**3,170,172,725**	**1,313,623,314**
Issuance of new units pursuant to:					
- Management fees paid in units		6,069,885	-	6,069,885	-
- Distribution Reinvestment Plan		8,936,833	-	8,936,833	7,229,019
- Private Placement	(1)	194,174,000	-	194,174,000	-
- Preferential offering		-	-	-	262,849,614
Issued units at end of the period		**3,379,353,443**	**1,583,701,947**	**3,379,353,443**	**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 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 *Leases* 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 (d) under Section 1(a) for more details on the effects of the adoption of FRS 116 *Leases*.

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			
	Note	2Q2019	2Q2018	1H2019	1H2018
EPU					
Total return after income tax before distribution for the period (S$'000)		20,142	11,912	49,143	24,429
Weighted average number of units ('000)		3,187,889	1,583,702	3,179,080	1,456,496
Basic and diluted EPU (cents)	(a)	0.632	0.752	1.546	1.677
DPU					
Total amount available for distribution for the period (S$'000)		32,077	15,849	64,039	29,275
Applicable number of units for calculation of DPU ('000)		3,195,012	1,583,702	3,184,436	1,583,702
DPU (cents)	(b)	1.004	1.001	2.011	1.848

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	30-06-19	31-12-18	30-06-19	31-12-18
NAV per unit (cents)	(a)	**45.7**	**46.7**	**53.8**	**55.3**

Note:

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

The decrease in NAV per unit was mainly due to the advanced distribution for the period from 1 April 2019 to 25 June 2019 of S$30.1 million payable to Unitholders as at 30 June 2019. Excluding the advanced distribution payable to Unitholders, the NAV per unit of the Group would have been 46.6 cents as at 30 June 2019.

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.

(a) Market Outlook

Based on advanced estimates released on 12 July 2019 by the Ministry of Trade and Industry ("MTI"), Singapore's GDP grew by 0.1% on a year-on-year basis in 2Q2019, lower than the 1.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 3.4% reversing the 3.8% growth in the preceding quarter. All three sectors of services, construction and manufacturing saw a reduction. The lackluster performance could further cut Singapore's full year economic forecast which was expected at "1.5% to 2.5%" in May 2019.

Singapore Purchasing Managers' Index ("PMI") for June 2019 declined further by 0.3 points from the previous month to 49.6. This is the second contraction for Singapore manufacturing PMI after recording 32 months of consecutive expansion. The weaker manufacturing activity was driven by first-time contractions in the key indicators of new orders, factory output, inventory and employment level. New exports and imports slowed, though remaining in growth territory. However, the sub-indices for finished goods, input prices and supplier deliveries all saw faster expansion. The order backlog index also improved despite contracting for the ninth straight month.

The economic outlook for 2019 is expected to ease from 2018's level of economic expansion across the major advanced and regional economies. This is due to the impact of the ongoing trade tensions between US and its key trading partners, especially China which has a profound impact on global supply chains. In addition, the weakening of global economic outlook could lead to pullback of investment and consumption growth. Notwithstanding the interest rate hikes, trade and geopolitical tensions leading to slowdown in the global and Singapore economies, the market outlook could improve if the trade tension between US and China can be resolved soon.

According to JTC's market report for 1Q2019, the occupancy rate of the overall industrial property market remained unchanged as compared to the previous quarter. Prices and rental of industrial space remained relatively stable. Price index fell marginally by 0.1% while rental index was flat as compared to the previous quarter. However, rental index fell by 0.2% while price index remained unchanged compared to a year ago.

In 2019, another 1.2 million sqm of industrial space is expected to come on-stream, which is about 3% of the current industrial stock. As a comparison, the average annual supply and demand of industrial space were around 1.4 million sqm and 1.1 million sqm respectively in the past 3 years. As global manufacturing slowdown and rising trade tensions have lowered Singapore's growth outlook, the Singapore Government has reduced industrial land supply under the Industrial Government Land Sales programme for the second half of 2019. Four sites in the confirmed list and six sites in the reserve list will be released, comprising 9.98 ha of the total supply for the second half of 2019, the lowest since the last peak in the first half of 2013.

During 2Q2019, the Manager secured new leases and renewed existing leases totaling approximately 327,700 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 uncertainties surrounding the on-going global trade tensions resulting in risk-averse behavior amongst industrialists on the demand side 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".

(b) Preferential Offering

On 17 June 2019, the Manager launched an equity fund raising exercise to raise gross proceeds of up to S$150 million comprising a Private Placement and a non-renounceable Preferential Offering of new units to fund the acquisition of 49% interest in 48 Pandan Road and the proposed AEIs at 7000 Ang Mo Kio Avenue 5 ("7000 AMK") and UE BizHub EAST; and repay existing debt. On 26 June 2019, the Manager completed a Private Placement of 194,174,000 new units at an issue price of S$0.515 per unit to raise gross proceeds of approximately S$100.0 million. As gross proceeds of approximately S$100 million have been raised from the Private Placement, the gross proceeds to be raised from the Preferential Offering will not exceed S$50 million.

To demonstrate its support and commitment for ESR-REIT and the equity fund raising exercise, as well as alignment of interests with Unitholders, the Sponsor, ESR Cayman Limited, will provide an undertaking to the Manager to subscribe for new units under the Preferential Offering for up to S$50 million.

The Manager will be issuing a Circular to Unitholders in due course, setting out the details of, and other relevant information in relation to, the Preferential Offering.

(c) Acquisition of 49% interest in 48 Pandan Road

As disclosed in note (d) under Section 1(b)(i), ESR-REIT has entered into a joint venture with PTC through a limited liability partnership in Singapore in which ESR-REIT holds 49% interest. The JV has entered into a put and call option agreement with PTC for the acquisition of 48 Pandan Road from PTC at a purchase consideration of S$225.0 million. Upon completion of the JV's acquisition of 48 Pandan Road, the said property will be leased back by the JV (as landlord) to PTC (as tenant) for a term of ten years with fixed annual rental escalations. The above transactions are expected to be completed in 3Q2019.

(d) Proposed AEIs at 7000 AMK and UE BizHub EAST

The Manager has announced plans to conduct AEIs on two existing properties within the portfolio, which include utilising untapped plot ratio to develop a modern high-specification industrial facility on the site of 7000 AMK and rejuvenation works at UE BizHub EAST.

The development of a new building at 7000 AMK will increase its plot ratio from 1.7 to 2.1, with c.270,000 sqft of brand new high-specification industrial gross floor area. Subject to regulatory approvals, the proposed AEI is expected to commence in 4Q2019 and targeted to complete in 18 to 24 months.

UE BizHub EAST will be undergoing AEI to enhance its work-live-play offerings to offer a city-lifestyle experience to attract surrounding working professionals and quality tenants. The proposed scope of works includes improving the accessibility of the property with an extended drop-off area, a reconfiguration of the access lobbies and internal food street. The façade of the property will be given a facelift for a sleek and contemporary look. The proposed AEI is expected to commence in 4Q2019 and targeted to complete in 4Q2020.

The proposed AEIs are projected to cost approximately S$45.7 million. Both properties are expected to be fully operational with limited downtime expected during the course of the AEI works.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	**55th** distribution for the period from 26 June 2019 to 30 June 2019 (Note: Distribution for the period from 1 April 2019 to 25 June 2019 of 0.945 cents per unit will be paid on or around 26 July 2019)
Distribution Type:	Taxable income/Other gains
Distribution Rate:	0.059 cents per unit comprising: (a) Taxable income 0.053 cents per unit (b) Other gains 0.006 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:	31 July 2019
Date payable:	30 August 2019

The Manager has determined that the DRP **<u>will not apply</u>** to the distribution for the period from 26 June 2019 to 30 June 2019.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	**50th** distribution for the period from 1 April 2018 to 30 June 2018
Distribution Type:	Taxable income/Other gains
Distribution Rate:	1.001 cents per unit comprising: (a) Taxable income 0.888 cents per unit (b) Other gains 0.113 cents per unit
Par value of units:	Not meaningful
Tax Rate:	Taxable income distribution 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). Other gains distribution 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 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.

15 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
22 July 2019